



NATIONAL
ASSOCIATION OF
REALTORS®
SUSTAINABILITY PROGRAM

ESG + R REPORT 2022



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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

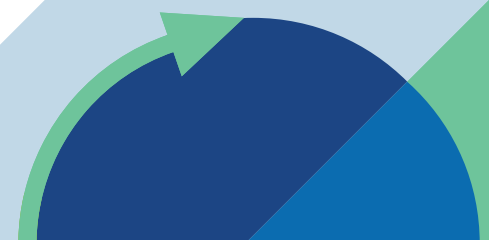
The National Association of REALTORS® (NAR's) annual Environment, Social, Governance and Resilience (ESG+R) Report provides a comprehensive look at the notable achievements from America's largest trade association over the past 12 months.

Since the 2021 inaugural report, NAR has continued to track and monitor progress in each of the association's Sustainability & Resilience Plan actions and pillars. This plan positions NAR as a leader of sustainability among real estate agents, brokers, trade associations and consumers. Through transparency in leadership, NAR is building an integrated approach to sustainability in our industry. Through the Sustainability & Resilience Plan implementation, NAR can reach farther, partner and implement more comprehensively and lead forward on an important topic that impacts each of our 1.575 million members and the communities they serve.

The following report outlines the sustainability actions, impact and opportunities from the National Association of REALTORS® throughout 2022. Included is an overview of the Sustainability & Resilience Plan, as well as staff contributions, leadership statements, member insight and consolidated updates on actions from each of the plan's four pillars.

- The **environment** pillar focuses on specific, positive impacts that affect the natural environment and measures the impact of association actions.
- The **social** pillar focuses on actions that promote education, health, equity and well-being.
- The **governance** pillar addresses the integration of sustainability throughout the organization and state and local associations.
- The **resilience** pillar addresses short- and long-term actions and plans to mitigate and manage climate risk in communities and real estate.

All together these four components allow NAR to comprehensively assist members, state and local associations and the organization to become more resilient and sustainable. This report highlights those actions already taken and includes future opportunities to build upon our efforts.





ABOUT US

ABOUT US

The National Association of REALTORS® is a leader in the dialogue on real estate sustainability among real estate agents, brokers, trade associations, and consumers. Representing 1.575 million members, our membership is composed of residential and commercial brokers, salespeople, property managers, appraisers, counselors, and others engaged in the real estate industry. Members belong to one or more of approximately 1,200 local associations/boards and 54 state and territory associations of REALTORS®.

The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics.

MISSION

To empower REALTORS® as they preserve, protect and advance the right to real property for all.

VISION

Our vision is to be a trusted ally, guiding our members and those they serve through the ever-evolving real estate landscape.

Learn more at

nar.realtor/about-nar

DEFINING SUSTAINABILITY AND RESILIENCE FOR OUR INDUSTRY

A shared definition of sustainability and resilience benefits our industry by aligning dialogue and strategy on this topic.

SUSTAINABILITY

Meeting the needs of the present without compromising the ability of future generations to meet their own needs.

RESILIENCE

The capacity to prepare for disruptions, recover from shocks and stresses and adapt and grow from a disruptive experience.

MESSAGE FROM THE CEO & NAR CORE VALUES



A handwritten signature in black ink that reads "Bob Goldberg".

Bob Goldberg
Chief Executive Officer

“ NAR is actively working to implement our 10-year sustainability plan, recognizing the numerous benefits that can be gained by integrating and emphasizing sustainability throughout our organization. As the most influential voice in real estate, NAR has a tremendous responsibility to lead on this issue. We will continue to do everything we can to reduce the industry’s environmental impact and to develop resilience strategies that protect communities nationwide. ”



PRESIDENT'S STATEMENT

CHAMPIONING SUSTAINABILITY IS A NO-BRAINER FOR REALTORS®.



Leslie Rouda Smith

Leslie Rouda Smith
2022 NAR President

The National Association of REALTORS® Code of Ethics preamble declares “Under all is the land.”

But respect and admiration for our natural world is not just in our foundational documents. It’s integral to who we are.

When it comes to protecting our planet’s limited resources, and preserving the land we live on, we must be leaders—not followers—on the path to a sustainable future. We would like to leave this planet better than we found it.

Together, the REALTOR® organization is working towards a dramatic reduction in our use of resources, while creating transparent reporting and clear accounting processes for how our operations impact the community and environment.

The combined actions, attitudes and creativity of every REALTOR® have the potential to make a great difference, not just for NAR, but for the planet, our children and our future well-being.

Released in 2020, NAR’s 10-year Sustainability & Resilience Plan encourages all levels of the REALTOR® organization—national, state and local—to be stewards of sustainability.

Our annual Environment, Social, Governance and Resilience (ESG+R) Report tells our sustainability story through specific actions and goals, major accomplishments and an overview of our future strategy.

As you'll see in this report, 2022 was a year of action.

The National Association of REALTORS® has proudly partnered with the National Forest Foundation (NFF) on a large-scale initiative to plant one tree on public land for each association member, totaling 1.575 million trees.

Trees bring a wealth of benefits to communities and our natural environment, including improved air quality, stormwater mitigation, reduced pollution, increased biodiversity and supporting outdoor recreation and vibrant communities.

Using a need-based approach, NFF will plant native, ecologically appropriate trees to repopulate areas affected by wildfires, drought and deforestation.

By reducing energy use (environment); engaging members and communities to promote sustainability (social); introducing concepts of sustainability to state and local associations (governance); and helping communities prepare and respond to extreme weather events (resiliency), this initiative relates to all four pillars of our sustainability plan.

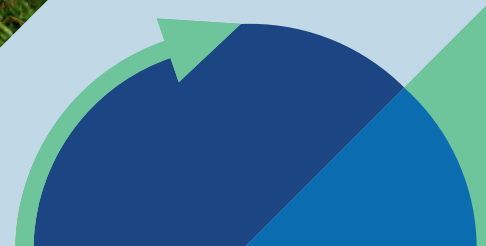
REALTORS® don't just find neighborhoods—they create neighbors.

