

ESG REVISITED



Anastasia Petrova

VP Partnerships and Strategic Alliances
Deepki



ESG Revisited – where we are today

Overview of ESG trends in real estate, leveraging adoption of proptech and climate tech solutions that can support industry in tackling challenges across built environment lifecycle

**Real estate
accounts for 36% of all
energy consumption
and is responsible
for 37% of CO₂
emissions globally***



Although the aftermath of the crisis is still with us, the market is 'cautiously optimistic' and expects a "soft landing"



Beyond data collection, one should expect a major acceleration on Reporting and Action

Data

- Real data
- Estimations

Insight

- Benchmark current performance
- Project future performance

Action

- Planning
- Tracking
- ROI & Cost


Reporting

- Audit-ready process
- Official outputs



Poll question:

What is the biggest ESG challenge for the retail industry today?

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- Reducing carbon footprint
 - Ethical supply chain management
 - Regulatory compliance
 - Climate resilience
 - Other

In this new context, ESG remains central and continues to get even more intricate and comprehensive

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ESG now implies all stakeholders of the value chain

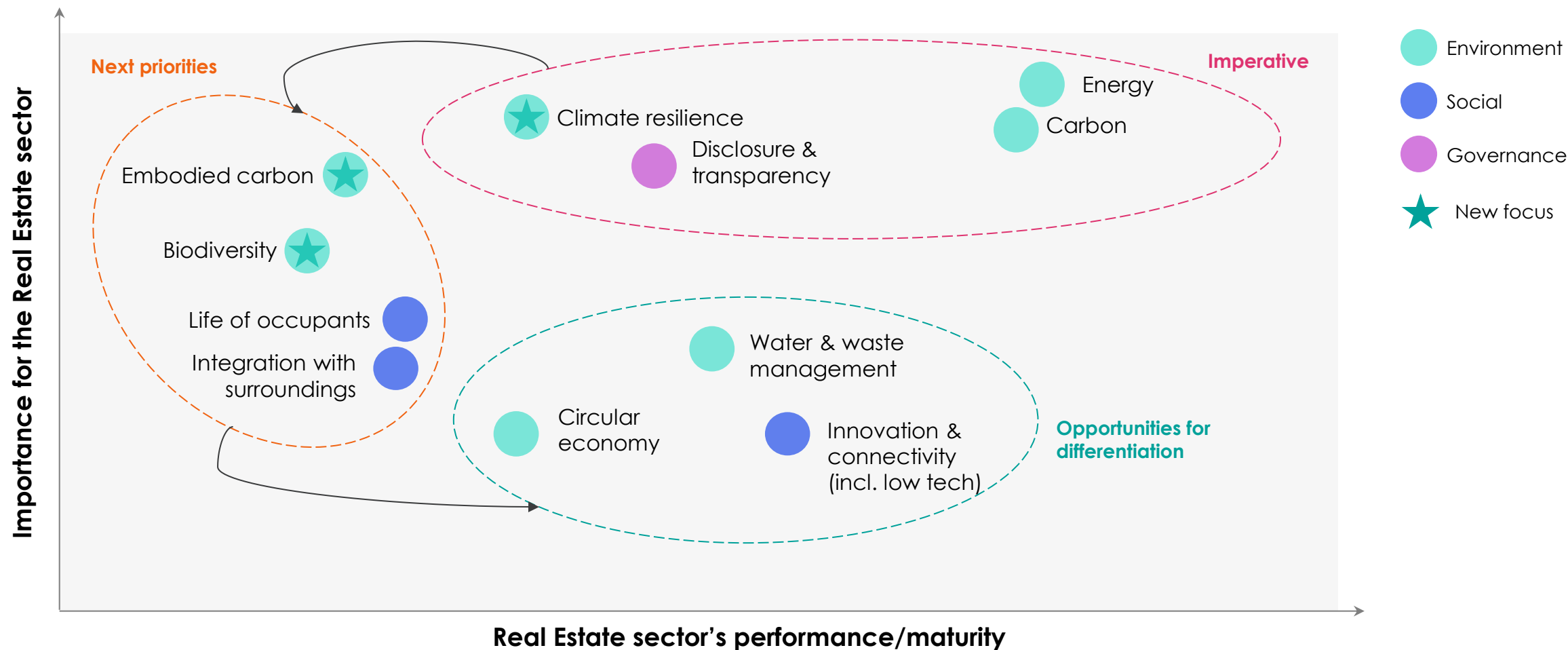
As ESG solidifies its role as a backbone, new actors have emerged: banks, investors, tenants and third parties such as auditors, valuers, engineers' offices

