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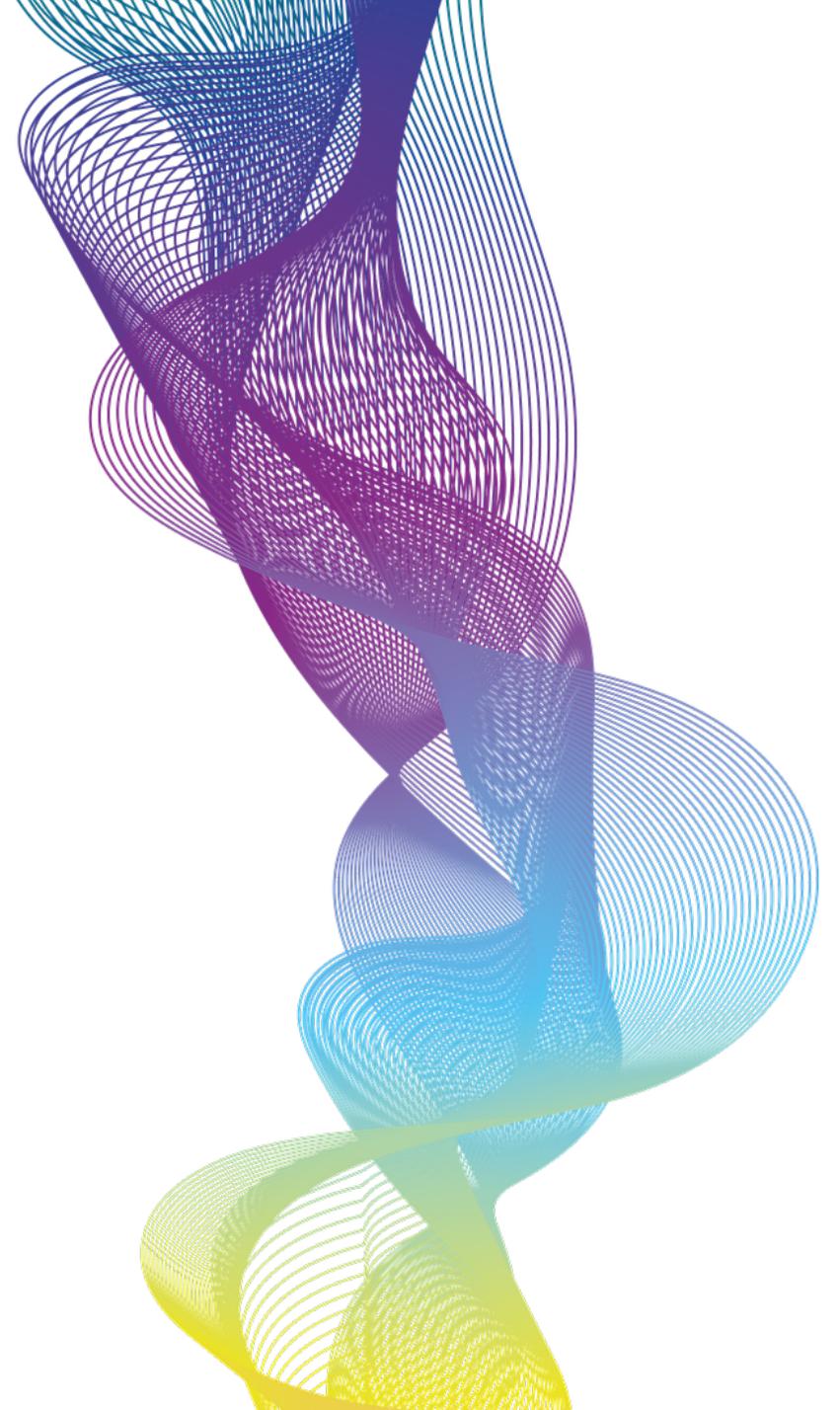




Sustainability.

