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# How this architectural engineering firm built sustainability into its business

BY NICK ROCKEL

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Christian Agulles, president and CEO of PAE Engineers.  
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A few minutes into our chat, Christian Agulles drops some sobering numbers.

Every year, people put about [50 billion metric tons](#) of greenhouse gas into the atmosphere, says the president and CEO of [PAE Engineers](#), an architectural engineering consulting firm.

“Estimates are that we’ve got about 500 billion tons left, and that’s our remaining carbon budget before we reach irreversible global warming beyond one and a half degrees Celsius,” Agulles adds. “If you just do the quick math, we have 10 years to figure this out before climate change will reach an irreversible point.”

Now that the climate crisis has gone mainstream, there’s an opportunity for businesses to build trust, Agulles reckons.

What people want to know: “The company that they work for or are associated with or are supporting, what are they doing and how are they taking that challenge seriously?”

PAE, a specialist in high-performing buildings nationwide, has a good answer.

“Our focus is around reducing embodied and operational carbon in our projects,” Agulles tells me from New York. (Embodied carbon refers to the emissions associated with building materials and construction, while operational carbon is those associated with energy use.)

As a business, PAE has been carbon-neutral since 2008 and carbon-negative since 2019. Its interest in driving sustainability in building design dates back two decades, notes Agulles, a mechanical engineer who joined the firm in 2014 and was named CEO last year. Under former president Paul Schwer, PAE was at the forefront of the [LEED building](#) movement and developed ties with the [International Living Future Institute](#) (ILFI), he says.

The 400-employee firm is also a signatory to [MEP 2040](#), a grassroots movement that aims to reduce carbon emissions from building systems. In 2021, MEP issued a challenge to all mechanical, electrical, and plumbing systems engineers to advocate for and achieve net-zero operational and embodied carbon in their projects by 2030 and 2040, respectively.

“As a signatory, we’re required to establish a company plan and a strategy on how we’re going to reduce embodied and operational carbon in the systems that we design,” Agulles says.

A [triple-bottom-line](#) business, PAE is also transparent with shareholders about its carbon footprint. “We’re a private company, but within our shareholder report, we produce all of the documentation and calculations for how we achieve our net-zero operating carbon,” Agulles says. “We’re in the process of improving our dashboards and having it accessible publicly.”

How has such disclosure helped PAE build trust?

“As sustainability in building systems has become more in fashion, people are very sensitive to the idea of greenwashing,” Agulles says. “They’re paying very, very close attention to all of the things that you do in how you run your business, the culture of your organization, to make sure that sustainability is embedded within your culture and not something layered on top.”

For PAE, a certified [B Corporation](#), committing to sustainability extends to its living quarters. The firm’s [Portland HQ](#) is a certified [Living Building](#)—one of only about 35 worldwide. The five-story structure, which opened in 2021, produces more energy than it uses and draws no water from the local utility, Agulles explains. “We wanted to design a building that our staff could live in that meets the most stringent sustainability framework that exists.”

Agulles sees no upside for businesses that set unrealistic sustainability goals or exaggerate their efforts.

“Trust is a cornerstone of our relationships with our clients, our employees, our design team partners, and I think part of what builds trust is transparency and honesty,” he says. “The reporting is what gives you credibility, which then gives you trust. And so for me, statements and promises that are not validated actually erode trust.”

Agulles’s advice to companies that want to get better at environmental impact disclosure? First, know what’s important to your organization.

“There’s different aspects of sustainability, so take some time to really understand what it is that resonates with your culture and your values,” he says. “Then start to build out realistic [goals] and then some stretch goals around achieving some things that are important—and then have some actionable steps to help you incrementally get there.”

A solid foundation.

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