

Earth Day 2023:

How is ESG impacting the property industry?

April 22nd marks Earth Day every year - a day to raise awareness of the need to protect Earth's natural resources for future generations.

This resource includes:

- ESG FAQs
- Small tools you can introduce to your life and business to become more sustainable this Earth Day
- Q&As from ESG trailblazers within the property industry
- How flexibility supports an ESG strategy with The Daisy Chain



ESG FAQs

What does ESG stand for?

ESG stands for Environmental, Social and Governance.

- Environmental - in property terms, this focuses on the energy efficiency and emissions of buildings.
- Social - focuses on a building's impact on society, for example, the well-being of tenants.
- Governance - refers to the human side of company management, including factors such as diversity, culture and reputation which are applicable to everyone from property owners to tenants.

Why is ESG important for property businesses?

ESG is important for various reasons, including:

- Creating business opportunities - investing in energy-efficient technologies and renewable energy can help property businesses reduce operational costs and attract environmentally conscious tenants and investors.
- Responding to investor and stakeholder expectations - investors and other stakeholders increasingly consider ESG factors in their decision-making processes. By prioritising ESG a business can attract investment and enhance stakeholder trust.
- Evaluating risks - incorporating an ESG strategy can help property businesses identify and manage risks associated with environmental, social, and governance issues and mitigate negative impacts.

Can ESG improve financial performance?

ESG measures can create new revenue streams and business opportunities. Now more than ever consumers, investors, and other stakeholders are willing to pay a premium for products or services that are environmentally and socially responsible.



Sustainability Corner



Oblong Trees

Oblong Trees plant trees in the UK and around the world, helping people and businesses reduce their carbon footprint. They help businesses address climate change and reach net zero through donations from businesses to plant trees.



Cleaning the Thames

The River Thames is one of the world's most iconic rivers. Regrettably, the last half century has seen the river become filled with litter. You can sign up individually or with your organisation to take part in a clean-up.



Inclusive ESG

Inclusive ESG has put together a few helpful ideas to help your organisation celebrate Earth Day, helping to create a more sustainable future.

This includes things like releasing a sustainability plan and reducing your paper usage.

Words of wisdom from ESG leaders in the property and recruitment industry

Charlie Twyman

Senior Account Lead at Carbon Intelligence



Why is embedding a sustainability strategy critical for Real Estate companies?

Science makes it clear that our planet is warming at significant levels due to the increase in atmospheric greenhouse gas caused by human activity. In turn, this is having severe consequences the world over, relating directly to rising sea levels, the increase of extreme weather events, droughts, heat waves and mass migration. The costs of these effects are detrimental, not least of all from a financial perspective.

In the context of real estate, the built environment contributes to around 38% of global annual GHG emissions (UKGBC), this sector, therefore, has a duty to address its emissions to ensure the success of national and international climate goals. With any investment, there are risks and opportunities, both immense, depending on how little or much action is taken.

How do you get senior stakeholders to make sustainability a priority in the boardroom?

3 key pillars of effective board engagement are:

- **Engage:** Do your due diligence and really understand who is on your board and what makes them tick. What are their existing interests and responsibilities → this information will help you identify who can be your champion on the board and translate the risks and benefits of climate change into words that resonate with their pressures and drivers.
- **Educate:** Diplomatically upskill directors so they have sufficient knowledge and expertise to make the right decisions, understand the most material risks and opportunities, set the right strategy then oversee and govern the delivery.
- **Enrich:** Give your board strategic insight and foresight into how the market is performing, and what competitors are doing so they can make active, informed decisions that will help respond to investor pressure for action. Give them the insight they need to realise ESG is the cut-through for their business.



Say hi to Charlie!

Rosanna Lawn MRICS

Non Executive Director - Life Proven.
ESG Property Company



Why is embedding a sustainability strategy critical for companies within the built environment?

Trends, trends, trends. If we look at all trends - consumer behaviour, policy, financial investment - everything is pointing towards this crucial thing - and for good reason. The simple answer is they will become irrelevant and in the longer term will cease to be able to operate if ESG / sustainability strategies are not incorporated, and in good time to effectively implement.

Last minute rush to the deadline just won't work, an effective strategy takes time to create, test, reassess, and then develop upon findings. A constant work in progress, and that work needs to start now. E is all about the planet, S is all about people and G is about resilience. When we talk about resilience this is the resilience of industry, company, and supply chain. Without resilience a thriving business and industry will cease to exist - that is the biggest risk.

How can real-estate businesses communicate their ESG strategy to key stakeholders to engage, educate and enrich?

I work at the intersection of business strategy, brand & marketing - lines that divide these divisions are blurring. As more is demanded from businesses ESG strategy and reporting transparency becomes PR - good and bad. Investment strategies, operational ethics and other previously seen as 'corporate affairs' can lead to boycotting. The best thing a company can do is accumulate data, share it and be honest - honest about its current position, goals and the strategy to achieve these. The truth is, no one is perfect - our industry develops products that stand for generations. When investments were made into the stock that now requires retrofit, it was not done with negative intention, it was based on the knowledge we had. We need to own these realisations and use them to grow.