REALTORS® don't just show houses—they show compassion.

And REALTORS® aren't just knowledgeable real estate agents—they are empowered agents for change.

So I ask every REALTOR® to use NAR's resources, research and reports to educate yourself, enhance your value, and differentiate yourself as a leader by visiting [nar.realtor/sustainability](https://www.nar.realtor/sustainability).

Nothing is more important to the long-run success of our profession—and our world—than the land, and it's up to all of us to be the best possible stewards of it.



STATEMENT FROM THE 2022 SUSTAINABILITY ADVISORY GROUP CHAIR



Todd Shipman
2022 Chair of
NAR's Sustainability
Advisory Group

REALTOR®, Broker
Lakes Sotheby's
International Realty

DOING THE RIGHT THING IS *NOT ALWAYS EASY.*

The National Association of REALTORS® is hard at work, supporting and creating a world where we can all thrive. The 2022 Sustainability Advisory Group moved several major initiatives forward resulting in broad adoption of best practices, member engagement and cultural change. I'm proud to have led this group of volunteer leaders through such a pivotal year. This report is a snapshot in time, celebrating and sharing the great work being done to make this a better place to live and work.

We have great challenges to face to ensure our members continue to transact real estate and build businesses and lives worth living. Climate change is impacting our built environment. Together we need to improve the comfort and value of the housing stock and commercial buildings so we can enjoy them, protect them and move toward a carbon-neutral environment. Our commitment to building and supporting strong, healthy communities is evident in the good work we do as REALTORS® to give back to the places we serve.

The National Association of REALTORS® leads by example. We create and produce products and services to protect and serve our members, the state and local associations and consumers. We are unique in the way we are member driven, and members are now driving adoption of sustainable principles and practices. This report is a way to hold ourselves accountable and share the good work we do. Thank you, President Leslie Rouda Smith, for your support and for inspiring us to make a difference. Join us in adopting, implementing and living in a sustainable world where we can all thrive!



THE IMPACT

THE IMPACT

2022 SUSTAINABILITY ACTIONS AT A GLANCE

REALTORS® & Sustainability Report Highlights



34%

of REALTORS® noted rising anxiety about the effects of climate change and extreme weather events on their businesses.

50%

of REALTORS® have helped clients buy or sell a home with green features in the past 12 months.

63%

of REALTORS® said that promotion of energy efficiency in listings is valuable.

Operational Savings at REALTORS® HQ (430 N. Michigan)



>50%

waste diversion from landfills (roughly 150,000 lbs)

5-15%

reduction of annual energy costs by enrolling in ComEd's Virtual Commissioning Program

\$1,000

annual savings after repairing/replacing building steam traps with an additional **\$1,440 in rebates** after replacement

THE IMPACT

2022 SUSTAINABILITY ACTIONS AT A GLANCE

Food Recovery Network



3,019
POUNDS

of surplus food donated in 2022 by NAR from meetings, **equivalent to 2,516 meals** to local hunger-fighting nonprofit organizations in 12 cities around the country.

7,498
POUNDS

of surplus food have been recovered by NAR and affiliate members from nationwide conferences and events since 2019. This is **equivalent to roughly 6,248 meals**.

Sustainability Sessions at NAR Conferences



Association Executives Institute: Sustainability Success for Associations Workshop; NAR CEO Welcome Lunch

REALTORS® Legislative Meetings: Urban Round Table; Sustainability Advisory Group Meeting

iOi Summit: Investing in Sustainability and Innovation to Drive the Future of Real Estate

Broker's Edge: Flooding, Fires and Tornadoes, Oh My!

NAR NXT: The REALTOR® Experience: Sustainability Open Discussion; Urban Round Table; Leading with Sustainability at Home; Sustainability's Value Proposition in Real Estate, Friday General Session, Sustainability Advisory Group Meeting, High Performance Homes Tour, Sustainability Corner in Expo

REALTOR® Broker Summit: Defining Sustainable Real Estate: How and Why

Sustainability Summit: 2 days of think-tank style, action-based discussions focused on future opportunities in supporting sustainable, resilient real estate.

THE IMPACT

2022 SUSTAINABILITY ACTIONS AT A GLANCE

NAR & National Forest Foundation (NFF) Tree Planting Initiative



1.575M
TREES

planted by 2025—
one per member

400K
TREES

allocated for planting by end of 2022, in **8** National
Forests across six states and **1,689 acres of land**

Green Business Bureau (GBB) Scorecard



View NAR's Full
GBB Scorecard

[HERE](#)

1 in 5
COMPANIES

that apply for the GBB Platinum
certification (770 points) meet the
requirements. Certification is based
on operational and programmatic
activities, as outlined in the scorecard.

NAR IS GBB PLATINUM CERTIFIED

**PURPOSE-
DRIVEN
BUSINESSES**

of all sizes are supported by GBB,
providing them with solutions that
will help them learn, prioritize,
manage and certify
green initiatives.

THE IMPACT

2022 SUSTAINABILITY ACTIONS AT A GLANCE

Pilot Year for Sustainability Grant



52

applications
received

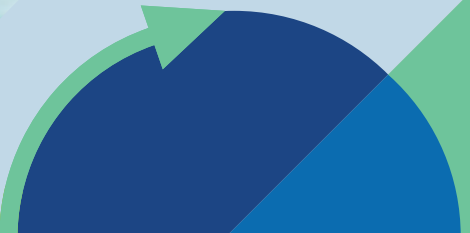
~\$240,000

in grant funding requested
on a budget of \$100,000

600K

MEMBERS

represented by
these requests





NAR SUSTAINABILITY & RESILIENCE PLAN

THE SUSTAINABILITY AND RESILIENCE PLAN

ENVIRONMENT



- Provide Sustainability Tools
- Increase Research, Data Dissemination and Industry Leadership
- Expand Training and Benefits

