

ENSURE YOUR DEVELOPMENT IS PART OF A SUSTAINABLE FUTURE

Environmental, Social, and Governance





| POSITIVE IMPACT AT EVERY STAGE OF DEVELOPMENT

Global sustainable investment exceeds \$30 trillion, a tenfold increase from 2004. Some think sustainable real estate is solely about environmental impact, but it is also about people and communities, culture and heritage, and the positive impact that companies, developments, infrastructure and investment can achieve.

Futureproofing for climate change goes beyond physical infrastructure to shaping how developments serve their stakeholders in a rapidly evolving world.

At Integrity, we are practiced in working with our clients to learn about and understand the communities, political economies, regulatory environments, and stakeholder ecosystems in which they work. We help them design and execute their visions in a way that protects the environment, nurtures the community, and works to maximize the opportunities provided by local regulatory frameworks.



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ENVIRONMENTAL, SOCIAL, AND GOVERNANCE PROPOSITIONS ARE CRUCIAL TO GROWTH

More than 2000 studies have demonstrated the positive impact of ESG propositions on equity returns by facilitating top-line growth, reducing costs, minimizing regulatory and legal interventions, increasing employee productivity, and optimizing investment and capital expenditures. Recent assessments estimate that a 45-55% share of profits (EBITDA) are at stake for infrastructure and construction companies due to ESG-related tariffs, pricing regulations and sector liberalization.

With more than 90% of S&P 500 companies now publishing their sustainability reports, it is accepted that ESG propositions are critical to growing investment and energizing stakeholders.

Investors increasingly prioritize the integration of ESG propositions into investment decisions to mitigate risk and uncover opportunities. For developers, this is exemplified by the tide of green bonds issued by Real Estate Investment Trusts (REITs) in response to the swell in demand for environmentally conscious initiatives.

Integrity works with developers to understand and define their ESG propositions and to shape the broader purpose of individual projects, generating the greatest sustainable dividends for the most stakeholders.



An estimated 36% reduction in total CO2 emissions in the real estate sector is required by 2030 in order to stay below the 2°C threshold. Integrity is committed to working with our clients to help achieve that goal.

Anthony Ellis, Integrity Founder and CEO



40%

of annual global carbon dioxide emissions come from buildings



MOVE PAST TICKING BOXES TO DRIVE LONGER-TERM VALUE

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Integrity's strategies arm design and engineering teams with crucial information that allows them to approach a project with the knowledge required to create future-proof destinations that respond to the needs of the environment, local community, and policy makers. We are passionate about creating spaces and places that have a positive influence and believe Integrity's approach will benefit our clients in their development goals.

Krystal Solorzano, Director of Marketing & Business Development at SB Architects

We understand that impactful ESG propositions are more than a box-ticking exercise; they are the foundation of company purpose – inextricably linked to longer-term value creation. Securing financing and approvals in the current real estate market means navigating reporting frameworks, such as the Task Force on Climate-related Financial Disclosures (TCFD), the Global Reporting Initiative (GRI), the Principles for Responsible Investment (PRI) and GRESB benchmarks.

Integrity helps craft ESG propositions that create stronger developments that will be supported by the communities, local governments and wider stakeholders. Our recommendations draw on established standards, such as the Leadership in Energy and Environmental Design (LEED) ratings and the Well Building Standards, to incorporate ESG dividends that go beyond compliance.

We hate seeing clients having to re-submit plans and delay projects. We help them get it right first time, stay relevant, attract investment, and create spaces and places that benefit everyone.

UNDERSTAND HOW YOUR DEVELOPMENT CAN BENEFIT THE ENVIRONMENT

Buildings are responsible for nearly 40% of annual global carbon dioxide emissions. Of these, 28% are caused by building operations and the remaining 11% by building materials and construction. The Security Exchange Commission's (SEC) proposed ESG rules will require developers to disclose climate risks, greenhouse gas emissions, and climate-related targets and goals as part of a transition plan.

ESG rankers have identified a range of material environmental risks and opportunities related to real estate development and operation. While standardization continues, there are already a variety of key performance metrics associated with each phase of development, including for construction, supply chains, building usage and environmental impact.



CONSTRUCTION

This looks at how much energy is used and waste produced. More broadly, it assesses the use of land and impact on biodiversity.



SUPPLY CHAIN

Raw materials are often sourced from forestry and chemical value chains and can have significant impacts on land, water and pollutant emissions.