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Systemic Approach to ESG Integration

Consider all topics together in a holistic approach via multidimensional and coupled scoring - all dimensions are interconnected and shall be considered as so.

After focusing on energy and carbon, Real Estate is accelerating on other ESG topics



Poll question:

Which ESG trend do you think will have the biggest impact on retail in the next 5 years?

- Circular economy
- Climate resilience
- Water and waste management
- Disclosure and transparency
- Ethical labour practices
- Other

Climate change and especially lack of climate adaptation will pose serious threats to the real estate market

ACCESS TO CAPITAL

Revenue drop following disaster

As a long term effect, **demand in the most exposed areas is likely to change** (eg., coastal erosion).

Insurance premium rising

Insurance premiums in 2022 rose by 12.1% compared to the year before due to inflation and natural disasters in the US.

High need of capital & mortgage default risk

Annual costs to repair flood damages are predicted **to rise by up to 25%** over the coming decades, as well as **non renewals of insurance**.

Lasting asset devaluation

8% decrease observed up to five years after hurricanes for housing properties

PROFITABILITY

VALUATION

A global approach is required to assess climate risk and adaptation plans, and address multiple stakeholders' needs

Predictions need to be treated with caution as climate change threats are unprecedented

The use of multiple platforms for ESG & climate risk data management hinders effective progress

Expertise is required across the entire value chain to interpret data & conduct further on-site research

Demand for climate risk data keeps rising from investors, tenants, lenders & regulators to foster action