SOCIAL



- Expand Stakeholder Outreach
- Focus on Health and Wellness
- Support Healthy, Vibrant, Diverse Communities

GOVERNANCE



- Build a Sustainability Team
- Strengthen Partnerships
- Institute Annual Sustainability Reporting

RESILIENCE



- Expand Sustainability and Resiliency Guidance
- Provide Guidance on Financing Resiliency
- Explore Extreme Weather and Climate Risk for Our Industry

The National Association of REALTORS® Sustainability & Resilience Plan reflects, reinforces and advances a structured sustainability approach to enhance NAR's overall priorities of supporting homeownership, property rights and strong communities. The plan was created and adopted in 2020 using industry best practices. It is organized into four sections that include guiding principles, goals, targets and recommended actions. Implementation of the plan will continue through 2030 and includes collaboration among staff and members. This report provides a snapshot of some of the association's achievements from the past year based on the Sustainability & Resilience Plan.

2022 NAR STAFF CONTRIBUTIONS

Each team within the association considers sustainability in their operations and provides yearly updates of notable actions or improvements to include in this report. In the section below, each team within our national association's operations have provided their highlights for the year, showing the power of an integrated sustainability approach in cultural adoption.

ADVOCACY

The Community Outreach program provides numerous funding opportunities (e.g., Smart Growth, Housing Opportunity, and Placemaking) and informational tools (e.g., Growth Polling Program and Transforming Neighborhoods) with the intention of providing members and associations the resources necessary to make their communities more sustainable by design, including in-fill and mixed-use development, and the creation of community amenities that bring daily needs in close proximity to residents.

The NAR Advocacy team has sought to help members and property owners by improving access to resources that are available through the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) to improve their local infrastructure systems and make their properties more energy efficient.

The RPAC team transitioned to the discontinuation of printing physical agendas, flyers and additional materials for solicitations and meetings in an effort to reduce the carbon footprint of their operations, and has sought to recycle any old documents and signage that may be left over from before this transition.



2022 NAR STAFF CONTRIBUTIONS

STRATEGIC BUSINESS, INNOVATION AND TECHNOLOGY

SBIT has made a conscious effort to increase the availability of sustainability information and education at conferences, such as iOi, and plans to continue including and advancing sustainability conversations in conference agendas.

REACH UK collaborated with the Tech London Advocates and Oxford's Future of Real Estate Initiative on the development of the Digital High Street eBook Series which focuses on addressing the question, "How can technology and society come together to create healthy, safe, supportive, accessible, easy-to-navigate, resilient communities which are fit for future purpose?"

SBIT has chosen companies such as Mokki, Smart Point, and BlockDox to work with as they have a demonstrated consideration of sustainable practices within their business models. SBIT seeks to continue to include sustainability and resiliency as a basis for selection when considering involvement with companies in the future.



2022 NAR STAFF CONTRIBUTIONS

FINANCE AND INFORMATION TECHNOLOGY

Finance Management:

Internal Operations-Finance, as part of their investment strategy, invested in a fund through Community Capital Management called Minority Cares that strategically invests in underserved communities with what they refer to as “impact themes,” one of which is environmental sustainability.

Information Technology:

IT migrated the Chicago NAR Headquarters from physical phones to cloud phones to reduce the carbon footprint caused by energy usage and has the added bonus of reducing the future production of e-waste at NAR.

By replacing the Leadership Academy application process with one that allows for online review, as well as converting the reports in both REALTORS® M1 and NAR Ecommerce to be available for export and download online, IT has enabled a reduced environmental impact from printing, shipping and waste production that was associated with the past need for physical copies in these programs.



2022 NAR STAFF CONTRIBUTIONS

BUILDING OPERATIONS

As part of NAR's commitment to setting high efficiency standards for the industry, the GNP Management team set the 2022 goal to divert 50% or more of the Chicago HQ building's total waste from the landfill. Based on 2021's totals, that would be approximately **150,000 pounds**. As of November, the NAR HQ was on pace to meet or exceed the **50% diversion rate goal for 2022**.

The Master Vision Project – 2022 Update: The 11th floor was renovated over the first half of 2022. It was outfitted with new HVAC controls, an AHU that utilizes fan array technology for more energy efficient operation and all lighting on this floor was upgraded to LED fixtures with daylight-harvesting controls. Similar efficiency upgrades will be made across all floors of the Chicago HQ by the end of the Master Vision project.

The Chicago HQ building is currently enrolled in the ComEd Virtual Commissioning Program. This program analyzes energy usage and then provides recommendations for low-cost and no-cost improvements. NAR's is in the process of implementing recommended adjustments and will track results for future ESG+R reports.



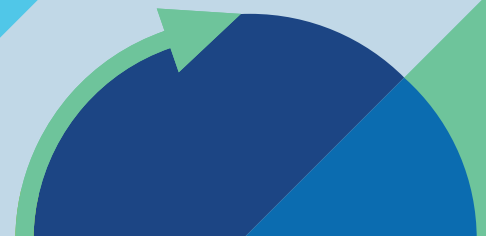
2022 NAR STAFF CONTRIBUTIONS

BUILDING OPERATIONS (CONT.)

The Chicago HQ building took advantage of the Peoples Gas Steam Trap testing program in the spring of 2022. All building steam traps were tested and then repaired or replaced. By using this program, a leak that was costing the property approximately **\$1,000 per year** in steam losses was corrected. NAR received a rebate of **\$1,440** from the Peoples Gas upon completion and installation verification of the new steam trap.

The Chicago HQ building carried out a 2022 fall season boiler tuneup. The building contractor worked with Peoples Gas to complete the boiler tuneup checklist and provide pre- and post-combustion readings so that Peoples Gas will cover some or all of the annual tuneup cost. Having a tuneup done each season ensures that the boiler is operating most efficiently during the heating season.

