



United Nations
Global Compact



April 2018

**Advancing Responsible Business
in Land, Construction and Real
Estate Use and Investment
– Making the Sustainable
Development Goals a Reality**

Executive Summary



Advancing Responsible Business in Land, Construction and Real Estate Use and Investment – Making the Sustainable Development Goals a Reality

Executive Summary



Copyright

© Royal Institution of Chartered Surveyors (RICS) 2018. Copyright in all or part of materials rests with RICS, and save by prior consent of RICS, no part or parts shall be reproduced by any means electronic, mechanical, photocopying or otherwise, now known or to be devised.

RICS reserves the right to pursue any unauthorised use of its copyright materials.

Disclaimer

These materials are for general information only. Although high standards have been used in its preparation, RICS and UN Global Compact accepts no legal responsibility for any loss or damage suffered as a result of any inadvertent inaccuracy. These materials do not necessarily represent RICS and UN Global Compact views and should not be relied upon without seeking independent, professional advice. These materials should not be republished or reproduced, in whole or in part, without prior approval by RICS.

Act Responsibly: The Ten Principles of the United Nations Global Compact

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

Human Rights

- Principle 1** Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2** make sure that they are not complicit in human rights abuses.

Labour

- Principle 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4** the elimination of all forms of forced and compulsory labour;
- Principle 5** the effective abolition of child labour; and
- Principle 6** the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7** Businesses should support a precautionary approach to environment challenges;
- Principle 8** undertake initiatives to promote greater environmental responsibility; and
- Principle 9** encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10** Businesses should work against corruption in all its forms, including extortion and bribery.



United Nations
Global Compact

Find Opportunities: The Global Goals for Sustainable Development



In September 2015, all 193 Member States of the United Nations adopted a plan for achieving a better future for all – laying out a path over the next 15 years to end extreme poverty, fight inequality and injustice, and protect our planet. At the heart of “Agenda 2030” are 17 Sustainable Development Goals (SDGs) and 232 related indicators that address the most important economic, social, environmental and governance challenges of our time. The SDGs clearly define the world we want – applying to all nations and leaving no one behind.

Companies can also play a significant role in meeting the ambitious targets of the SDGs.

While the scale and scope of the global goals is unprecedented, the fundamental ways that business can contribute remain unchanged. The UN Global Compact asks companies to first do business responsibly by making the Ten Principles an integral part of their daily business decision-making and operations and then pursue opportunities to solve societal challenges through business innovation and collaboration – both important contributions to the SDGs.

SDG Resources and tools

Click titles to take you to the web links (PDF version).

- [Blueprint for Business Leadership on the SDGs](#)
- [Business Reporting on the SDGs – An Analysis of the Goals and Targets](#)
- [Global Opportunity Explorer](#)
- [SDG Compass](#)
- [Sustainable Development Goals \(SDGs\)](#)
- [Sustainable Development Goal Indicators](#)
- [UN Global Compact Industry Matrix](#)

Contents

Foreword	8
1.0 Introduction	10
2.0 Why the sector needs to act	11
3.0 About this resource	12
3.1 Our objectives	12
3.2 What this resource is	13
3.3 Who this resource is for	13
4.0 Taking a whole life cycle approach	14
5.0 The issues for the sector	16
5.1 Development Phase	16
5.2 Real Estate Use Phase	19
5.3 Recovery Phase	22
6.0 The actions for the sector	25
7.0 Seeing the bigger picture – Key building blocks of a responsible business strategy	27
Acknowledgements	29

Frequently used terms and abbreviations

Corporate Sustainability: Refers to a company's delivery of long-term value in financial, social, environmental and ethical terms – it entails both **respect** for universal principles and baseline standards in these areas, as well as proactive **support** for a sustainability agenda

Guiding Principles (GPs): Refers to the UN Guiding Principles on Business and Human Rights

Issue areas: Refers to the four issue areas which form the basis of the Global Compact Principles: human rights, labour, environment and anti-corruption

Life cycle: Refers to the land, construction and real estate life cycle comprising three phases: Development, Real Estate Use and Recovery

RICS: Refers to the Royal Institution of Chartered Surveyors

SDGs: Sustainable Development Goals (SDGs), also being referred to as Global Goals