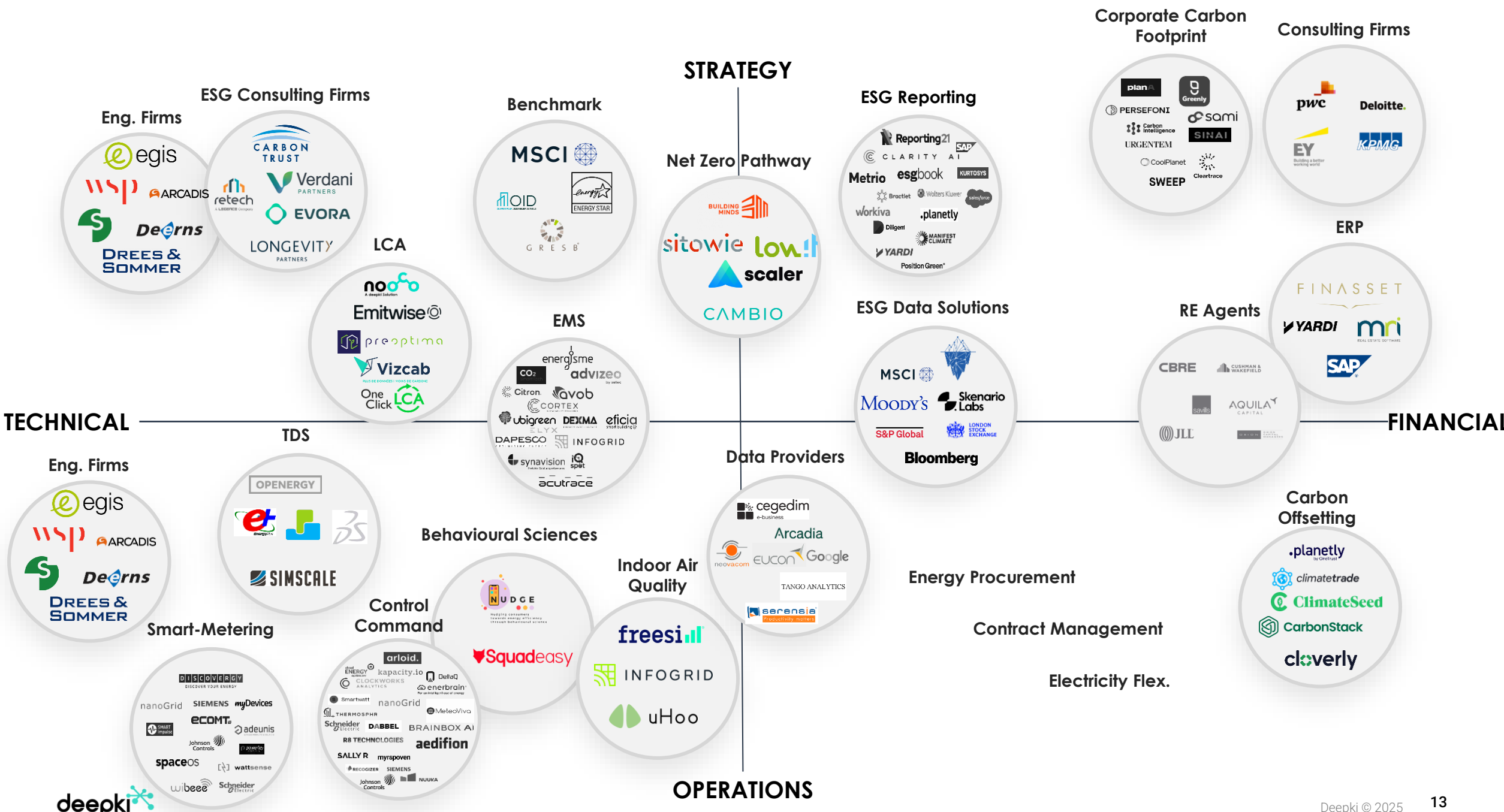
Adaptation solutions are still being explored, making it difficult to arbitrate on investments

Poll question:

What is the biggest challenge in selecting and adopting ESG-focused technology in the retail sector?



- High initial investment costs
- Uncertainty about ROI and long-term benefits
- Lack of clear regulatory guidelines and standards
- Complexity of integration with existing systems
- Resistance to change within organisations
- Other



Summary

The real estate sector is experiencing a fundamental transformation driven by heightened ESG requirements, regulatory pressures and market demands.

2025 marks a pivotal year for ESG in real estate, with decarbonisation efforts and climate resilience taking centre stage. Over two-thirds of industry leaders now prioritize environmental sustainability, while social responsibility and data transparency are becoming essential components of successful real estate strategies.

Real estate stakeholders are increasingly investing in sophisticated monitoring systems and expertise to track, report and improve their carbon performance. This trend is expected to accelerate as reporting requirements become more stringent and stakeholders demand greater transparency.

Properties that demonstrate robust resilience measures are increasingly viewed as premium assets, while those lacking such features face growing challenges in securing insurance and maintaining value.

The real estate industry's embrace of circular economy principles marks a significant departure from traditional linear construction models. This shift is particularly evident in the growing adoption of modular construction and prefabrication techniques, which not only reduce waste but also improve construction efficiency and cost-effectiveness.

The digitalisation of ESG reporting has become a cornerstone of modern real estate operations. Real-time data collection and analysis systems are now fundamental to ESG compliance and performance optimisation. This transformation is evident in the adoption of automated utility data collection systems and standardised reporting frameworks.

Thank you!



Internal

RETAIL
DESTINATION

live

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