The Chicago HQ building achieved LEED v4.1 recertification Level Gold with 68 points on April 1, 2020. To achieve recertification, NAR is required to continually record and monitor the building's performance. This includes tracking and documenting the monthly building waste stream reports and utility bills, conducting annual IAQ testing and administering transportation and occupant-comfort surveys to all building tenants. NAR's goal is to achieve Gold Level again at the next recertification date in 2023.



2022 NAR STAFF CONTRIBUTIONS

MARKETING, COMMUNICATIONS AND EVENTS

NAR Creative and Marketing teams partner with printing vendors that are committed to sustainable business practices including pursuing and maintaining certifications by the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI) Chain of Custody Program, utilizing environmentally friendly inks and maximizing the recycling of paper waste.

Meetings and Events:

Meetings and Events eliminated printed programs and expo maps at REALTORS® Legislative Meetings and NAR NXT, along with smaller events such as C5 Summit and iOi Summit. Beginning with NAR NXT Orlando, NAR transitioned to the use of conference-specific apps to allow for the elimination of printed materials like maps and schedules.

Meetings and Events continued a partnership with the Food Recovery Network to organize donation of unused food at all NAR events to those in need in the communities local to event locations. See NAR's 2022 impact with the Food Recovery Network on page 23.

Meetings and Events presented the Sustainability Corner on the NAR NXT Expo floor, along with three education and one networking sessions focused on sustainability topics at NAR NXT in Orlando. Additionally, planned and organized two sustainability-focused Field Experiences at NAR NXT, a High Performance Homes Tour and an Environmental Clean-up, that were canceled for the safety of members due to Hurricane Nicole.

NAR requests environmental impact information from hotels during major events.



2022 NAR STAFF CONTRIBUTIONS

MARKETING, COMMUNICATIONS AND EVENTS

Creative and Content Strategy:

The NAR Sponsorship team and its external partners (HEI & YGS) have made a huge push for digital “everything” from retargeting campaigns, to targeted e-blasts, digital signage (versus banners) and overall, a more focused placement of digital advertising. They’ve pushed smaller NAR events away from using printed programs and have worked toward promoting any and all sustainability efforts being made by the specific event and/or host venue.

Major strategic changes on the NAR Content team have resulted in a reduction in REALTOR® Magazine print issues from six to four issues annually, along with improvements in digital to encourage and increase online engagement including the Drive With NAR podcast, Navigate With NAR, and an increase in digital REALTOR® Magazine distribution.



2022 NAR STAFF CONTRIBUTIONS

MEMBER DEVELOPMENT

In 2022, the Center for REALTOR® Development (CRD) authored and offered sustainability education courses, such as the Sustainability and Resiliency: “What REALTORS® Need to Know” course.

This year, CRD began implementing QR code downloadable agendas for events instead of printed copies. Utilizing this practice at Broker’s Edge saved about 200 print copies.

By decreasing print mailings for designation renewals, CRD effectively reduced 15% of their print material output.

Sustainability content is now incorporated into the NAR Leadership Academy program. For the 2022 Class and on, Academy graduates will be provided education for a deeper understanding of the NAR Sustainability Plan and how associations can take action to become leaders in sustainability within their local markets.

Member Development enjoyed many speaking opportunities on Sustainability content at industry conferences throughout the year. Engaging members, partners and industry experts at these events provided the opportunity for NAR to expand its reach and role as a leader in sustainability in the real estate industry.

The Center for REALTOR® Development hosted the Broker’s Edge and Broker’s Summit conferences, which featured speakers and presentations on a variety of sustainability topics as they apply to real estate.



2022 NAR STAFF CONTRIBUTIONS

MEMBER EXPERIENCE, ENGAGEMENT, LEGAL AFFAIRS AND RESEARCH

The Legal Seminar was held virtually, allowing more than 160 registrants to participate in the seminar without the cost, time and environmental impact of having to travel.

The Legal Seminar notebook, consisting of over 200 pages of materials, was distributed to more than 160 registrants electronically, saving thousands of pages of paper.

The Member Experience team moved the committee selection process entirely digital, stopping printing of committee selection binders and eliminating thousands of pages of printing.

The Research team continues to provide members data and analysis of sustainability and the real estate industry through production of the REALTORS® and Sustainability report and the REALTORS® and Sustainability: Commercial report.

NAR Research presented sustainability drivers for consumers, housing and brokers at the 2022 Sustainability Summit. They have additionally sought to reduce carbon emissions by utilizing virtual events and hosting virtual Forecast Summits.





ASSOCIATION SUSTAINABILITY SNAPSHOT

ENVIRONMENT

ENVIRONMENTAL INITIATIVES | RESEARCH & DATA | MEMBER EDUCATION

- 1. Planting 1.575 Million Trees:** In 2022, following the passion and direction of President Leslie Rouda Smith, NAR committed to planting 1.575 million trees—one for each member—by the end of 2025. To best reach this goal, NAR has partnered with the National Forest Foundation, an experienced organization that focuses reforestation efforts in National Forests around the country. Using a need-based approach and utilizing native, ecologically appropriate trees ensures the health and viability of planting efforts on public lands for the long run. Planting 1.575 million trees has the estimated impact of removing 750,000 metric tons of carbon from the atmosphere over the trees' lifetimes.
- 2. NAR's Chicago HQ and the Master Vision Project:** At NAR's Chicago HQ, located at 430 N. Michigan Ave. in Chicago, the building operation and construction teams have continuously pursued rigorous standards of efficiency, resiliency and sustainability. In its operation over 2022, the Chicago Headquarters participated in both the ComEd Virtual Commissioning program and the Peoples Gas Energy Efficiency Program, both of which emphasize maximizing utility efficiency, thus reducing operational costs and environmental impact. Engagement in these programs, alongside a goal of diverting 50% of the building's waste in 2022 from landfills, marks NAR's continuous commitment to maintaining the LEED Gold certification achieved in 2020.

This pillar measures the impact of specific, positive actions or programs linked to the natural environment. Examples of actions under this pillar include items with a focus on environmental sustainability, energy reduction measures or general education of members and stakeholders on sustainability.





