

ESG IN REAL ESTATE

Driving stakeholder value with ESG

Helping real estate and construction companies thrive in every economic environment.

ESG programs for real estate

In today's world, **environmental, social, and governance (ESG)** is a core pillar of value creation for organizations of all sizes. Due to an evolving set of expectations from stakeholders and pending regulatory requirements, ESG is no longer a discussion—it's a necessity.

In light of the pressure to tackle climate change, real estate investors and developers are reconsidering ESG performance indicators to futureproof their investments, reflected in the emergence of ESG policies and increased reporting.

ESG issues specific to real estate

Every industry has different driving forces behind the development of ESG programs. The following issues are material to the real estate industry:

1. ESG data management:

Upcoming regulation on public companies to disclose and report on their Scope 1, 2, and 3 greenhouse gas (GHG) emissions will put pressure on landlords to provide data to their tenants in order for them to map out their carbon footprint, and report on energy consumption.

2. Environmental and energy efficiency measures:

Renewable energy is an increasingly popular asset class with occupiers, landlords, and developers prioritizing the energy efficiency of their buildings. Additionally, the Government of Canada has published its Clean Growth Strategy to support businesses in reducing their energy use.

3. Real estate innovation:

Tenants are demanding higher standards from their landlords in relation to air quality, water quality, natural light, and access to green spaces and cycling facilities. This is driving change across the real estate industry.

4. Regulation:




To comply with the Paris Agreement, the global average building energy intensity must shrink by at least 30% by 2030¹. The real estate sector must rethink its business model to comply with tightening building regulation.

5. Access to capital:

Implementing a sound real estate ESG strategy will be important and will open up financing and financial market access for the sector.

How BDO's sustainability services can help

Our ESG specialists and services can support you regardless of where you are in your sustainability journey.

<p>Strategy</p> 	<p>Implement and optimize</p> 			<p>Measure</p> 
<p>ESG strategy and program development (full and light).</p> <p>Climate change strategy and risk.</p>	<p>Technology innovation and transformation.</p>	<p>Technology enablement.</p> <p>Program implementation and management.</p> <p>ESG technology selection and system implementation.</p> <p>Process risks and controls implementation.</p> <p>GHG emission and carbon management.</p>	<p>Social performance measurement.</p> <p>Governance performance management.</p> <p>Supply chain risk and traceability management.</p> <p>Sustainable finance.</p> <p>M&A sustainable finance: M&A ESG due diligence, ESG investment portfolio, integration, and impact assessment.</p>	<p>ESG target setting.</p> <p>ESG reporting.</p> <p>ESG assurance.</p> <p>Third-party assurance.</p>



What our leading specialists say

"Investing in an ESG program is more important now than ever. Landlords need to be aware of the increased pressure to measure and report on ESG metrics and demonstrate impact on issues that matter. Forming an effective, sustainable ESG strategy and leveraging technology to support your ESG journey will optimize growth and set your organization for long-term success."

– Pierre Taillefer, National Sustainability & ESG Leader, BDO Canada

Benefits of investing in ESG programs for real estate:

-  Early integration of an ESG program strategically positions your organization for long-term success.
-  Access to capital.
-  Operational efficiency and innovation.
-  Integration of ESG aspects into common cost allocations.
-  Tenant acquisition.
-  Regulatory compliance.
-  Partnership opportunities and community impact.

1. <https://www.canada.ca/en/environment-climate-change/services/sustainable-development/strategic-environmental-assessment/public-statements/pan-canadian-framework.html>

TO LEARN MORE, PLEASE CONTACT

Pierre Taillefer

National Sustainability &
ESG Leader
ptaillefer@bdo.ca

Amanda Tso

Operational Excellence Leader,
Advisory & National Valuations
Practice Leader
atso@bdo.ca

ABOUT BDO

BDO is a leading provider of professional services, delivering a range of assurance & accounting, tax, and advisory services. Complemented by continuously advancing technology expertise, ESG focus, and 100+ years of being connected to local communities, we're proud to cultivate ongoing relationships with clients and employees across Canada and beyond.

Our people-first approach to our talent experience has earned us multiple awards, including a spot among [Canada's Top 100 Employers for 2022](#).

Assurance | Accounting | Tax | Advisory
www.bdo.ca