An accelerator for Real Estate organizations

Real Estate Academy, 2021



Your hosts



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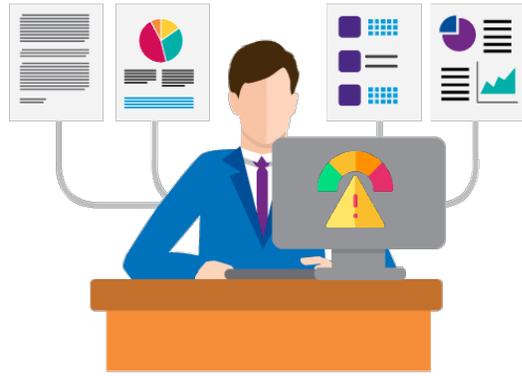
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Sustainability. What is it about?



The
responsibility
of companies
for the *impact*
they have on
society

Reducing negative impact

About detecting, preventing and reducing potential negative impact of business operations

Examples

- GHG emissions
- Corrupt practices in planning, real estate and construction

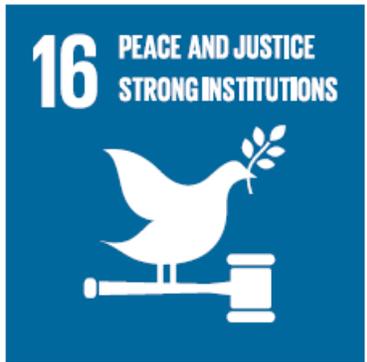
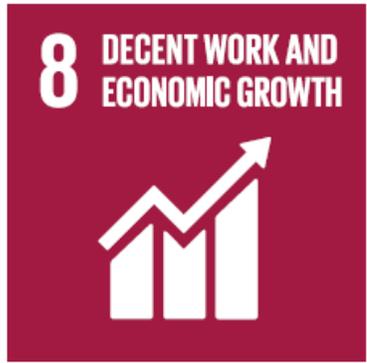
Stimulating positive impact

About contributing meaningfully to solving global challenges

Example

- Availability and quality of housing





Why act now? We are in the perfect storm!

Consumers

Sustainability increasingly features in purchase decisions.

Example – Half of the growth in consumer packaged goods are due to “sustainable-marketed goods”.

Financial community

Investment appetite is shifting to ESG / sustainability.

Example – Sustainability-linked financial instruments are becoming mainstream.

Authorities

Regulatory complexity regarding sustainability increases.

Example – Gradually increasing standards for EPB/PEB in new constructions. Buildings as from 2021 should be near-zero energy.

Business partners

Greater transparency fuels demand to improve sustainability of supply chains.

Example – Using collaborative platforms, such as BIM, to improve planning and communication needs between all business partners.

