



# ESG Sentiment

## 2021 SURVEY RESULTS

# Friends and colleagues,

2021 was a breakthrough year for ESG in commercial real estate. I think we all felt that something dramatic was happening, and the pace of interest, activity, and innovation continues to accelerate. The results of our fourth annual **ESG Sentiment Survey**—presented here—confirm this, and illustrate how as an industry we are both maturing as a key part of real estate investing, yet still struggling with many of the same challenges.

As always, our goal with this effort is to take a barometer reading of leaders in sustainability in commercial real estate, and understand what issues, trends, hopes, and frustrations are influencing their work. We're fortunate to be able to track year over year changes, and identify emerging ESG trends and focus areas. The following pages summarize the results, painting a broader picture of the market growth and emerging priorities that we each tackle daily. We sent this survey to a select group of over 300 real estate professionals and received 44 responses.

Not surprisingly, decarbonization and net zero were the dominant theme of this year's survey, with diversity and inclusion, regulatory issues, and climate risk management also capturing the attention of our respondents. Data challenges and lack of ESG standards (or too many ESG standards) continue to frustrate progress, and new topics are emerging such as building electrification, battery storage, and carbon capture/storage, to name a few. Interestingly, health and wellness has perhaps receded slightly in terms of market attention, and concerns about greenwashing have crept into the dialogue.

But the most notable trend we saw in the data could be characterized as the "institutionalization of ESG." As noted through several questions, ESG has solidified its place as a core part of real estate investment management. 90% of respondents note higher program budgets for 2022. 93% of respondents believe that their investors see ESG as critical or important to achieving investment objectives. Internal organizational support for ESG has never been higher, and respondents continue to believe that their work in ESG has a positive impact on their career trajectory. ESG has arrived, and is widely viewed as a driver of value and competitive distinction.

Please review the results that follow, and share with us your observations, takeaways, and thoughts. For those of you who participated in this year's survey, we thank you for your input and appreciate your insights. We look forward to collaborating with each of you in the year ahead.

