



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.

Companies are encouraged to consider existing voluntary



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,

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Several industry organizations 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

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

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

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

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

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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

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

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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).

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

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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,

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).

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>

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Land Sterling

Land Sterling's ESG efforts aim to enhance environmental performance and promote social well-being. The

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).

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

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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

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

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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

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>

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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.

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 programs, and targeted recruitment efforts for employees.

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

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Summary of ESG Goals by Organization



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

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 (07r)-11.0480530052005530 athrM

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.



Key Performance Indicators (KPIs) for ESG

These KPIs provide a comprehensive framework for tracking and improving the sustainability

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

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, and mentorship programs.
- ➔

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