3. Environmental Clean-Up Event:

At the NAR NXT conference in Orlando, Fla., NAR teams planned and organized an environmental cleanup of the waterways around the Lake Nona community. Planning occurred in collaboration with Florida state and local REALTOR® associations as well as community organizations, such as Keep Florida Beautiful. Although this event was canceled due to the safety risk posed by Hurricane Nicole, NAR continues to seek engagement opportunities for members to further develop their understanding of environmental stewardship through hands-on experiences. NAR will continue to create initiatives that can serve as templates for associations to take back to their local markets.

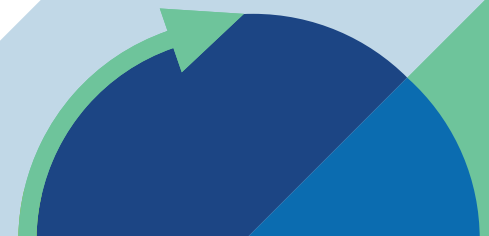
4. REALTORS® & Sustainability Reports *(Commercial and Residential)*:

NAR continues to provide members with the latest research and data on sustainability and the real

estate industry through its publication of the REALTORS® and Sustainability annual research reports. Published annually, this research aggregates responses from thousands of REALTORS® to highlight sustainability topics and define residential and commercial market activity around sustainability across the country.

5. HomePerformanceCounts.info

Joint Initiative: This joint initiative established by NAR and the National Association of Home Builders promotes collaboration and provides REALTORS® and builders with tools and information to work together on promoting the value of home performance to clients.



At homeperformancecounts.info, members can learn the value of early and frequent collaboration with home builders to convey the value proposition of high-performance homes. They can also access resources highlighting the consumer benefits of high-performance homes and utilize the Translator Tool, which serves to help REALTORS® recontextualize questions received from clients under the lens of efficient, healthy and sustainable home-improvements.

FUTURE OPPORTUNITIES:

- NAR is preparing for and anticipates new opportunities to build upon the tree-planting partnership with NFF through 2025, including finding ways to provide progress reports to members and associations, and engaging with membership on the impact of this initiative in specific markets where planting takes place.
- Provide an environmental cleanup event template to state and local associations to assist all markets with prioritizing sustainability concerns and mobilizing REALTORS® to contribute to positive environmental impact.
- With the Master Vision renovation ongoing, NAR strives to recertify the Chicago HQ as LEED Gold when recertification is open in 2023.



SOCIAL

ENGAGEMENT & EDUCATION | HEALTH & WELLBEING | DIVERSITY & EQUITY IN OPPORTUNITY

- 1. Online Sustainability Course for REALTORS®:** In September 2022, NAR launched a free online course entitled: *“Intro to Sustainability and Resiliency: What REALTORS® Need to Know”* with the Center for REALTOR® Development. This course provides REALTORS® with the information necessary to feel comfortable and confident when engaging clients on sustainability topics, and explains the relationship between sustainability and the real estate profession. It affords members a better understanding of the resilience, health and wellness benefits clients increasingly seek from sustainable development, as well as the impacts real estate construction and operation has on the environment.
- 2. Sustainability Summit:** NAR hosted the annual Sustainability Summit, June 7-8 in Minneapolis, MN. This event brings together industry and volunteer leaders to explore progress and opportunities in the advancement of short- and long-term sustainability goals across the real estate market and assess ways to support associations in meeting those targets. The 2022 Summit was a think-tank style, action-based event focused on understanding and creating professional goals around energy and decarbonization, and equity in sustainable homeownership.
- 3. The Food Recovery Network:** In 2022, NAR continued its partnership with the Food Recovery Network to donate any unused food portions to local shelters at major meetings. In 2022 alone, NAR donated 3,019 pounds of surplus food from events, equivalent to 2,516 meals, to local hunger-fighting nonprofit organizations in 12 cities around the country. This brings the total surplus recovered by NAR and its affiliate members from nationwide conferences and events since 2019 to 6,293 pounds, or roughly 5,250 meals.

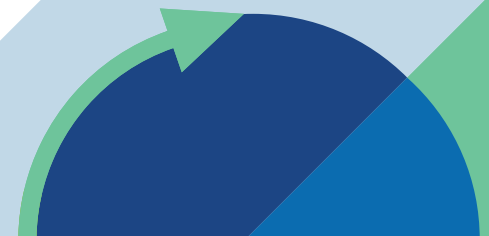
This section promotes the growth of sustainability by unlocking opportunities for health, equity and well-being. It includes activities, initiatives and events undertaken by the association to engage employees, associations, members and communities. Examples of actions under this pillar include partnerships, member meetings, engagement opportunities and climate equity.





4. Grants and Funding Opportunities: NAR has several grants and funding opportunities designed to support associations in making their local markets vibrant, diverse, and equitable communities. A new grant, piloted in 2022, specific to sustainability can be viewed in more detail on page 34 under the Governance pillar.

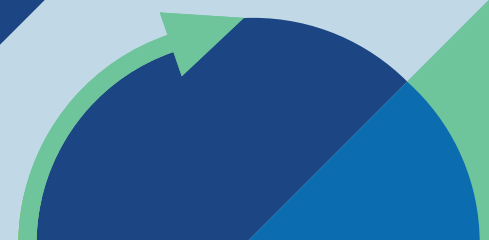
- a. The **Smart Growth Grant** provides funding for associations to pursue projects and programs that emphasize the Smart Growth Principles. These principles, such as creating walkable neighborhoods and encouraging community and stakeholder collaboration in development decisions, are designed to keep equity, diversity and vibrancy at the heart of any community development project, program or plan.
- b. The **Placemaking Grant** encourages associations to support and develop spaces that increase community access to a vibrant and lively outdoors. From community gardens and playgrounds to alley activations and park trails, the Placemaking grant recognizes that all communities benefit from healthy, diverse and easily accessible outdoor recreation, both those that provide business benefits and aesthetic enjoyment.
- c. The **Housing Opportunity Grant** can be used to support efforts to encourage the development of Accessory Dwelling Units in communities and increase equitable access to housing.