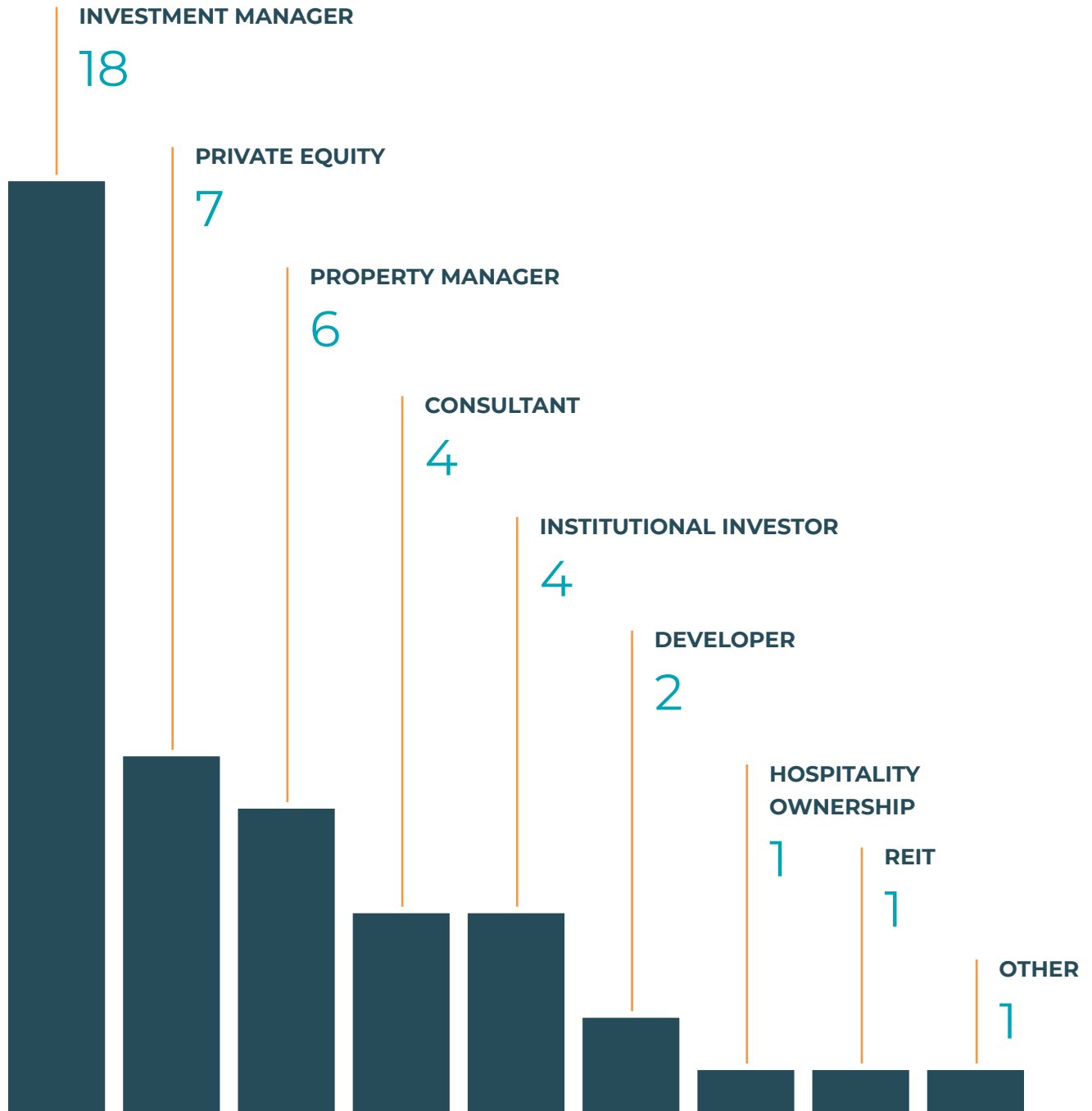
**Deborah Cloutier**  
PRESIDENT

**Jack Davis**  
DIRECTOR

# Survey Results

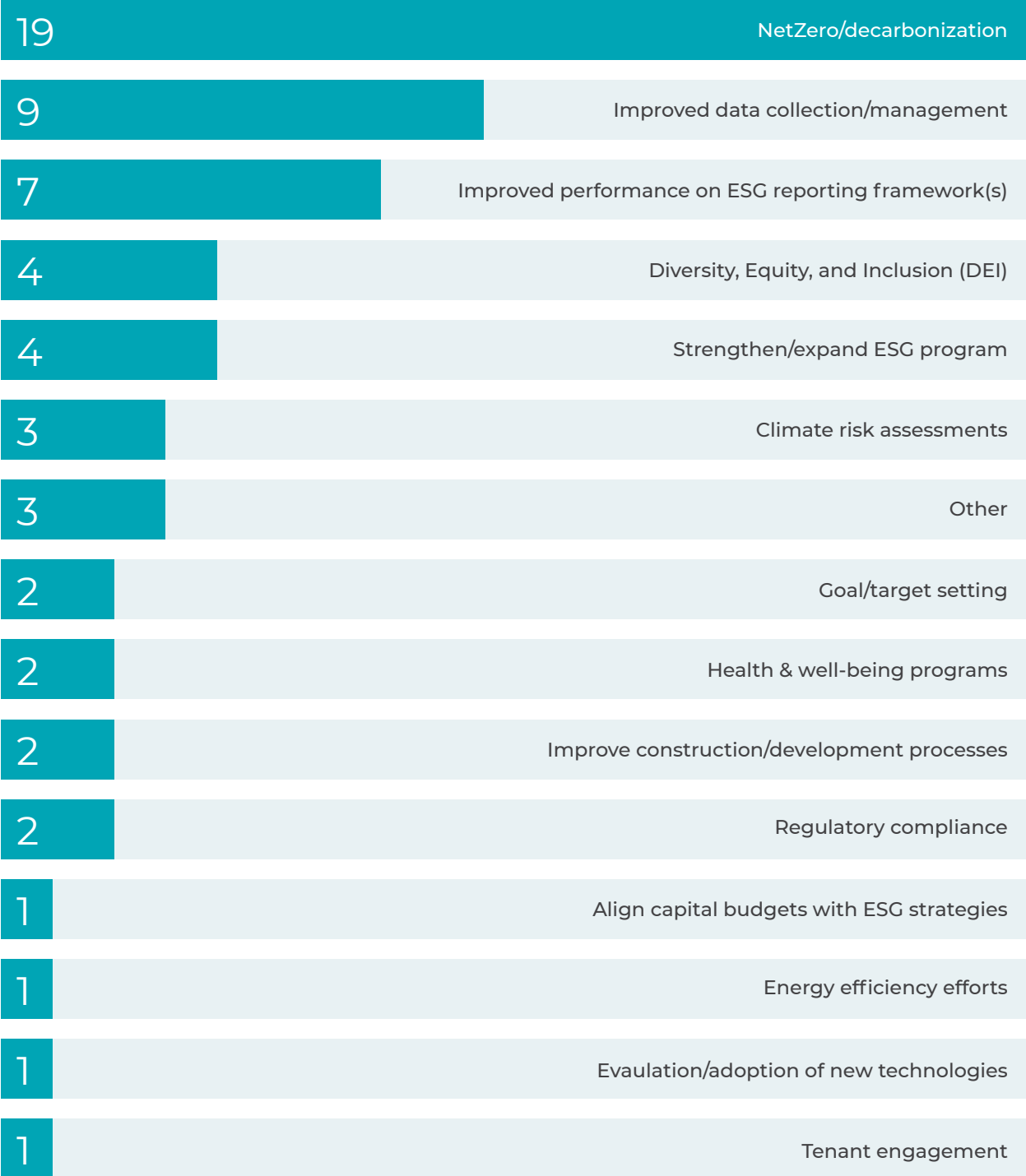
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# Which of the following best describes your organization's primary function?



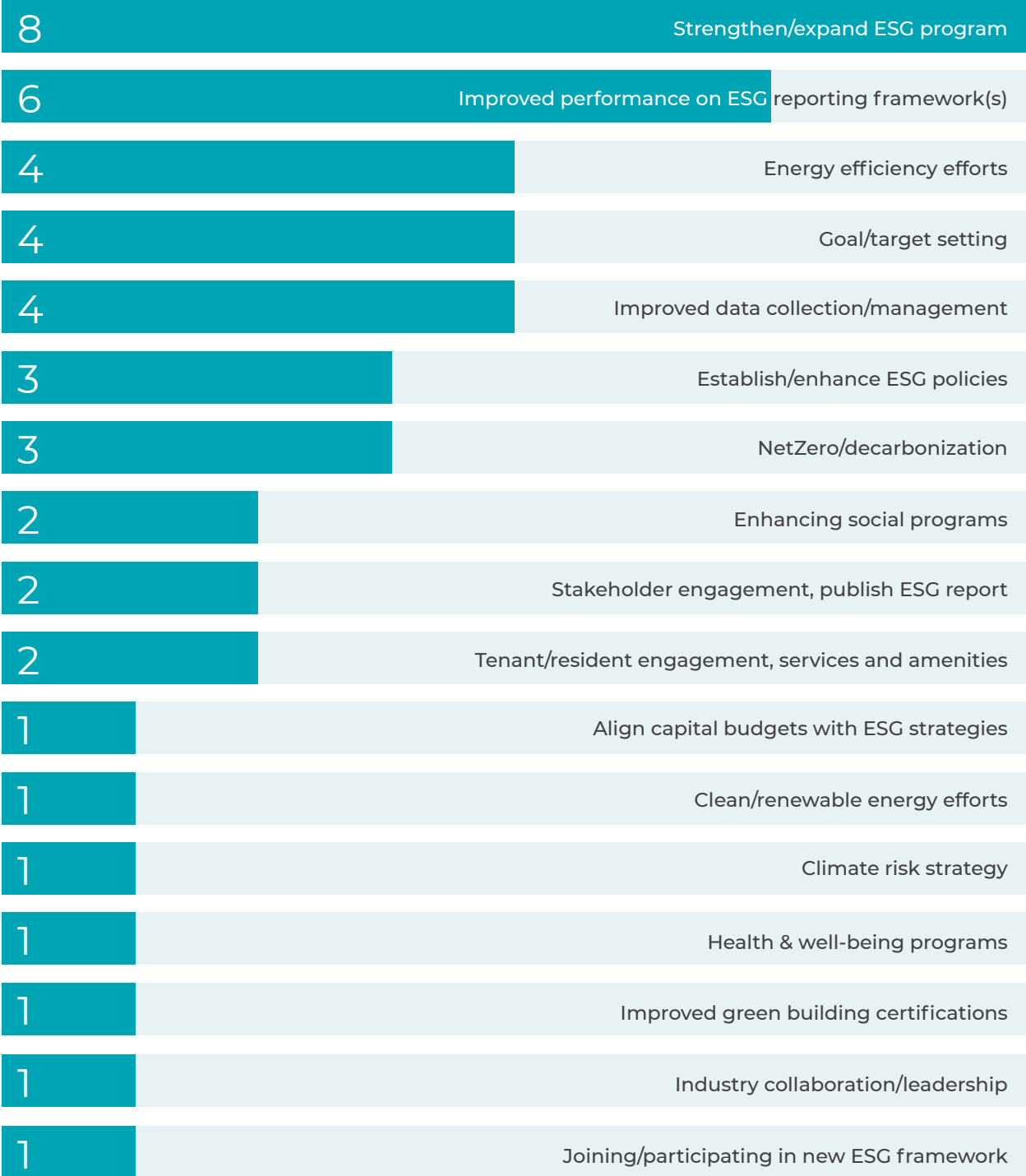
# Describe your greatest ESG success in the past year.