Sector: Refers to the land, construction and real estate sector and its downstream users

SME: Refers to small and medium sized enterprises

UN Global Compact: Refers to the United Nations Global Compact

UN Global Compact Principles: Refers to the United Nations Global Compact's Ten Principles in the areas of human rights, labour, the environment and anti-corruption derived from The Universal Declaration of Human Rights, The International Labour Organization's Declaration on Fundamental Principles and Rights at Work, The Rio Declaration on Environment and Development and The United Nations Convention Against Corruption

Foreword

Since its inception in 2000, the United Nations Global Compact has called on companies everywhere to voluntarily align their operations and strategies with ten universally-accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of wider UN goals. By doing so, business can help work towards the vision of a sustainable and inclusive global economy that delivers lasting benefits to people, communities and markets.

The Sustainable Development Goals (SDGs) provide a powerful aspiration for improving our world – laying out where we collectively need to go and how to get there. Successful implementation will require all players to champion this agenda. Private sector action will be key to the success of each goal – through responsible business operations, new business models, investment, innovation and technology, and collaboration.

Real estate is an often overlooked element of a company’s responsible business agenda, but with its cross-sectoral reach it can be a powerful driver for corporate sustainability and for making the SDGs a reality. To fulfil this potential, real estate investment and development, its use, management and operation, as well as associated business activities, must accelerate efforts to be more responsible and sustainable.

For companies in the sector, successful implementation of the SDGs will strengthen the enabling environment for doing business and building markets around the world. Even the most principled and best-managed companies are challenged to thrive in communities marked by instability, to find skilled labour where adequate education is lacking, or to withstand natural disasters stemming from climate change.

The case is clear for direct stakeholders, real estate users and real estate investors to get involved, taking action on goals which are strategically relevant from both a risk and growth standpoint. This will not only deliver social, environmental and ethical value, but is equally essential for long-term financial success. Responsible action needs to become ‘business as usual’ within global real estate markets. It will drive prosperity, innovation and investment, and helps secure our desired future: vibrant and transparent markets, thriving economies, inclusive communities and a greener, healthier planet.

To help advance the sector’s role, the UN Global Compact and RICS have joined forces to tangibly map the relevance of the SDGs against the context of the land, construction and real estate sector.

The resulting resource: **‘Advancing Responsible Business in Land, Construction, Real Estate Use and Investment’**. It calls on all companies to think holistically about the impact of their daily business activities and their strategic investment decision-making when commissioning, planning, designing, constructing and operating buildings.

Our objectives are as follows:

- To promote awareness raising, learning and dialogue among the sector’s stakeholders around the SDGs – including occupiers and real estate users;
- To facilitate closer collaboration across the sector and share good practices from companies that are already on their corporate sustainability journey; and
- To mobilize sector participants, real estate users, professionals and the wider stakeholder community to scale up their existing initiatives and become the true drivers of corporate sustainability and the SDGs within the sector and beyond.



Lise Kingo
CEO & Executive Director,
United Nations Global
Compact



Sean Tompkins
Chief Executive
Officer, RICS

With its cross-sectoral reach, land, construction and real estate can be a powerful driver for corporate sustainability and for making the Sustainable Development Goals a reality.