- 5. Sustainability Corner at NAR NXT:** In November, the NAR NXT Expo showcased the Sustainability Corner footprint. Backdropped by a lush, live-plant wall, NAR rolled out the green carpet for several amazing partners and presenters to enable face-to-face engagement and hands-on education for members.
- a. Chefs Christopher Galarza and Rachelle Boucher demonstrated the endless possibilities and accessibility of induction cooktops, informing audience members on the environmental and health benefits of reducing natural gas presence inside the home.
 - b. Partners from the National Forest Foundation spoke on the value of NAR’s commitment to planting **1.575M trees** by the end of 2025—one for each member. Members demonstrated excitement and support for this initiative by “naming their tree” and creating a veritable forest of named sticker trees across a standing wall.
 - c. NAR’s team of Sustainability Staff, joined by representatives from the Green Business Bureau and Building Decarbonization Coalition, spent the day answering questions about sustainability projects, programs and opportunities, and connecting members to the resources and information they need most.
 - d. Conference attendees had the ability to showcase a “2022 Sustainability Hero” sticker on their reusable water bottles, increasing awareness and organic conversation around the importance of reducing single-use plastics.

FUTURE OPPORTUNITIES:

- Continue to build out NAR’s available sustainability education offerings, including adding courses on green financing and other timely topics in collaboration with the Center for REALTOR® Development, as well as continue to build upon conference session offerings at all NAR meetings, supporting a cultural infusion of sustainability content to NAR members.
- Continue to offer an expanding portfolio of resources for members and associations to become more engaged in the health, diversity and sustainability of their local communities.
- NAR looks forward to hosting the Sustainability Summit in the coming years. In the future, this event can move from an invitation-only event to an open-participation one as interest in this topic and its impacts on all aspects of real estate become more prevalent and top of mind.



GOVERNANCE

LEADERSHIP | PARTNERSHIPS | REPORTING & PERFORMANCE

- 1. Leadership & Industry Awards:** NAR's formal sustainability recognition allowed for the receipt of the 2022 Business Intelligence Group Sustainability Leadership Award for NAR's Sustainability Program. The association also earned a Green Business Bureau Platinum Certification for NAR, a level of certification awarded to only the top 5% of recipients. This certification creates opportunities for state and local associations to also benefit from their own assessment and education around sustainability operations.
- 2. NAR 2023-2025 Strategic Plan:** The Strategic Framework for NAR's operation through 2025 was drafted and approved in 2022 and includes multiple sustainability focus areas. The Strategic Plan contains six pillars: Leadership & Influence, Industry Outreach, Member Success, REALTOR® Brand, Member Experience and Organizational Development & Performance. Sustainability is explicitly present in two of these pillars: Leadership & Influence and Organizational Development & Performance.
 - In Leadership & Influence, strategic opportunities are included for Climate and Sustainability to raise member understanding of the impact of climate change and the importance of sustainability practices to our industry, and to become the recognized leader and resource for industry and community sustainability and resiliency.
 - Under Organizational Development & Performance, language is included in the Strategic plan to use an ESG+R lens on a regular basis to evaluate NAR policies, practices and decisions.

The Governance pillar shows how NAR is leading forward on sustainability, and focuses on introducing and implementing the concepts of sustainability to members, state, and local associations using an integrated approach that brings sustainability into all areas of an association. Examples of governance efforts include pointed leadership support, data and reporting, operational decisions related to ESG+R, and industry partnerships.



3. Presidential Support: The 2022 NAR President, Leslie Rouda Smith, led the association using the guiding theme of “3 S’s” for the year. These themes included Strength, Safety and Sustainability. Focused national leadership on sustainability allowed growth and unprecedented support for sustainability and encouraged action on five key recommendations from the Sustainability Advisory Group in 2022. This support aided in the successful launch of the tree planting partnership with NFF. Additional initiatives brought to light under the President’s sustainability theme include, but are not limited to: increased marketing, communication and coverage on sustainability, approval for creation of a sustainable meetings policy in future years, approval for creation of a green financing course for REALTORS®, planning an environmental cleanup event and the launch of the pilot year of a sustainability grant.

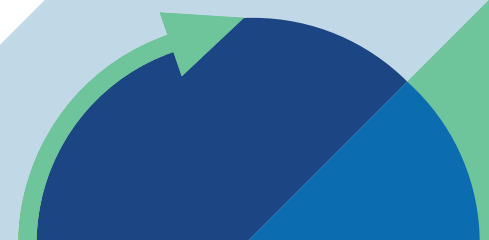
4. Sustainability Grants: Based on recommendations from the Sustainability Advisory Group, in September 2022, NAR launched a pilot of a new sustainability grant for State and Local Associations to support sustainability initiatives at the board level. This grant provides funding assistance to state and local associations to projects that align with NAR’s Sustainability and Resilience Plan. Funds help associations with a variety of initiatives, like implementing a sustainability program, event or plan, and encourages ongoing awareness of sustainability in real estate. **\$100,000** was made available with a cap of \$5,000 per applying association. In the pilot year, NAR received **52** applications requesting over **\$240,000** with the potential to impact more than **600,000** members.

5. Policy and Advocacy: NAR’s Land Use, Property Rights and Environment Committee secured approval on updates to NAR’s Water Policy in 2022. These extensive changes to the current policy on Water Resources make the policy clearer, more proactive and broader in scope. These changes allow NAR to engage in more federal water-related issues, such as conservation, storage and water planning. The policy updates will help NAR address dramatic changes occurring in the country’s available water resources by clarifying:

- Property owners have an important responsibility for preserving water quality;
- Water laws and regulations should be incentive based;
- Governmental policy at all levels should not take any actions to harm water supply or quality.

