

Condemnation Summit XXVIII

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What Condemnation & Real Estate Professionals Need to Know About ESG & DEI

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Environmental, Social, and Governance (ESG) Criteria

HENRY DARWIN, GALLAGHER & KENNEDY



Environmental, Social, and Governance (ESG) Criteria

[in- 'vī-rə(n)-mənt-el 'sō-shəl ən(d) gə-vər-nən(t)s krī- 'tir-ē-ə]

A set of standards for a company's behavior used by socially conscious investors to screen potential investments.



Source: Crux Informatics

E nvironmental Examples:

- Climate Change/Carbon Emissions
- Air/Water Pollution
- Energy Use
- Water Consumption
- Waste Generation
- Deforestation
- Green Building

Social Examples

- Diversity, Equity, and Inclusion
- Employee Relations/Engagement/Benefits
- Health and Safety
- Community Service/Impact/Relations
- Human Rights
- Consumer Relations
- Product Quality/Safety

Governance Examples

- Board Composition/Diversity/Independence/Accountability
- Executive Compensation
- Bribery and Corruption
- Political Contributions
- Compliance/Fines
- Data Security
- Tax Strategy
- Transparency

Government Interest



GREENWASHING

Spending more time and money claiming to be “green” through advertising and marketing rather than actually implementing business practices that minimize environmental impact.

How to Avoid Greenwashing:

- SMART ESG Goals (Specific, Measurable, Achievable, Relevant, Time-Bound)
- Written Plan for Achieving Goals
- Interim SMART Goals
- Regular Review of Interim SMART Goals
- Procedures for Adjusting When Interim SMART Goals Missed



Diversity, Equity & Inclusion in Commercial Real Estate

HEATHER FOX SKINNER, MSRE, CCIM

AZCREW | CREW Network | JPMorgan Chase & Co.

ALL VIEWS EXPRESSED ARE MY OWN

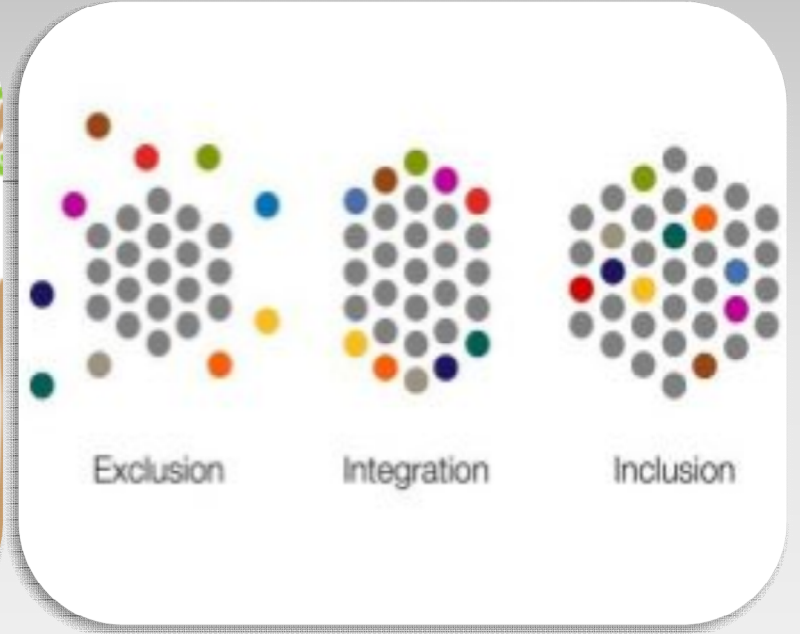
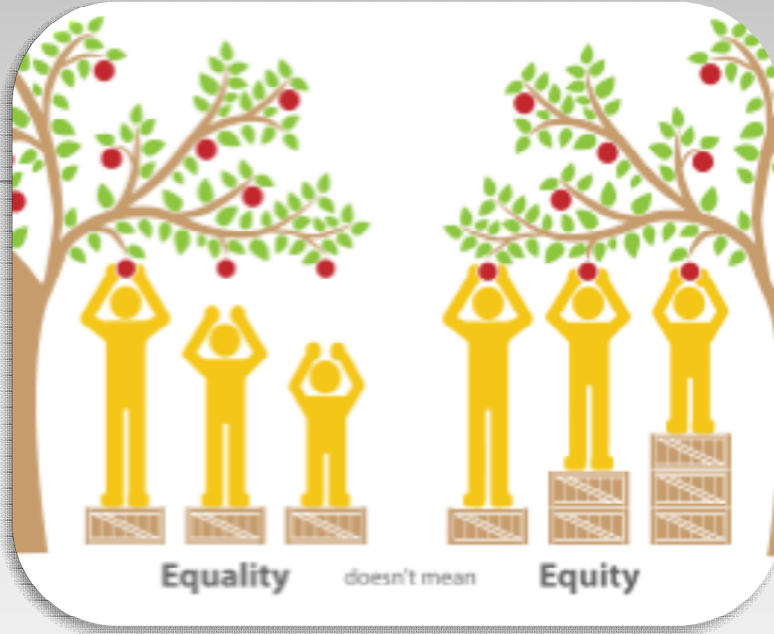
Where Do We Even Start?!