Employees

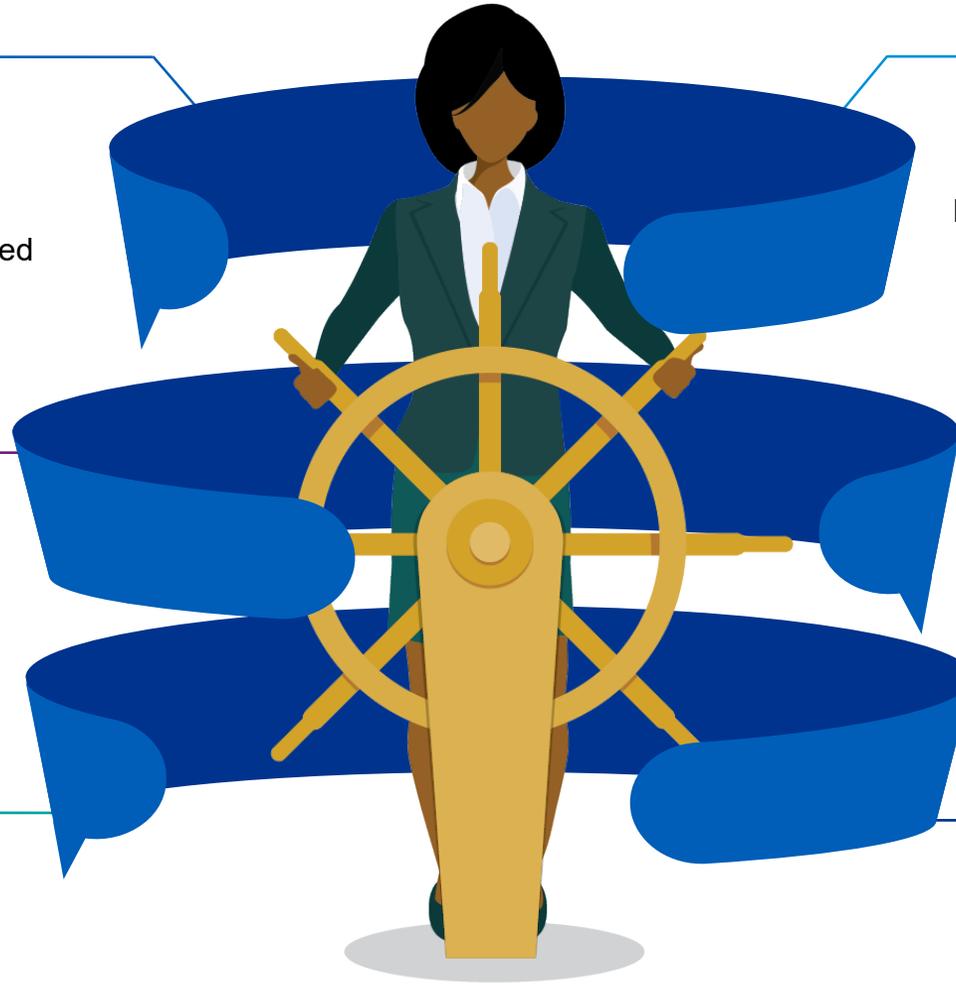
Sustainability has become a vital flank in ‘the war for talent’.

Example – Young graduates prefer to work for a company that has a positive impact on the world.

Civil society

Stakeholder capitalism is in vogue.

Example – Civil society is calling companies to account on important topics, such as diversity & inclusion.



There has been an evolution in the way companies engage sustainability

RISK MITIGATION



Avoiding downsides due to cost increases, market share loss or fines driven by regulation or market consensus.

Example

Risk of non-renewal of operating license in case of non compliance to environmental concerns.

COST REDUCTION



Improving cost position through operational efficiency with company's internal scope (e.g. energy, waste, water, ...).

Example

Using IoT devices and software to monitor real-time data about buildings for cost-efficient property management.

NEW MARKETS



Creating value from product / service innovations, new markets, and commercial validation of sustainability efforts (e.g. charge premium, preferred partner position).

Example

*Real Estate as a Service;
Local Energy Communities;
Service offices and co-living.*

REPUTATION & OTHER BENEFITS



Capturing extended reputation benefits from sustainability (e.g. employee engagement, brand enhancement, ...).

Example

"Sustainability is an increasingly important factor in attracting and managing talents. With top talent in short supply, more companies take sustainability seriously, yielding better business results" – Harvard Business Review.



ENVIRONMENTAL



SOCIAL



GOVERNANCE

The ESG-rating of a company has become an important parameter for valuation and the comparison with its peers

We have a view on the potential ESG issues in real estate

ENVIRONMENTAL



Waste & circularity

Safe disposal, recycling, reuse or recovery of materials



GHG Emissions

Reducing & offsetting emissions contributing to greenhouse effect



Air & water quality

Lowering emissions & effluents impacting air & water quality



Water management

Responsible water use throughout operations



Biodiversity

Protecting and enhancing ecosystems, mitigating negative impacts



Land use

Ensuring long term productive potential of land, using it to offer environmental 'services'



Material use

Responsible use of natural resources, from extraction to end use

SOCIAL



Product safety

Safe products & services for customers



Health & safety

Creating a healthy and safe working environment in which people feel well and thrive



Digital privacy & security

Trustworthy management of customer & other stakeholder data



Talent management

The acquisition and retention of talented employees



Decent work

Correct labor standards for both direct & suppliers' workforce



Community relations

Equitable interactions with communities and society beyond the workforce



Diversity & inclusion

Practices and culture promoting diversity and inclusion

GOVERNANCE



Fair sourcing

Fair practices for suppliers



Anti-competitive behavior

Non-predatory practices related to market position



Indirect economic impacts

Sensitivity to indirect impacts of firm's economic activity on external populations