These changes enhance NAR’s existing policy by:

- Including greater engagement with communities and localities on water resource issues;
- Incentivizing the creation and use of innovative technology and infrastructure for sustainable storage systems;
- Helping communities address the impacts of climate change and extreme weather events on water resources;



- Strengthening the capacity of governments, institutions and communities to develop, finance, manage, and maintain sustainable water sources.

From an Advocacy perspective, NAR also modified a staff position to include a Director of Environmental and Sustainability Policy on the Advocacy team to provide leadership on the growing needs in this space.

- 6. Partnerships:** Ongoing relationships and partnerships with industry leaders build NAR's value as a leader in the sustainability space. The continued partnership with the National Association of Home Builders created joint speaking and event opportunities for expanded audiences in 2022. Partnership with the Green Business Bureau extended discounted membership to state and local associations so they can lead by example on sustainability to members in their markets. Ongoing communication with Fannie Mae and Freddie Mac is providing value and direction to the creation of green financing coursework for REALTORS®.

FUTURE OPPORTUNITIES:

- The passing of the new Strategic Plan creates immense opportunities for measuring the impact of sustainability and ESG+R integration for our members. With association operation and programming taking much of the focus in the first two years of NAR's Sustainability & Resilience Plan implementation, the 2023-2025 Strategic Plan offers a member-focused approach and prioritization of sustainability.
- Operationally, several opportunities are in place, including the creation of a sustainable meetings policy for NAR's major meetings. The opportunity to continue the Sustainability Grant in future years will create pathways to understanding and allow State and Local associations to more confidently integrate sustainability into their member offerings and operations.
- The association aims to implement more formalized tracking by subscribing to current sustainability standard-reporting metrics in the future (e.g., GRI Standards).
- Utilizing the insight of the Sustainability Advisory Group, develop an online Sustainability Toolkit for State and Local Association Leaders, accessible on nar.realtor that provides step-by-step direction on how associations can institute sustainability plans, committees, programs, and projects tailored for their local markets.
- The investments made by the Inflation Reduction Act will bring benefits to property owners for many years to come by helping them save money on utility bills, make their buildings more comfortable and reduce their carbon emissions. NAR looks forward to providing content and resources to share with members and associations about specific IRA provisions, incentives, and rebates to help REALTORS® provide value to clients seeking benefits of this legislation.

RESILIENCE

RESILIENCE STRATEGY | RESILIENCE FINANCING | EXTREME WEATHER & CLIMATE RISK

- 1. Resilience Research:** The 2022 Sustainability Advisory Group led an effort to gather and analyze research and data on the links between extreme weather events, real estate market activity and property values with a report on this data and its impacts. Staff supported the SAG request for information and assessed several data sets to determine the impact from Hurricane Katrina on the real estate market and REALTOR® livelihood. This is a great step toward future research.
- 2. ClimateCheck:** The Realtors Property Resource® (RPR®) has partnered with ClimateCheck®, an information resource that determines a property's future risk of climate change-related hazards. These hazards include heat, precipitation, drought, flooding and fire. ClimateCheck® rates a property's future risk of climate change-related hazards and assigns a rating from 1 to 100, with 100 representing the highest risk. By future, they mean the year 2050—a period within the lifespan of a 30-year mortgage signed today. This data helps inform members of possible client concerns and creates an opportunity for REALTORS® to share resources on climate risk and resilience with clients.
- 3. Infrastructure Investment and Jobs Act (IIJA):** The IIJA authorized the development of new and improved roads and mass transit systems, enhanced water management technologies and robust and widespread broadband platforms. NAR, through its members engaging at the local level, is helping localities prioritize these needs and providing information on local real estate markets to local leaders, who use this data for their applications to access these funds, where available.

This section focuses on helping members and communities mitigate and adapt to current and future risks to the industry using short- and long-term goals and actions that help REALTORS® and communities respond to and prepare for extreme weather and a changing climate. Examples of Resilience actions include grants and funding, strategic planning integration, extreme weather preparedness, and climate research.



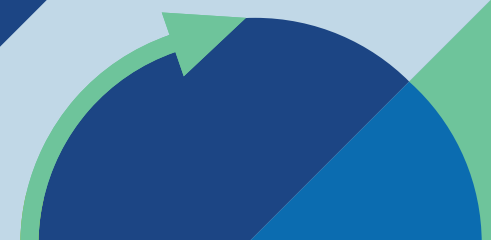


4. NFIP Risk Rating 2.0: NAR supports FEMA’s new flood insurance pricing methodology called Risk Rating 2.0: Equity in Action. This new methodology uses modern insurance industry technologies, standards and science to price each home individually—rather than by flood zone—and help homeowners make informed decisions about a property’s flood risk.

5. Risk Factor: Fire Factor® and Flood Factor® are included on realtor.com®. This includes wildfire risk data at the individual property level. With this data, consumers have access to hard-to-find information about wildfire risk and can explore interactive maps when viewing individual properties. REALTORS® can also find information on riskfactor.com to become the source of the source on accurate climate risk data.

FUTURE OPPORTUNITIES:

- NAR identified the opportunity to continue resilience research to help our members better understand specific risks that link climate events to real estate transactions and communities. Moving forward, this project will continue to examine several other major weather events in recent history and the data that helps inform REALTORS® of market-based climate risk.
- Continue to provide members with extreme weather and resilience information and look to the future of creating climate risk typologies to help identify the greatest risks in a given geographic footprint so REALTORS® may help provide clients with prudent resources.
- Offer and maintain current resources for extreme weather and resilience assessments for state and local REALTOR® Associations through nar.realtor/sustainability.





**LOOKING
AHEAD**

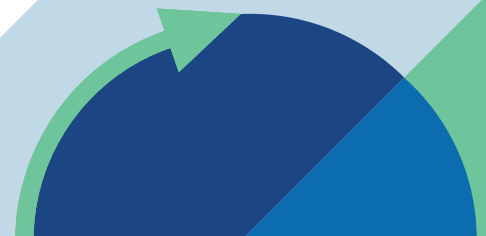
2023 NAR PRESIDENT STATEMENT



“When more Americans can access the housing market, more Americans can share in our country’s promise of success. Incorporating sustainable practices in housing—practices like waste reduction, energy use reduction and overall environmental impact reduction—is essential in the quest to make housing more available, accessible and affordable for all. That’s why it’s important for us to drive NAR’s leadership on this issue for our profession and our industry.”

