

DOING THE RIGHT THING ON RESPONSIBLE INVESTING

Q&A

with Anna Murray, Global Head of ESG,
BentallGreenOak



What's at stake for asset owners, managers and investors?

ESG priorities can have tremendous influence on the built environment. People are losing patience with outdated stances and apathy on climate action. Citizens are demanding change at ballot boxes, and consumers are doing the same with their wallets. This affects everything from development and investment opportunities to how people shop and where they choose to live. In this environment, assets increasingly need to earn and maintain sustainability credentials to attract high-quality and progressive tenants.

How can ESG data inform investment-management strategy?

Consider how the data revolution has transformed the commercial real estate market. Investment decision making relies heavily on advanced analytics to reveal useful market- and asset-level insights. The same potential exists for ESG initiatives. For example, ESG data can provide greater transparency into the carbon intensity of an asset's activities. This information can be used to make smarter, data-driven investment and asset management decisions. By pulling quality ESG data from across asset classes and even regions, leaders can make decisions about development, acquisitions and even operations in real time.

Can you provide an example of what this looks like in action?

BGO has developed proprietary information systems and programming tools that help advance environmental efficiency, enhance climate resiliency and add value to its portfolios. One example is our annual Benchmarking Survey, which tracks data from property-level sustainability-management activities and achievements. Drawing on external data sources, the survey benchmarks BGO's performance against international best practices. Teams at the property level are then provided an annual diagnostic, which contains a set of actionable recommendations, customized to each asset, to improve ESG performance. Property teams use the diagnostic to plan and manage activities for the current year and to inform the upcoming annual property budget. This level of insight is driving better ESG performance at the asset level so that we can achieve our ESG goals on a global scale. Developing our ESG data pipeline and analytical tools was not a one-and-done activity. The tools require continuous enhancements and employee training, and we are constantly on the search for verifiable sources of external data.

What is the key to scaling projects from the pilot stage to portfolio-wide implementation?

This is one of the most daunting obstacles that sustainability leaders face. First, organizations need to understand that ESG initiatives cannot be consigned to a single person or team. Companies need to empower teams across the company to take action. This requires the creation of platforms and tools that support the scaling of company-wide efforts. ESG tools must allow for mass application across any given portfolio, and key employees must have the training and access to use these tools. Only then can organizations successfully build the capacity and knowhow to achieve their ESG goals.