

Sustainability for Private Equity and Real Estate industry



Business and society are facing an array of urgent and critical social, environmental, ethical, and economic challenges. Broad societal responses are playing out in the realms of policy, technology, and the marketplace.

These system-level challenges and societal responses are making it imperative that businesses devise their strategies for adapting and operating effectively. While the risks of taking inadequate action are formidable, the sustainability imperative is also creating tremendous opportunities. Each vulnerability constitutes a call for innovation; each unmet need offers a prospect for growth.

What macro sustainability trends are affecting the industry?

- The construction and real estate sector is at the heart of the sustainability debate because it gives rise to around half of global greenhouse gas emissions, and around 50% of the world's consumption of natural resources.
- Sustainability is a fundamental property and business concern and cuts across every surveying, investment, and planning discipline.
- Ultimately, the sustainability credentials of a property are likely to affect values in a number of inter-related ways.

What signals might indicate client needs?

- Extensive property holdings or leasing, particularly in geographies with strict sustainability-related regulations or environmental pressures (e.g. water scarcity);
- No holistic approach to the investment and management of property and equities that addresses sustainability risks and opportunities;
- Unclear understanding of how buildings create environmental impacts over their lifecycles;
- Client or stakeholder attention to sustainability issues, especially on design and construction of large-scale developments.

What value can Deloitte Sustainability practitioners add to clients?

- Enhanced ability of real estate investors/owners to carry out fiduciary duties and guard against the risk of accelerated investment depreciations;
- Improved performance across sustainability considerations, operational efficiency, and occupant productivity for both commercial and public sector clients;
- Better management and reduction of buildings' total carbon footprint from design to demolition;
- Stronger community relations for large sites and capital projects;
- Clearer understanding of long-term risks and opportunities in integration of environmental and social issues within equity management.

Which services can Deloitte sustainability team provide?

Business strategy

Sustainability is a critical business issue and has the potential to be a key differentiator in an organization's ability to create and protect enterprise value and drive growth and innovation. For some CEOs, sustainability has become the key driver of business strategy.

Deloitte team can help on identifying long-term sustainability strategy that integrates social and/or environmental criteria in investment decision-making process.

Reporting, compliance and assurance

Develop an efficient and transparent communication is important to limit risks of reputation.

Deloitte can assist companies both identifying the reporting process in link with international standard as GRI. We can also perform verification of non-financial report and help to commit with international initiatives (UNGC, CDP,...).

Risks assessment

Regulatory developments, stakeholder pressures, and resource scarcity have forced businesses to understand how sustainable their behavior is — and what risks they may face as a result.

Deloitte teams combine appreciation of business risks around sustainability and help clients chart risk management approaches that balance risk avoidance with risk taking.

Energy and carbon management

Energy management is the process of monitoring, controlling, reporting and conserving the energy costs and the energy consumptions in a building or organization. It helps to consider and deal with enterprise risks related to energy and its supply and climate change impacts.

Deloitte can help in mapping and quantifying energy consumption and convert information to identify the real impact on climate change. Based on this assessment, we can identify actions to implement reducing energy needs, cost and impacts.

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