A handwritten signature in black ink, appearing to read 'K Parcell', written in a cursive style.

— **Kenny Parcell**
2023 NAR President



MEMBER STATEMENTS

WHAT ARE YOUR THOUGHTS ON THE SUSTAINABILITY EFFORTS AND SUPPORT PROVIDED BY NAR IN 2022?

“ Since my first meeting with the [Sustainability Advisory Group] committee, I was imagining how difficult it would be to make a dent in this immense project. However, when I see how much has been done by NAR to provide guidance for REALTORS® to move forward with adoption, education, support for specific programs, I clearly appreciate how much we can do as individuals to move all persons forward in this much needed world of sustainability. ”

— **Barbara Lach**
REALTOR®, OH

“ To focus on this area expands the scope of our business. REALTORS® who look beyond everyday transactions give themselves an opportunity to stand out in their communities. ”

— **Dale Meller**
Association Executive
*Beaver Creek Area Association
of REALTORS®, OH*

MEMBER STATEMENTS

WHAT DO YOU BELIEVE NAR HAS DONE WELL REGARDING SUSTAINABILITY AWARENESS AND ADVANCEMENT IN 2022?

“ The Green Business Bureau partnership has been good if for no other reason than to make participants aware of what we can do for environmental sustainability. The concept of sustainability also has helped local associations think more about transitions. In general, however, it has produced a change in thinking that is less ‘transactional’ and more long term. ”

— **Bob Taylor**
CEO

Grosse Pointe Board of REALTORS®, MI

“ Overall NAR has done a great job moving forward as outlined in the plan and the 15 strategic priorities. This year, in particular, NAR has taken meaningful action to help bring the conversation of sustainability front and center. The creation of the grant program and the tree planting are great examples of this. ”

— **Eric Rehling**
REALTOR®, PA

“ Providing the strategic course and other information to help states and local associations to embrace sustainability in our states. Love to see the sustainability as part of the conference. ”

— **Tyrone Adams**
Association Executive
Colorado REALTORS®, CO

MEMBER STATEMENTS

WHAT WOULD YOU LIKE TO SEE IMPROVED, ADDED OR EXPANDED UPON IN NAR SUSTAINABILITY IN FUTURE YEARS?

“ Bringing it to the local level seems to be where there would be the biggest impact, so a handbook of sorts of activities and things to look at—locally. NAR is so far out of most agents’ radar—they look locally first. ”

— **Rita Tayenaka**
REALTOR[®], CA

“ An expanded awareness campaign is critical to make a difference. I would hope for NAR to ultimately make a significant difference to our industry and homeownership. ”

— **Barbara Lach**
REALTOR[®], OH

MEMBER STATEMENTS

HOW HAVE NAR SUSTAINABILITY RESOURCES/PROGRAMS/PUBLICATIONS IMPACTED YOUR STATE/LOCAL ASSOCIATION OR BROKERAGE THIS YEAR?

“ They have helped drive and support the legitimacy of the conversation and provided opportunity to highlight the positive sustainability leadership happening throughout our state. ”

— **Christopher Matos-Rogers**
REALTOR®, GA

“ The heightened awareness fostered more conversations particularly at our local board. This led to our board hosting a sustainability/disaster planning webinar in the summer. The first of its kind centered around the topic. We are excited to see what additional events/classes come next year. ”

— **Eric Rehling**
REALTOR®, PA

“ We have developed our own internal Sustainability Plan and are now finding ways to use our efforts externally! ”

— **Laura Crowther**
CEO
*Coastal Carolinas
Association of REALTORS®*



THE BIG PICTURE

ORGANIZATION, INDUSTRY AND MARKET OPPORTUNITY

Sustainability at NAR has gained momentum in 2022. The support from the National Association of REALTORS® to members and associations on this topic is growing, and members are becoming more aware of the value and risk management necessary for successful sustainability integration in their business. The ability to build awareness among members and industry professional on sustainability issues and the four pillars of NAR's Sustainability & Resilience Plan has led to increased member and leader engagement on the subject matter.

The National Association of REALTORS® (NAR) Sustainability & Resilience Plan offers a structured sustainability approach to enhance NAR's overall priorities of supporting homeownership, property rights and strong communities. This structured approach has encouraged each team of National Association staff to undertake specific, action-based initiatives that support the pillars of NAR's Sustainability & Resilience Plan. This enterprise approach brings value to NAR members by leading by example and showcasing the reaching impact of the subject matter on the industry.

Understanding sustainability's impact in real estate increases the REALTOR® value proposition by positioning members as knowledgeable and competent professionals who can guide clients in a fast-growing conversation. REALTOR® leaders who understand sustainability as a core business value, or include sustainability in a strategic plan, are uniquely positioned for positive business impact.



Professionals in the real estate industry benefit from designated leadership on sustainability topics. Such leadership helps garner support on important programs, actions, business practices or local policies to weave sustainability throughout a company or association's decision-making processes. First, however, those seeking to understand sustainability in their marketplace should become aware of and interact with the high-priority and market-specific sustainability issues in their area. By understanding these issues, REALTORS® can provide an added layer of value to address client concerns or provide resources to clients.

This report is designed to share a transparent look at the why, the what, and the how of effectively integrating sustainability into business operations. The National Association of Realtors® proudly met all our sustainability goals for 2022, in addition to launching new initiatives and resources for members and associations. This does not mean the work is finished, in fact, it's only beginning. As the built environment accounts for 39% of carbon emissions, continuing to track and challenge the association's strategy, approach and goals in this space is paramount to maintaining sustainability leadership moving forward.



THANK YOU



NARdotRealtor



nar.realtor/sustainability