ESG is a journey and must be aligned to a company's strategy; what are the ESG risks and opportunities to achieve the strategy?

ESG although a new acronym is not dis-similar to concepts that have already existed within the built environment for many years - albeit in a more standalone way. Bringing them together in a holistic way provides a full spectrum process on how 'good business' should be done. A successful ESG strategy breaks down the 'E' the 'S' and the 'G' and looks for what aligns with the company currently and then builds on these. Here are some bullet points on common risks/opportunities for ESG strategies.

Risks

- Inaccurate data
- Budget restraints
- Internal education
- Stakeholder criteria/requirements

Opportunities

- Framework Alignment
- PR / marketing opportunities
- Industry benchmarking
- Attracting new partners/customers
- Clear steps and milestones to follow/achieve

 Say hi to Rosanna!

Tony Garner

Development Director at
Watkin Jones PLC



What is the greatest challenge you have faced in your journey so far to becoming carbon zero at Watkin Jones PLC in the longer term?

It is no secret that viability is a big challenge, particularly in the current market/economy, therefore cost vs value has to be the biggest challenging factor, however as an industry, we cannot afford to ignore the need to reduce carbon and assist with both UK & Global targets.

What ESG action have you taken that's had the biggest impact?

Apart from our ESG certification engagement with BREEAM & HQM etc, I feel the higher internal targets we have set for carbon reduction in design above statutory targets, will, in the medium and long term, be the most impactful.

What advice can you give your development peers and wider property industry?

I think joining events like deverellsmith's ESG roundtable, talking amongst ourselves and trading ideas is a great opportunity to have a voice as a collective, we discussed confused government messaging and lack of direction in terms of regulation on ESG particularly in the residential sectors. 'Let's keep talking and keep the agenda alive' as well as the personal responsibility we all have for future generations.

What advice can you give your development peers and wider property industry?

What wouldn't I say maybe easier! More clarity and guidance are required from the Government to listen to our Industry as a collective, understand the issues in the practicalities of achieving carbon reduction goals, give assistance and funding where applicable to reward innovation and make regulatory changes to both simplify and streamline the process to achieve our targets towards a net zero world.

Say hi to Tony! 



David partridge

Chairman at RELATED ARGENT

David Partridge: The property industry's force for good



In honour of Earth Day, Andrew Deverell-Smith – Global CEO & Founder of deverellsmith and Hintel was joined in the devcast... studio by the industry legend David Partridge – Chairman at Related ARGENT, the net zero carbon building standard initiative and a trustee at LandAid.

David is THE industry expert who's on a mission to make the property industry more sustainable and is a highly respected force for good. Throughout this episode, Andrew delves into the early years of his life and how this influenced his career and how ESG is shaking up the property world.



[You can listen to the full podcast here!](#) 

Say hi to David! 

How can flexibility in the workplace support your ESG strategy?



Louise Deverell-Smith

Founder of The Daisy Chain 



How does flexibility promote ESG (specifically sustainability) within a business?

Flexibility can be a powerful tool in promoting sustainability within a business. By allowing the company to be more agile and responsive to changes in the market, such as new regulations, customer demand, and technological advancements, the business can stay ahead of the curve and make more informed decisions about reducing its environmental impact. Additionally, flexible workplace policies can reduce employee stress, increase productivity, and improve morale, all of which can lead to improved efficiency and a smaller carbon footprint. Furthermore, flexible scheduling can reduce energy consumption and reliance on transport, furthering the company's sustainability efforts. All in all, flexibility is crucial in helping a business achieve sustainability.

How can flexible working options support a business's DE&I strategy?

Flexible working options can support a business's DE&I strategy by enabling employees to work in ways that best suit their individual needs. This can help create an inclusive culture and keep employees with different family commitments, disabilities and other factors. Flexible working options can also help reduce stress and improve job satisfaction, which can help attract and retain a diverse talent pool. Additionally, offering flexible working options can help create a more equal and inclusive workplace, reducing the gender pay gap and helping to level the playing field between those with childcare responsibilities and those without.

If a business wanted to increase its flexible working offering, what options do they have?

- Remote working: Companies can offer their employees the option to work from home or from a remote office, which can reduce overhead costs and maximize employee productivity.
- Hire part-time and freelance workers: Companies can bring on part-time and freelance workers to take on specific tasks or projects without the commitment of a full-time employee.
- Offer flex time: Companies can give employees the freedom to choose their hours within a designated time frame that works for the company and the employee.

Say hi to Louise! 



“ **The earth is one thing
we all have in common** ”

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Say hi! 

deverellsmith
... THE RIGHT PEOPLE ...