The first barrier... is complexity. Companies often don't know where to start.¹

- Industry & Society
- Workforce & Company
- The Physical Space
- Pledge For Action

References

1. Enriquez – Ramones, Mary, et al. "Diversity & Inclusion in the Real Estate Industry." *Deloitte Real Estate Predictions 2020*, Article 6



Diversity, equity, and inclusion (DEI) is not just a phrase. Each word speaks to distinct values. *-University of Washington, Office of Research, DEI*

Industry & Society

Redlining ¹

- Statistically significant credit score gaps
- Higher probability of being subprime

Historically a Family Business

- Many 2nd or 3rd generation
- April 11, 1968 – Fair Housing Act

Progress is Happening ²

- ASU Partnership w/ HBCUs
- Real Estate Development Courses
- Let's hear from Murphy Cheatham



References

1. Aaronson, Daniel, et al. "The Effects of the 1930s HOLC "Redlining" Maps." Federal Reserve Bank of Chicago WP 2017-12, Revised February 2019.
2. Gilger, L. (2022, August 29). An ASU partnership attempts to increase diversity in the real estate industry. KJZZ.



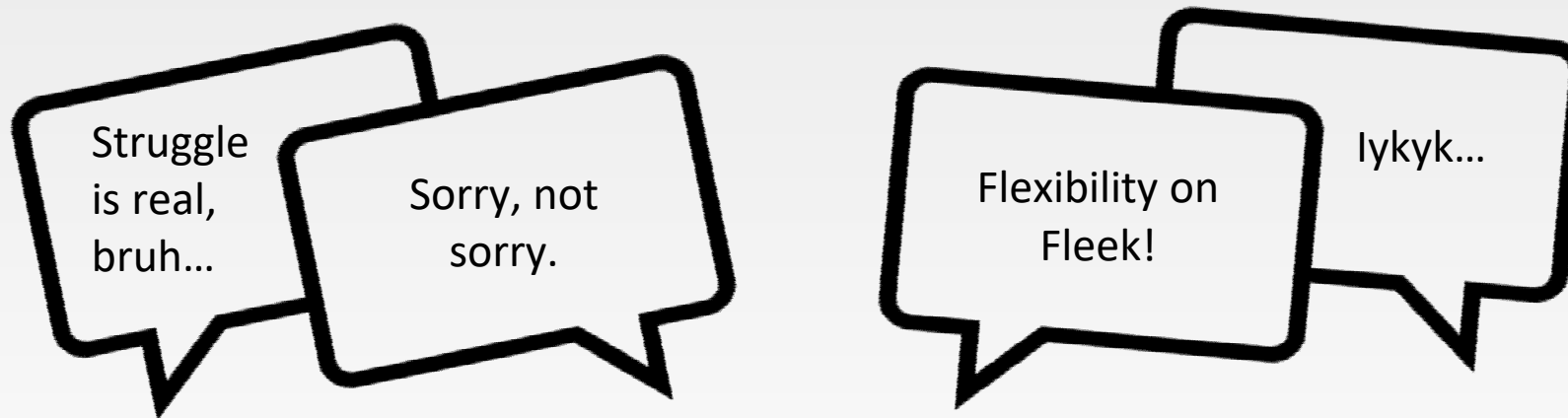
There is only one thing wrong with the younger generation: some of us don't belong to it anymore.