Transparency & risk management

Responsible disclosure and management of risks



Governance & corruption

Norms & practices relating to good governance and ethics, e.g. bribery



Tax

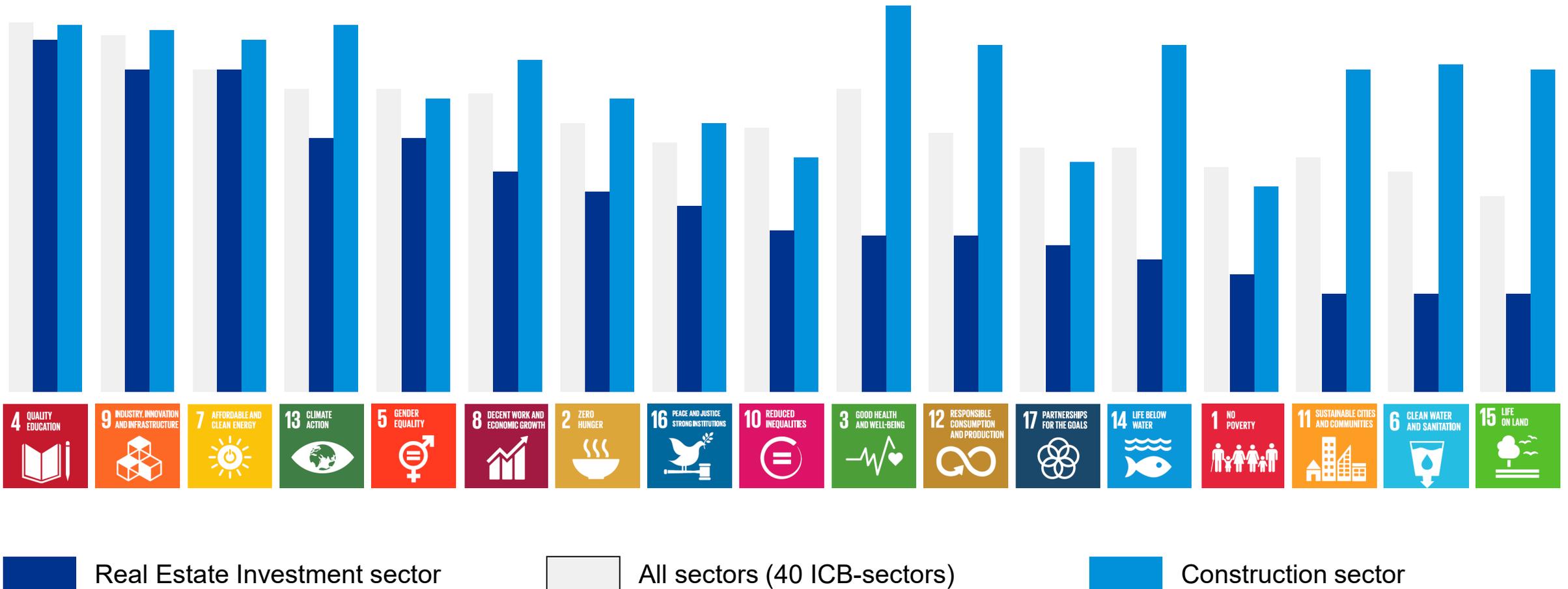
Fair tax payment and practice



Geopolitics

Sensitively navigating complex geopolitical issues and dynamics

Which SDGs are currently reported the most?