NUMBER OF RESPONDENTS



# What is your top ESG priority for the next year?

NUMBER OF RESPONDENTS

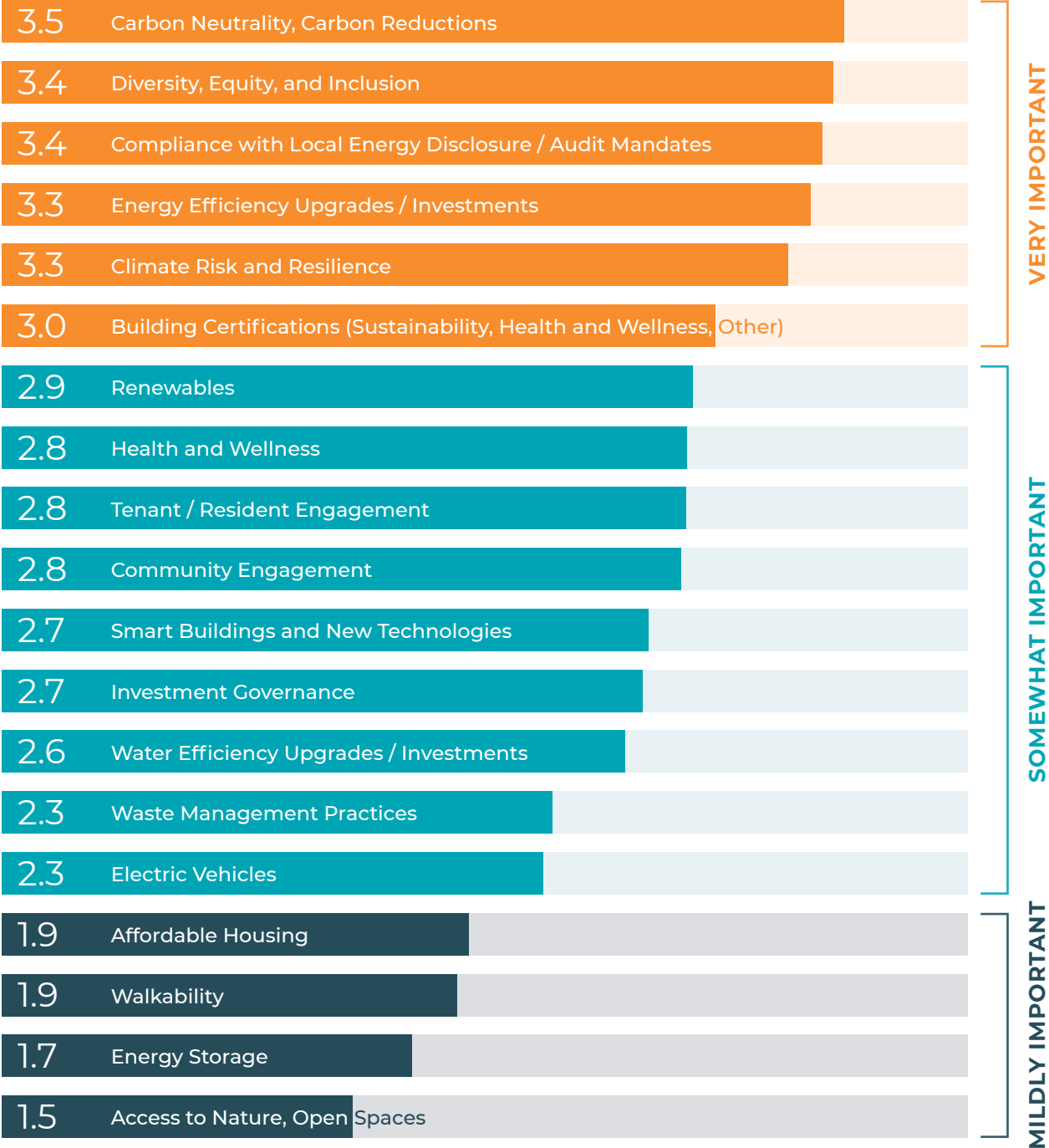


# ESG frameworks ranked by stakeholder value and cost and effort



# How important are the following to the success of your ESG strategy in the next year?

AVERAGE RESPONDENT SCORE (0-4)





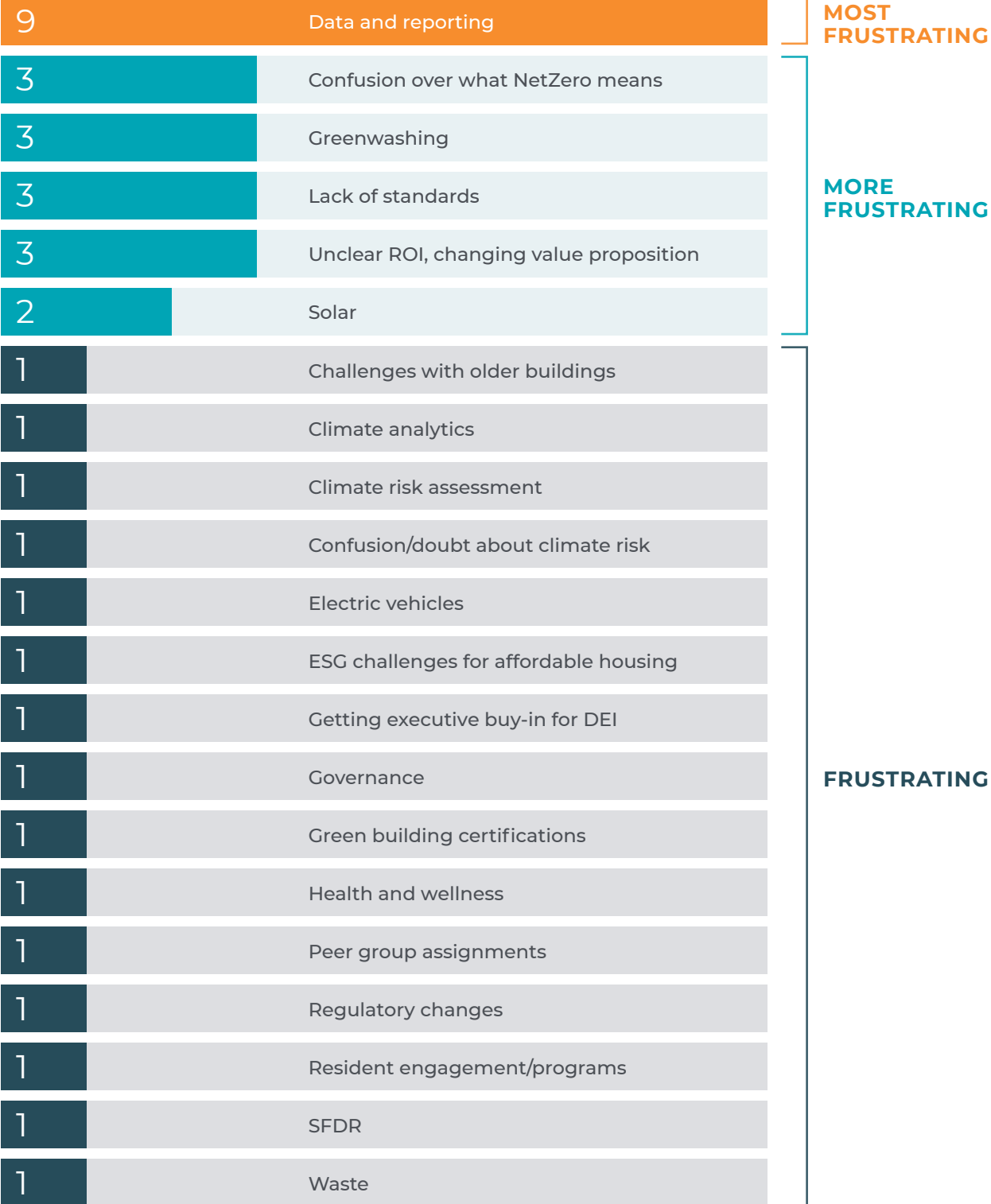
# What ESG issues do you personally feel the "most passionate about" or "enjoy working on?"

