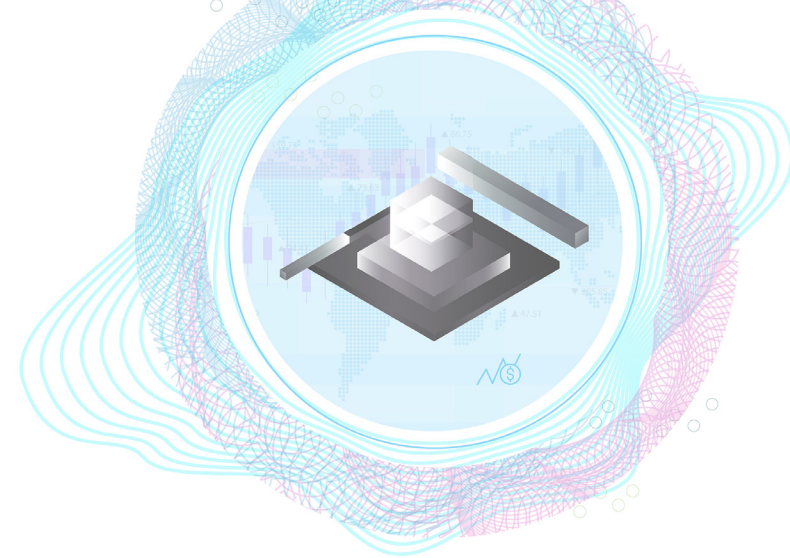




Sustainability in real estate



Laying the foundation



Approximately 40% of global carbon emissions can be attributed to the built environment, encompassing both operational and embodied carbon¹



Jurisdictions globally have mandated reduction requirements on real estate's carbon emissions



Policymakers have finalized or proposed regulations mandating sustainability reporting and environmental, social, and governance (ESG) disclosures



The design and implementation of real estate decarbonization strategies requires collaboration across a complex value chain



There's a growing emphasis on the identification, evaluation, and management of physical and transition risks, including the insurability of real estate



Tenants are seeking differentiated sustainability performance, particularly in building energy, water usage, and waste management



Advanced technological capabilities can be utilized to make well-informed, real-time decisions on building performance

Deloitte's Sustainability, Climate & Equity services are unified across our capabilities and our position as a trusted advisor. Our multi-disciplinary approach allows us to help you construct a sustainability strategy that considers the unique needs of real estate owners, occupiers, and investors.

Tax and regulatory

- International, US Federal, and state & local tax incentives, credits, deductions
- New laws requiring building performance standards

Risk and financial modeling

- Cash flow modeling real estate investments
- Physical and transition risk
- Climate scenario analyses
- Carbon pricing

Business value

Strategy and technology

- Energy usage and sourcing strategies
- Site selection
- Data-enabled assets
- Digital twins
- Artificial intelligence

ESG accounting and reporting

- Regulatory reporting compliance
- Forecasting and target setting

Alliances and accelerators

- Internet of Things (IoT)
- Sensor-controlled smart buildings

¹ 2022 Global Status Report for Buildings and Construction, United Nations Environment Programme (2022)

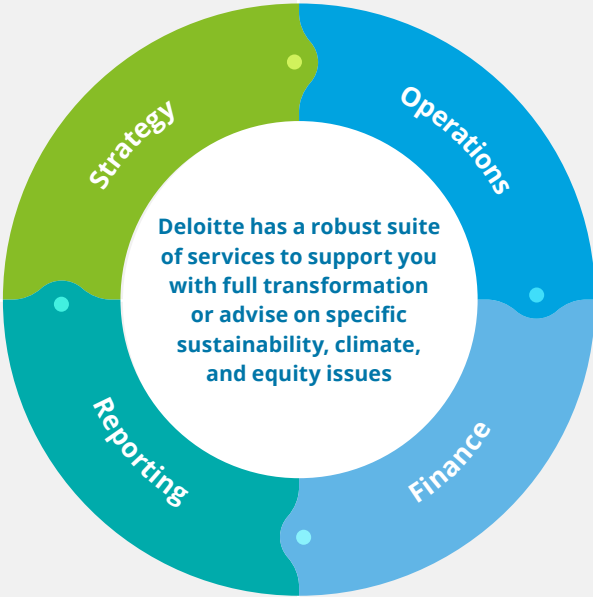
Assess

Assessing and confronting the sustainability challenge:

Evaluate and define your goals, governance, and path forward for achieving a sustainable and equitable future both within and outside the organization

Example Services:

- Perform materiality assessments
• Measure and benchmark greenhouse gas (GHG) emissions and building performance
• Advice and design energy sourcing strategies



Address

Addressing and configuring to execute on opportunities:

Build and implement inclusive capabilities, processes, and innovations to mitigate climate change risk and optimize sustainable and equity-driven performance outcomes

Example Services:

- Implement and integrate technologies for smart and green building management
• Identify, assess, and address climate-related risks and opportunities and their resulting financial impacts

Account

Accounting and communicating results responsibly:

Prepare or assure disclosures of ESG-related accounting and reporting in accordance with the latest professional standards

Example Services:

- Establish data, processes, and internal controls for sustainability-related regulations
• Prepare for external assurance

Fund

Obtaining and allocating funds to accelerate transformation: Accelerate sustainable and equitable transformation by increasing green and inclusive investments, leveraging evolving capital markets, and optimizing cost and capital structure

Example Services:

- Incorporate sustainability in investment and financing strategies
• Assess eligibility and identify available opportunities for tax credits and incentives

Whole of Deloitte approach



End-to-end capabilities and scale for a 'system of systems' approach at every level of sustainability maturity



Industry and sector depth empower sustainability transformations tailored to real estate owners, occupiers, and investors



Assets and alliances, accelerators, and data-enabled insights at scale for delivering sustainability work



Leading experience and eminence on sustainability insights makes Deloitte the go-to-source for sustainability leadership

We leverage our capabilities and experience across the breadth of our offerings to address a range of sustainability challenges in strategy, tax, risk, financial advisory, reporting, and more

NOTE: The services and activities described herein are illustrative in nature and are intended to demonstrate our experience and capabilities in these areas, however, due to independence restrictions that apply to audit clients (including affiliates) of Deloitte & Touche LLP, we may be unable to provide certain services based on individual facts and circumstances.

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