- Bernard Baruch (1870-1965)

Workforce & Company



Gen Z / Millennials will make up 70% of the workforce by 2030 ^{1,2}



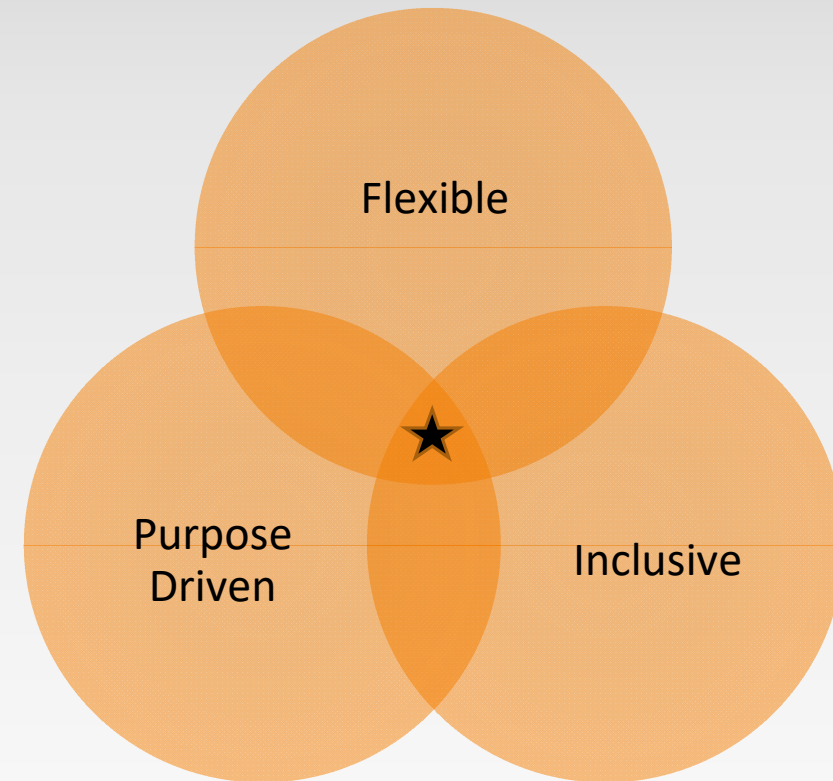
References

1. Deloitte (2022). Striving for balance, advocating for change: The Deloitte Global 2022 Gen z & Millennial Survey.
2. Gomez, Karianne et al. "Welcome to Generation Z." Deloitte Network of Executive Women

The Physical Space

Workplace Design Trends¹

- Destination
 - Creativity & Innovation
- Experimentation
- Purpose Driven
- Third Spaces
 - Design to the Edges
- Equity & Inclusion
 - Beyond Race, Gender, Generations
 - Equitable Experiences
- Health & Wellbeing
 - Biophilia
 - Mental Health



References

1. Cohen, Andy et al. "Gensler Design Forecast 2022." The Gensler Research Institute, The Future of Work.

Pledge For Action

- Support our Mission
- Close Compensation Gap w/ Pay Equity Study
- Senior Executive Sponsorship of Underrepresented Groups
- Advancement to Top Roles
- Intentional Recruiting and Hiring
- Implement Accountability Strategies



Learn more: crenetwork.org/cre-pledge-for-action

Thank You!

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Questions?