**NUMBER OF RESPONDENTS**



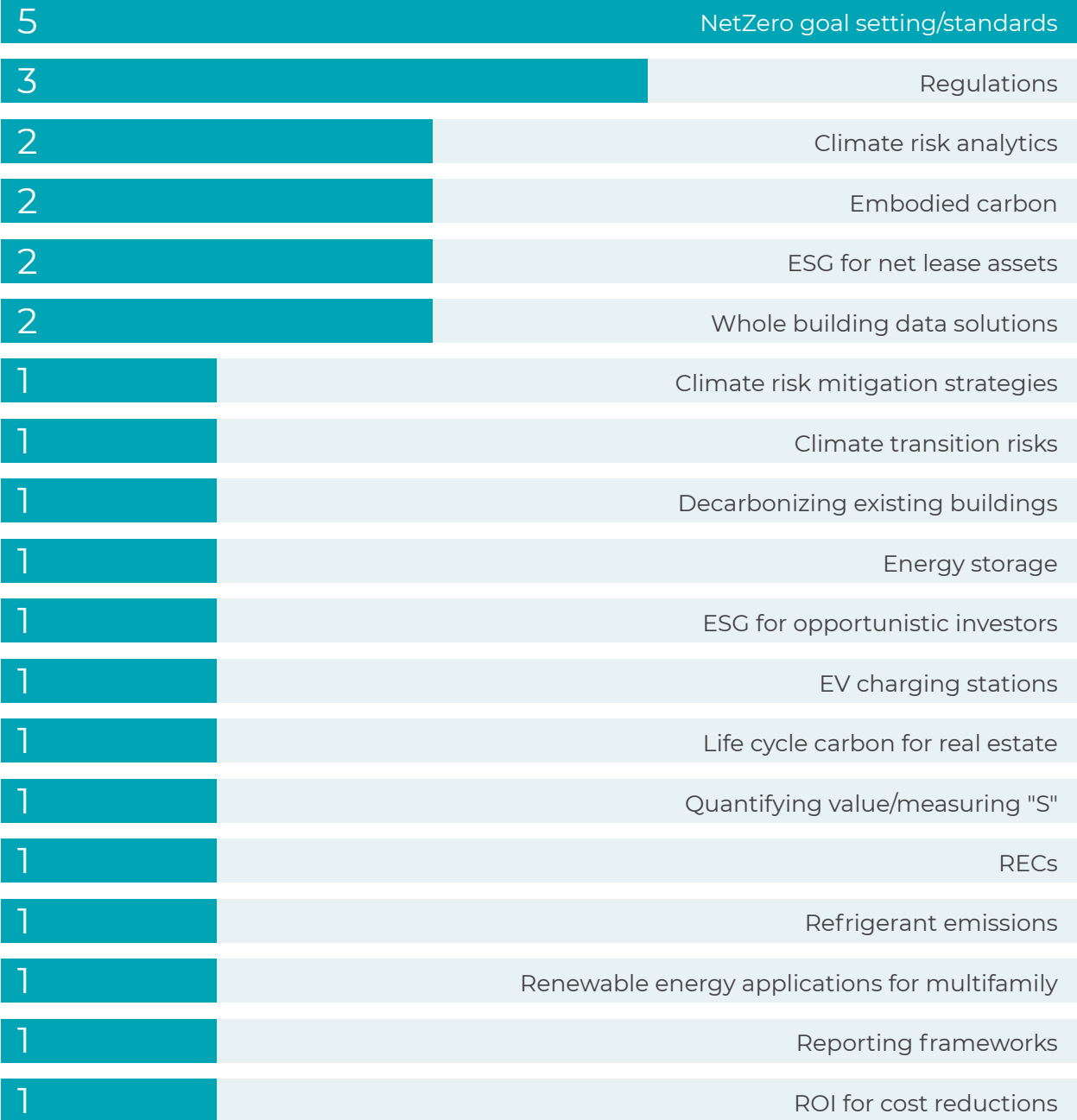
# What ESG issues cause you the most frustration?