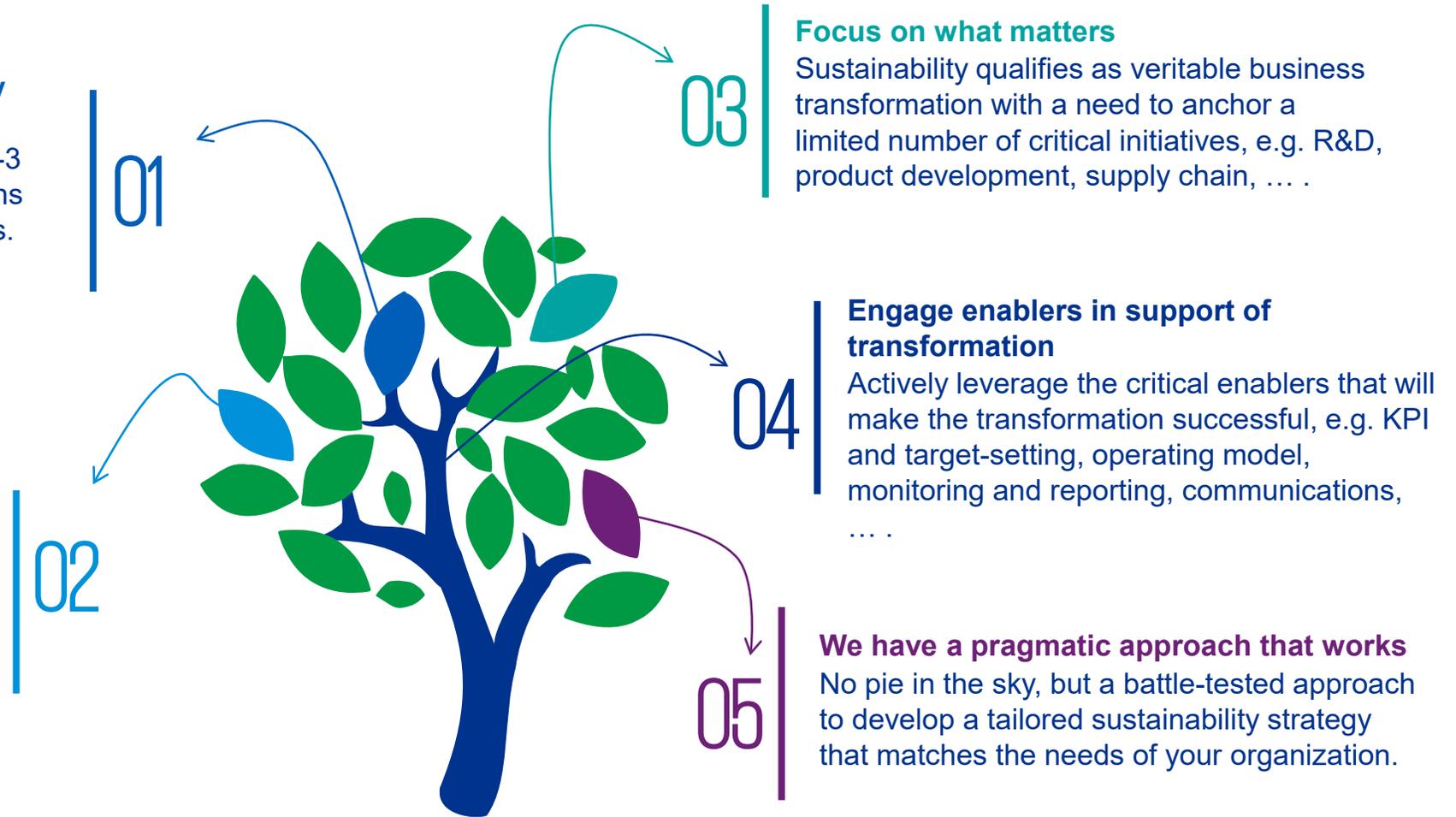
Key Take-aways for real estate organisations

Successful sustainability strategy reconciles dreamers and doers

Simultaneously invest for the next 1-3 years while understanding disruptions and shifts for the next 10 to 15 years.

Sustainability is (and will remain) a C-level business imperative

It is a driver for commercial opportunities and cost reduction, going beyond regulatory hygiene and simple risk mitigation.





Thank You!

Let's keep in touch



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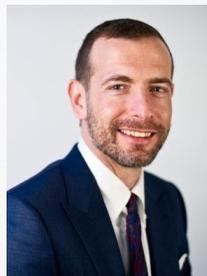
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