Member Communication Experience

BUSINESSES MUST TAKE THE LEAD IN MITIGATING CLIMATE CHANGE'S EFFECTS. LEARN WHY ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) INVESTING IS A KEY STEP.

When it comes to the increasingly severe effects of climate

to limit carbon emissions. The earth will continue to turn. The rabbits and moles in the park next to my San Francisco house will continue to hop and tunnel around, unfazed by decreasing biodiversity and increasing civil unrest and inequality. But the planet's 7.96 billion (and counting) humans will not fare so

People are feeling the impacts of climate change, mourning the loss of species, and protesting in the face of injustice. Yet most people have played a part in creating these scenarios - and can also have a large role in mitigating them. Environmental, social, and governance (ESG) investing is one way to ensure a sustainable future for people and the planet.

What Is ESG?

ESG (environmental, social, and corporate governance) investing is a tool that investors use to measure the

manages externalities associated with doing business. ESG initiatives are actions a company takes to lead in more

environmental impacts (E), social impacts (S), and governance (G).

The 3 Pillars of ESG

ENVIRONMENTAL

"Environmental" represents how companies can lessen their impact on the natural world. The global economy has been structured on an energy system dependent on fossil fuels to power the means of production. This system has yielded

have unfortunately come with great costs. One of those costs has manifested in climate change. Environmental initiatives encourage companies to adopt sustainable operating models, like using renewable energy, sourcing sustainable materials, reducing waste, and greening supply chains. These efforts can reduce the amount of carbon emissions associated with economic growth.

How Companies Can Implement ESG Initiatives

Right now, companies are missing the boat if they're not onboard with ESG initiatives, especially in the architecture, engineering, and construction (AEC) and manufacturing industries.

to investors, especially considering the lessons from the COVID-19 pandemic.

When you're focused on "doing more good" instead of just checking boxes, ESG investments bring superior returns because they show you're conscientious, which brings more business. They also attract and retain talent, an advantage in today's labor market. That type of smart governance is what leads to greater investor interest and higher returns.

4. Next-Gen Investors

Today's generations of investors are moving the needle with a new set of criteria. They care deeply about the greater good and consider the risks of climate change and inequality as high stakes, making it costlier not to deal with them. And the corporate world is responding. In 2019, the Business

corporation is - from being exclusively focused on shareholders to including customers, employees, and communities.

5. ESG Standards Are Here

ESG ratings reveal what tens of thousands of companies are doing to mitigate risks. Even though ratings continue to evolve and expand - some even include cybersecurity and geopolitical risks - they set the standard for companies to see how they rate compared to the competition and how to do better. And the

About the Author

Joe Speicher is vice president of ESG and Impact at Autodesk. Previous to this role, he was executive director of the Autodesk Foundation, which supports the most impactful people and organizations using design to combat climate change to create a better world.

About the Article

Republished from Redshift. Redshift is a publication from Autodesk dedicated to inspiring construction, manufacturing, engineering, and design leaders.

views and opinions of the Construction Management Association of America (CMAA). By publishing this piece, CMAA is not expressing endorsement of the individual, the article, or their association, organization, or company.