NUMBER OF RESPONDENTS



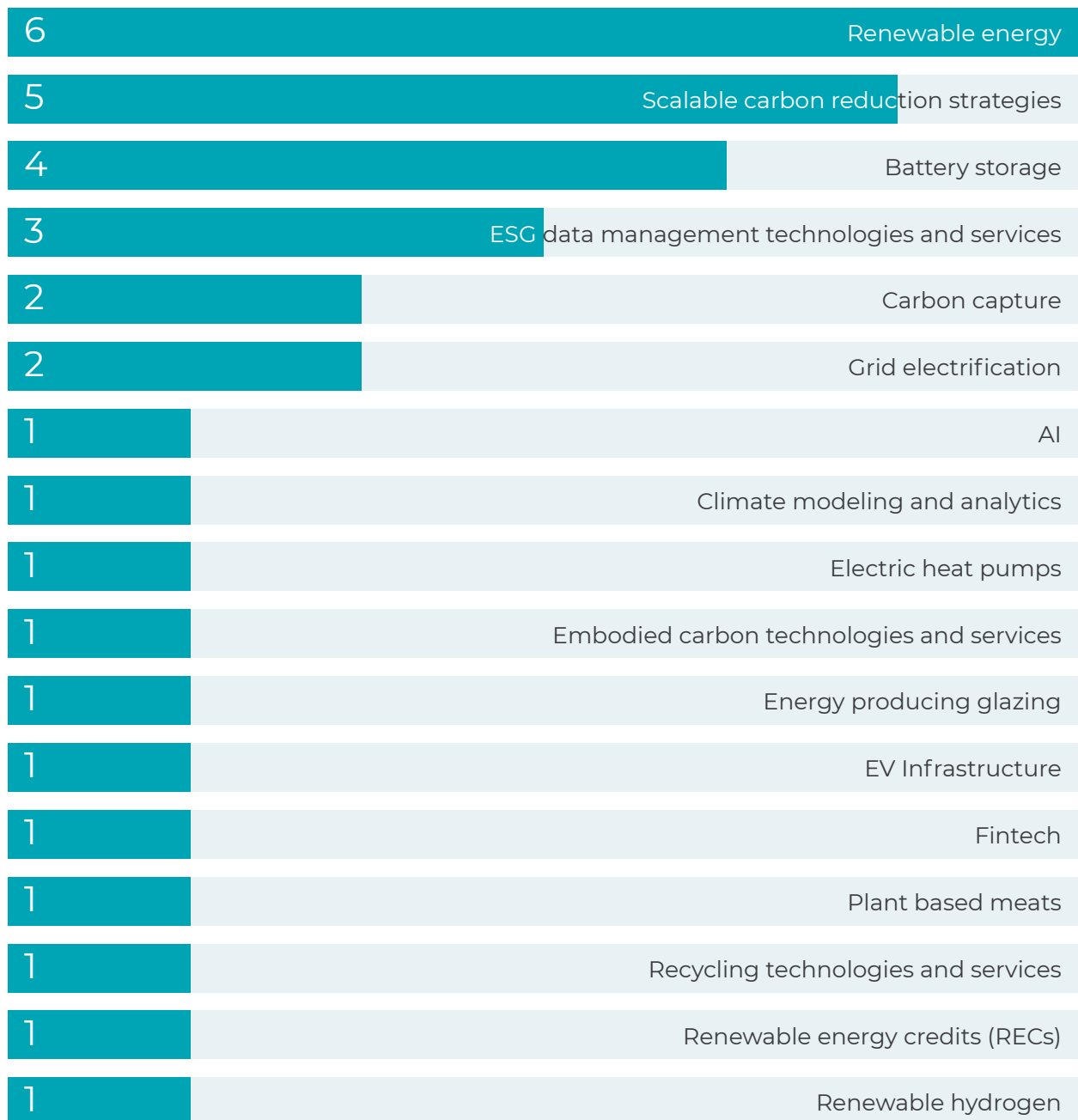
# What topic do you feel needs further research, analysis, or investigation in order to advance your work or the ESG market broadly?

**NUMBER OF RESPONDENTS**



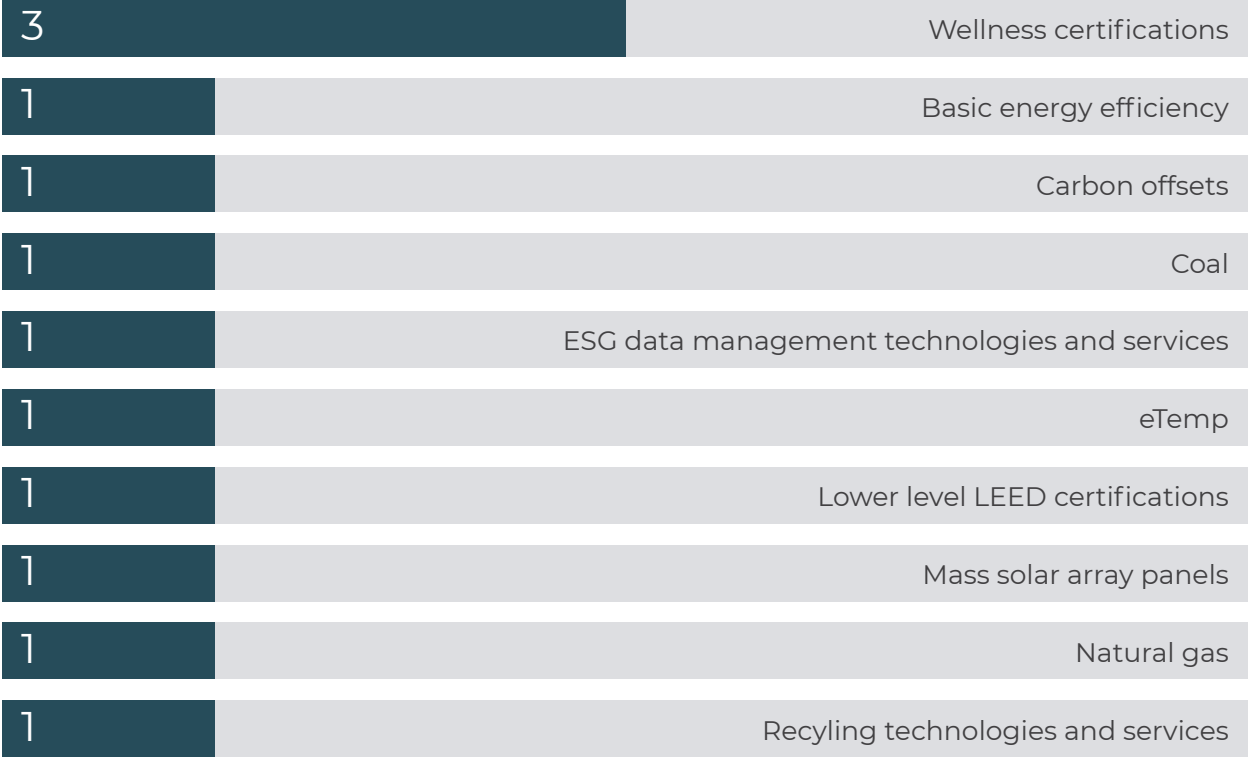
If you could invest in one company, technology, organization, or idea that you think will be driving ESG in the next five years, what would it be?