BUILDING USE

This considers greenhouse gas emissions (GHG), waste and pollution, land and water use over the life of the building, including operator exposure to regulatory, operational and reputational risks.



CLIMATE

Climate change exacerbates the risks posed to physical assets in fixed locations, including diminishing value, increasing repair costs, and forcing the relocation of tenants.

Integrity helps assess and mitigate these risks through comprehensive scenario analysis and planning, integrating existing environmental guidelines into designs, and demonstrating the positive impacts of real estate developments.



28%

of global carbon emissions are caused by building operations and 11% by building materials and construction

INTEGRATE PEOPLE AND COMMUNITIES INTO EVERY DESIGN

A strong ESG proposition that understands the difference between amenities and necessities will create valuable impact to projects, strengthening each development. Developers are exposed to material social risks across their value chain:

Community engagement

Developers must maintain positive relations with local communities. Issues such as affordable housing, gentrification and green buildings are critical when navigating changing consumer preferences, supporting brand value and maintaining high levels of customer satisfaction and retention.

Workforce and building safety

Building construction entails significant workplace safety risks, alongside potential workplace and building safety issues, during the lifetime of the property. This can result in substantial reputational and financial costs.

Through stakeholder mapping, political economy analyses and community feedback mechanisms, Integrity helps clients to understand and engage with their communities and stakeholders. Our analysis and recommendations help strengthen stakeholder satisfaction, positive community dividends and ESG rankings.

EXAMINE HOW CORPORATE GOVERNANCE IMPACTS PROJECT OUTCOMES

Governance – as it relates to ESG – is multi-layered and cuts across most other criteria. It not only relates to internal corporate governance, including ethical policies and processes, but extends to governance of individual projects and supported systems. It encompasses internal systems of practices and controls, along with procedures that your company adopts to govern itself, make effective decisions, comply with the law, and meet the needs of external stakeholders.

Corporate governance

How does your company structure and oversight, codes and values, transparency and reporting, and financial and operational risks boost sustainability?

Project governance

How do codes, regulations and management processes – adopted when building and operating developments – impact their value proposition to stakeholders?

Integrity works with clients to conduct comprehensive Corporate Sustainability Assessments (CSAs). This process involves gathering feedback from directors, managers and staff on how internal governance processes can be strengthened, refined and adapted. At the project level, we work closely with architects, contractors and builders, during design and construction, to advise on ethics and compliance from a governance perspective.



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The expert services Integrity offer operates at the intersection of a range of themes key to transformation and change. We combine research, advisory and management skills to supports the needs of diverse stakeholders.

Anthony Ellis, Integrity Founder and CEO

INTEGRITY OFFERS RESPONSIVE INSIGHTS TO DEVELOPERS ACROSS THE ESG SPECTRUM

We help clients understand the contexts which they are shaping, how to enrich rather than impoverish, how to develop best practice, protect themselves and the community, and build a mutually beneficial future. Our multi-layered offer provides concrete insights and recommendations at each level of your business model.



AT THE CORPORATE LEVEL

We conduct ESG evaluations, using corporate sustainability and materiality assessments, to inform the design of tailored ESG propositions.



AT THE PROJECT LEVEL

We offer participatory ESG design and advisory services, drawing on environmental impact assessments and regulatory and compliance mapping.



AT THE STAKEHOLDER LEVEL

We provide comprehensive stakeholder mapping and engagement, employing rigorous community-based research and interactive engagement sessions to shape developer projects and policies.

CASE STUDIES

Understand the ESG impacts of your organization from top to bottom, present to future.

RESEARCH / ADVISORY / LEARNING

Responsible business and human rights assessment for an oil and gas company in Kenya

Integrity conducted a responsible business assessment (including human rights) for an international oil and gas company to understand their impacts, both positive and negative, around operations in Kenya. The project involved community and stakeholder engagement, a desk review of international best practice and a gap assessment of the organisation in terms of knowledge, understanding, resources and approach.

ESG PERCEPTIONS / AUDITING

Supporting Arup's Global Perception Study

Integrity devised interview protocols and facilitated one-to-one conversations with a purposive sample of Arup's global clients including construction specialists and sustainability experts. Our data analytics team carried out a two-stage thematic analysis that looked for patterns and identify themes in the client interviews. The findings went on to help shape ongoing client relationships.

LISTEN COMPREHEND RECOMMEND

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