NUMBER OF RESPONDENTS

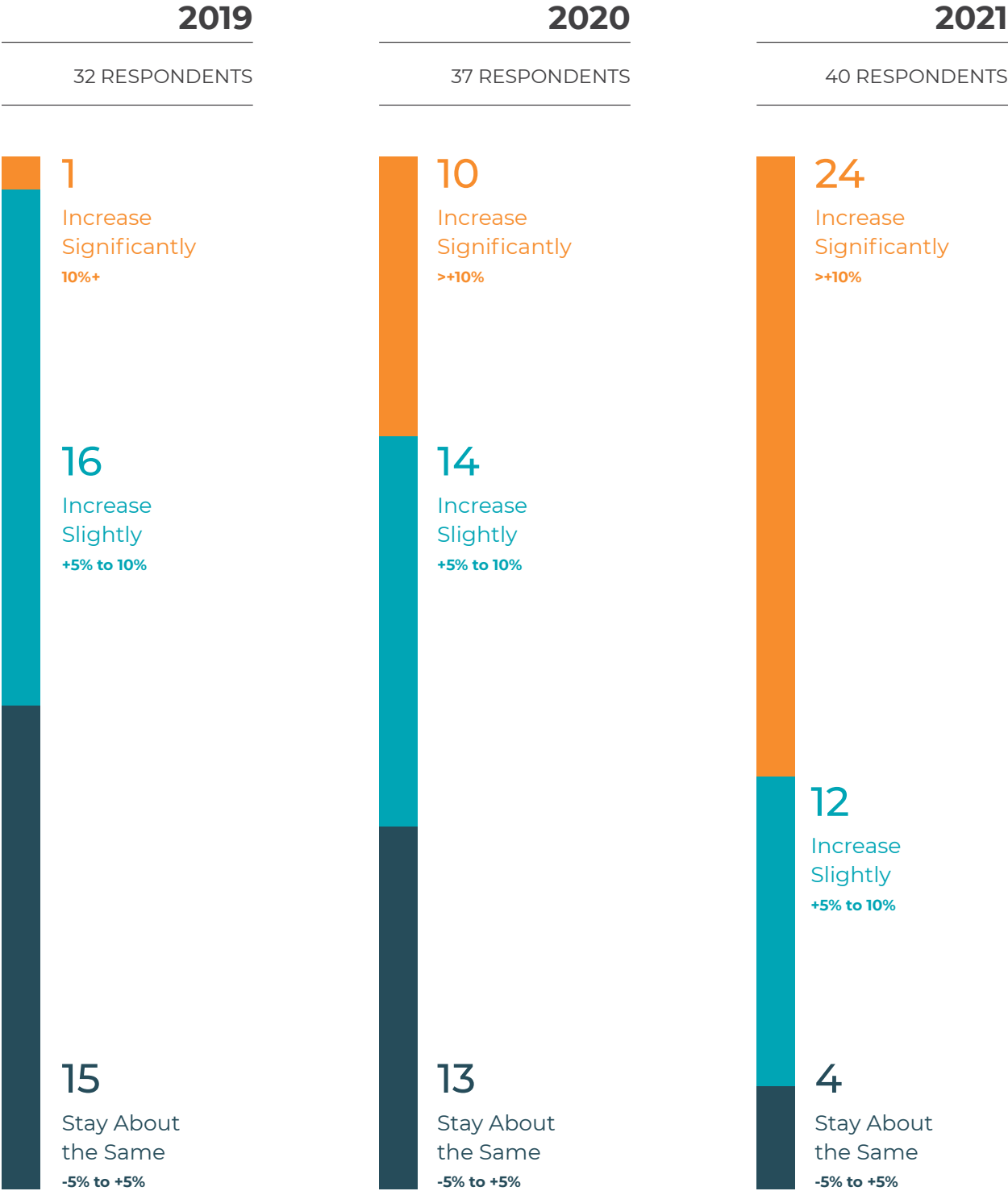


# What one company, technology, organization, or idea, do you think has played out in terms of ESG, and will no longer factor into your ESG priorities?

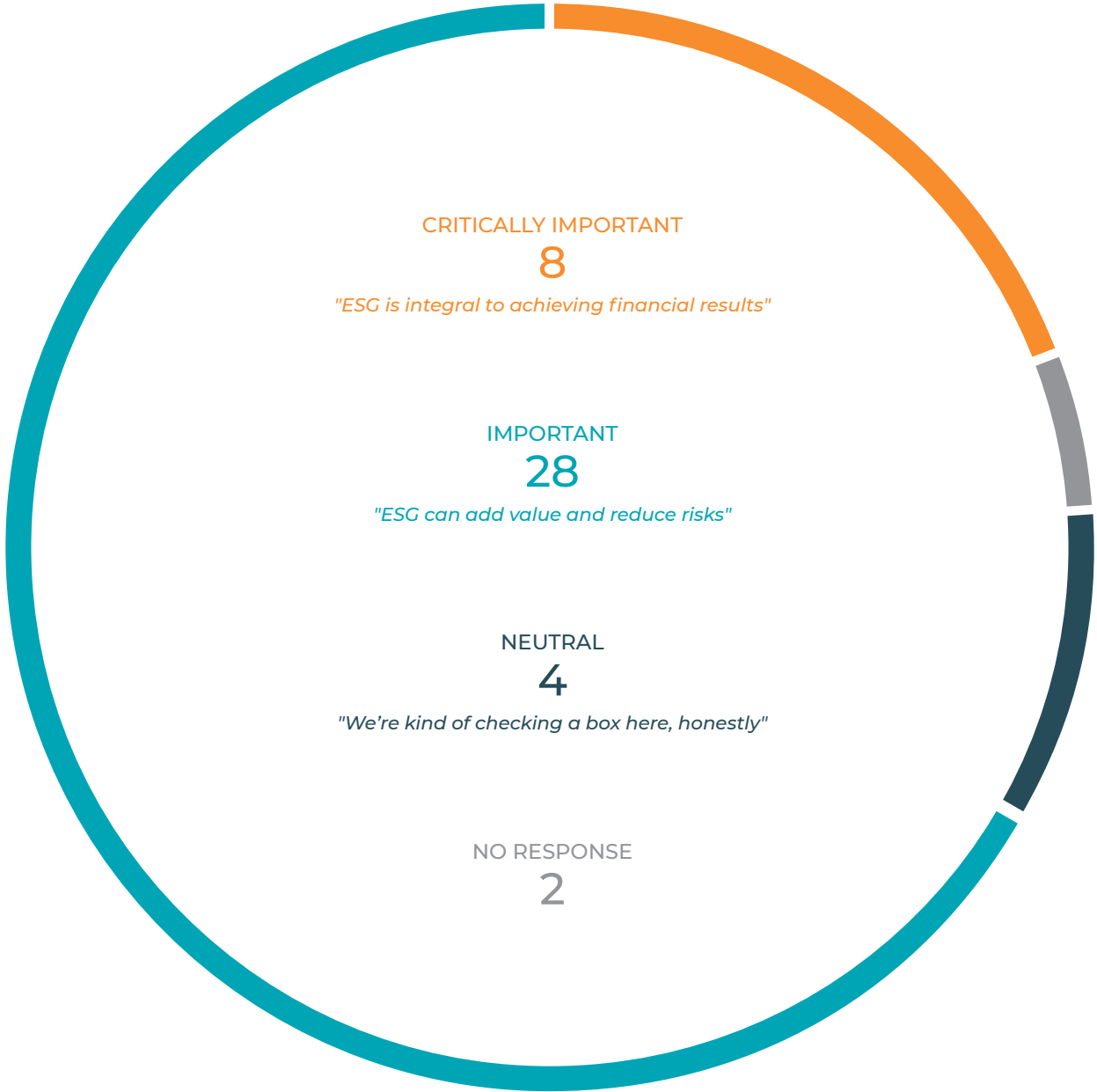
**NUMBER OF RESPONDENTS**



# Comparing ESG program and activity budget from year to year



Which of the following best describes how your investors and/or clients really view ESG?



# How would you categorize the SUPPORT for ESG initiatives within your organization or the organization you support?

## VERY STRONG

ESG is an organizational imperative

## MODERATE

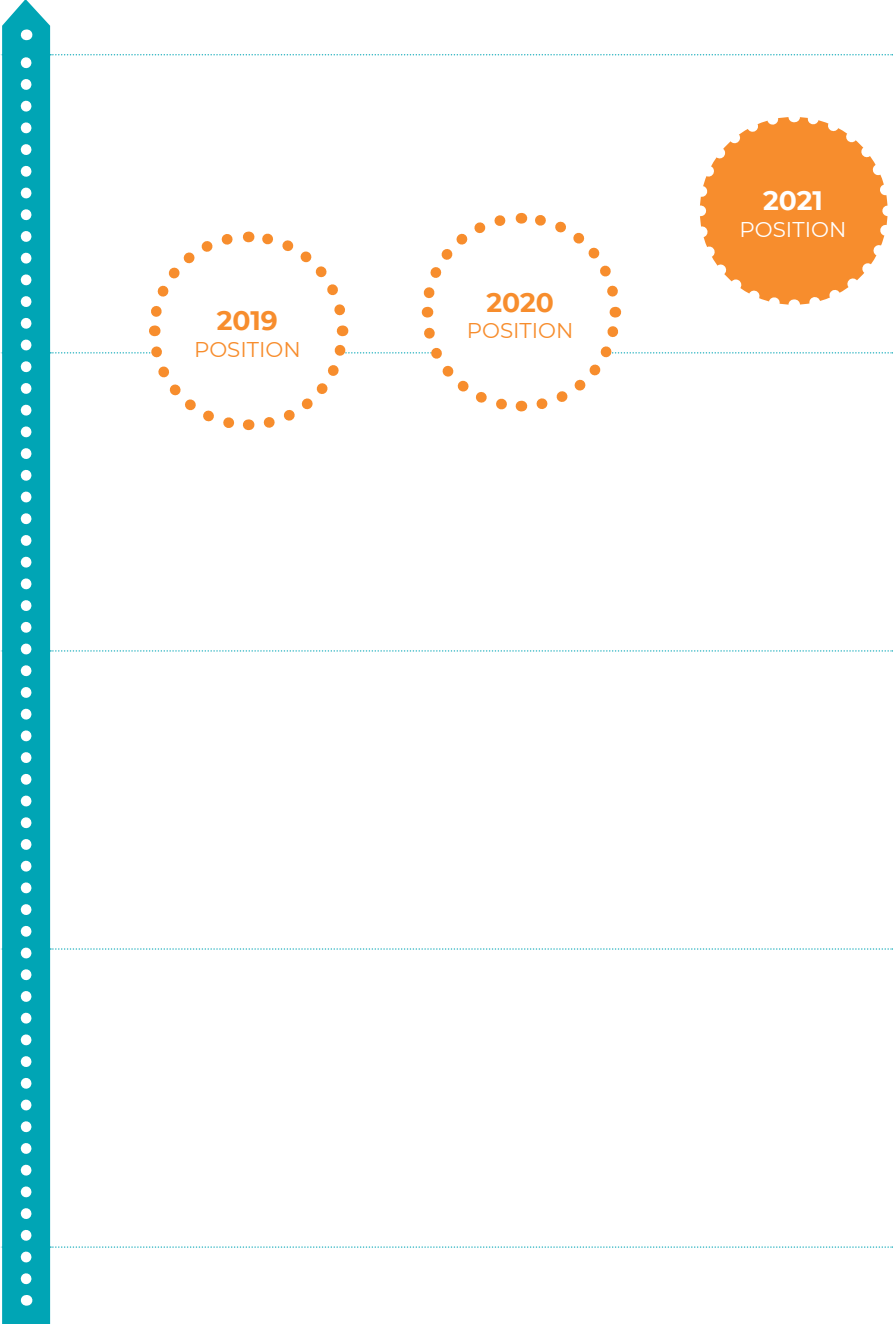
## NEUTRAL

The organization tolerates my ESG work

## PASSIVE

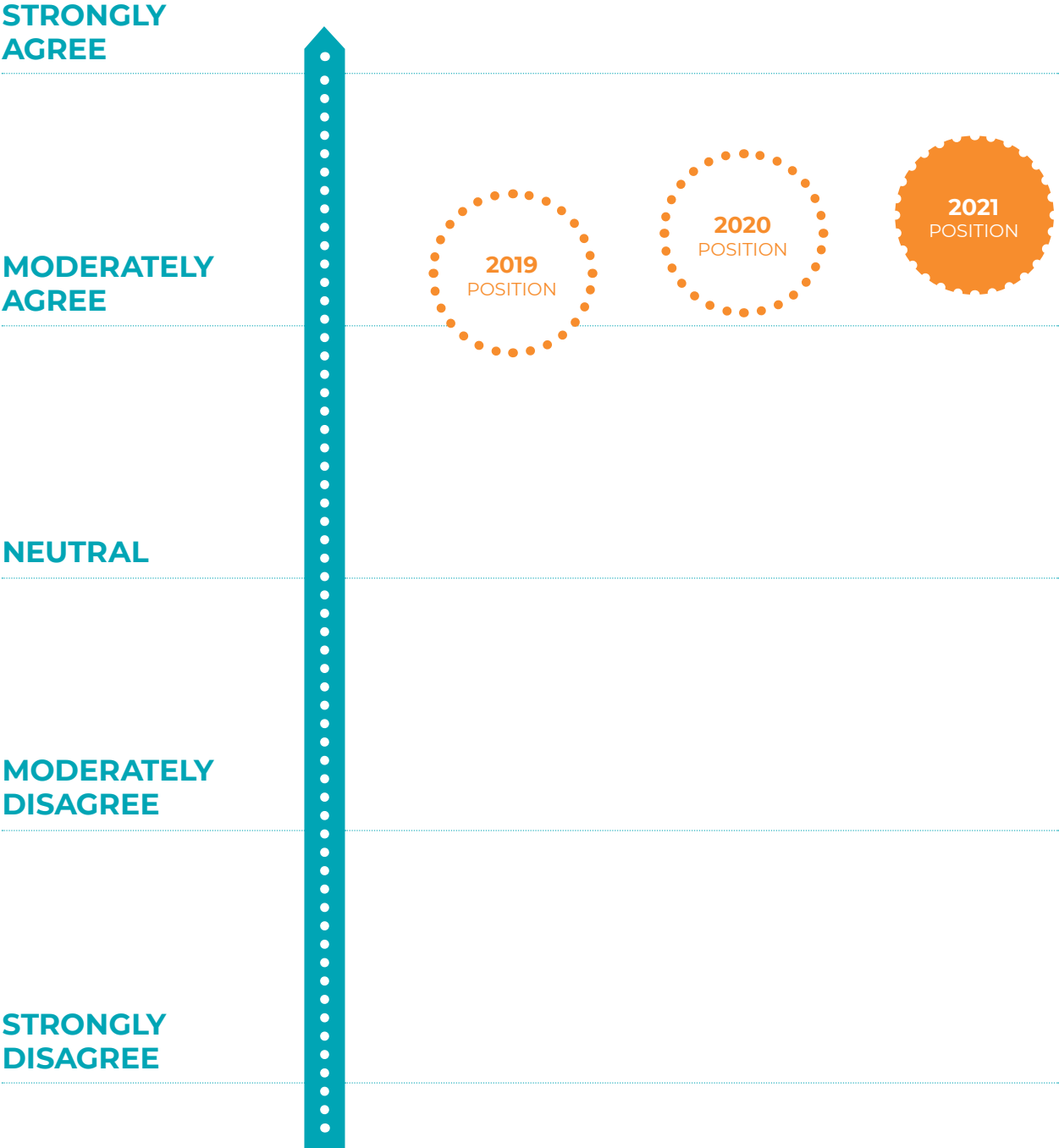
## MINIMAL

Little to no support—every ESG discussion is a battle

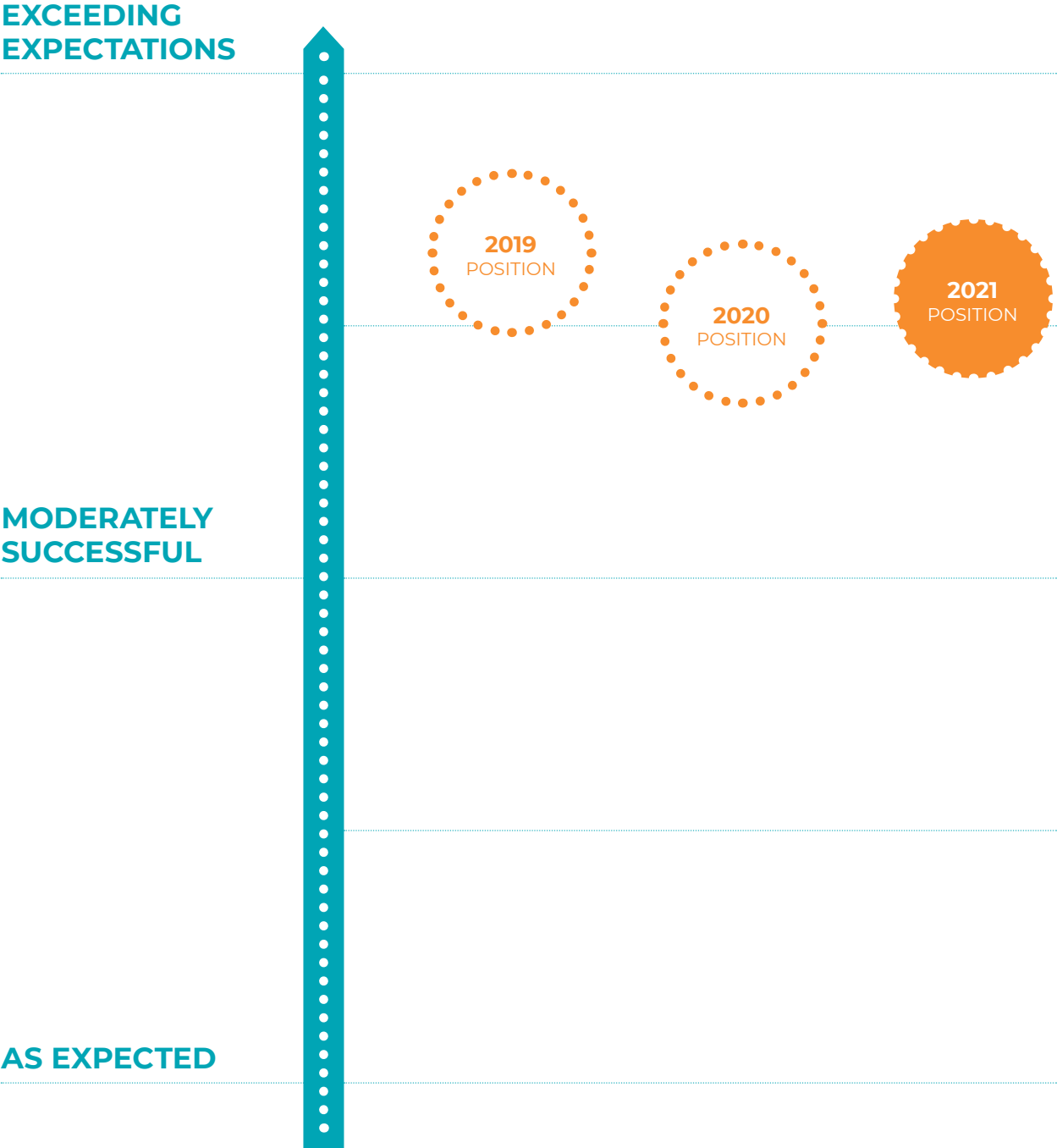




Indicate the extent to which you agree/ disagree with the following statement:  
"My focus on ESG has a positive impact on my future career trajectory."



How would you categorize the performance of your ESG/Sustainability program in the past year?



## In your own words...

*“ESG is a top priority for our organization and is embedded into all of our decisions.”*

*“Future proofing assets to drive value and mitigate risk.”*

*“...make the data we gather more applicable and useful.”*

*“Stakeholder focus and engagement of ESG initiatives is at an all time high...”*

*“Two clients announcing neutrality commitments and one achieving neutrality...”*

*“SFDR - understanding roadmap to compliance has been extremely difficult.”*

*“We are passionate about improving the lives of the residents that live at our property this includes building out social programs...”*

*“DATA! Inconsistent, missing too much...”*

*“Lack of consistent measurement tools...”*

*“Easier access to whole building data...”*

*“Improved measurements around ‘S’ related items...”*

*“Developing the infrastructure to support electric vehicles has got to be a winner going forward...”*

*“Lower level LEED certification is not enough any more...”*

# Building **Performance.** Unlocking **Value.**

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