1.0 Introduction

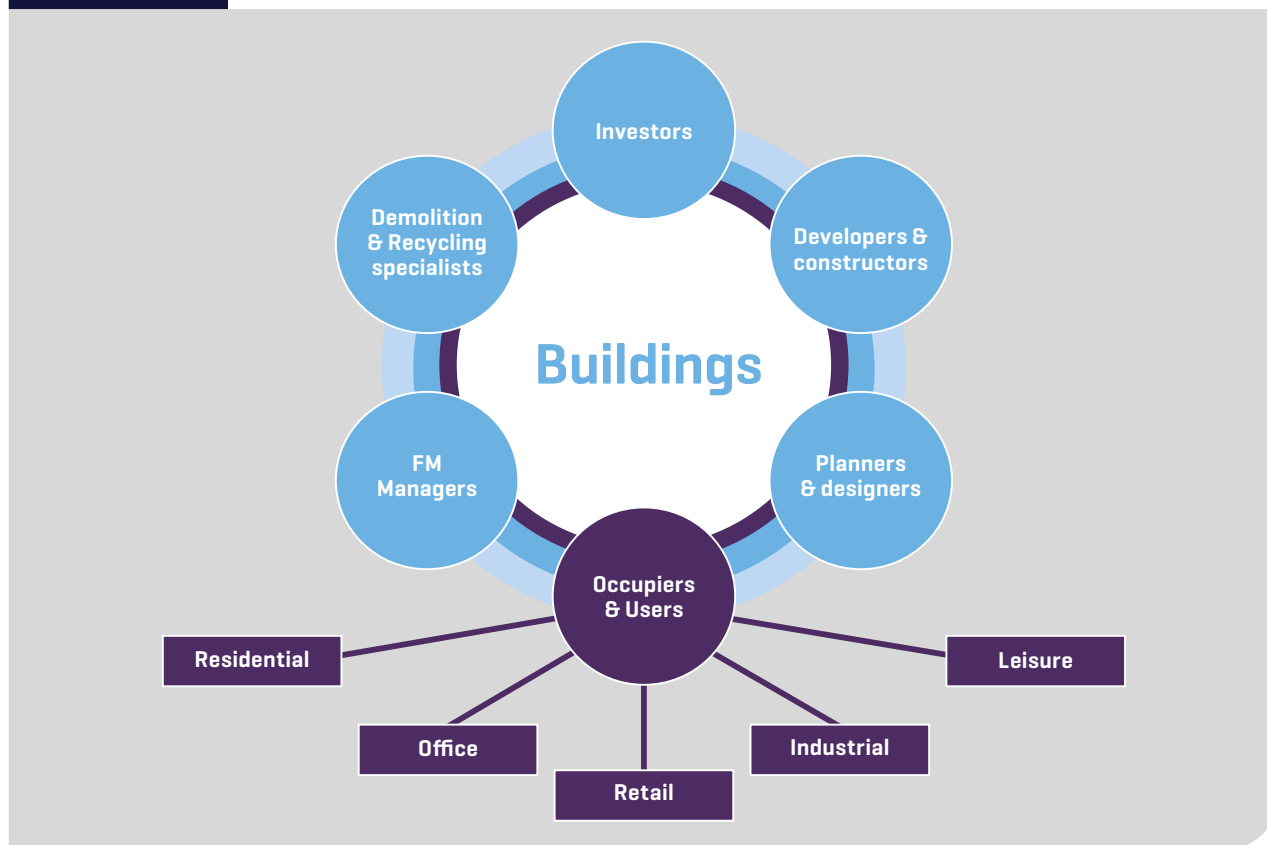
This Executive Summary and the full-length document it is drawn from are the result of a two-year project jointly undertaken by the United Nations Global Compact and RICS. The Global Compact is a strategic policy initiative for businesses committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour standards, environment and anti-corruption. RICS is the leading global professional body for qualifications and standards in land, property and construction, representing more than 100,000 members in 146 countries.

This document contains a summary analysis of the practical application of the Global Compact’s Ten Principles and the SDGs to the land, construction and real estate sector. The complete analysis is available in the full-length version of **‘Advancing Responsible Business in Land, Construction, Real Estate Use and Investment’**, a practical resource for all companies directly operating in land and real estate development, planning, design, construction, real estate management, demolition and remediation.

It is also relevant for end user companies that commission, occupy or invest in real estate assets throughout the life cycle, and those who act as the sector’s advisors and suppliers, irrespective of their size, location or progress against the Ten Principles and SDG implementation level (see Figure 1).

The project was supported by the Centre for Real Estate at the Karlsruhe Institute of Technology (KIT), a Steering Group of sector-related representatives from Global Compact participant organisations and wider civil society as well as a dedicated group of RICS members. In addition, the full-length document was shaped via in-person workshops and online consultation with numerous stakeholders across the globe.

Figure 1 Key target audiences



2.0 Why the sector needs to act

The land, construction and real estate sector represents more than half of global wealth. It is also one of the most influential sectors when it comes to impacting the health and well-being of people and the environment.

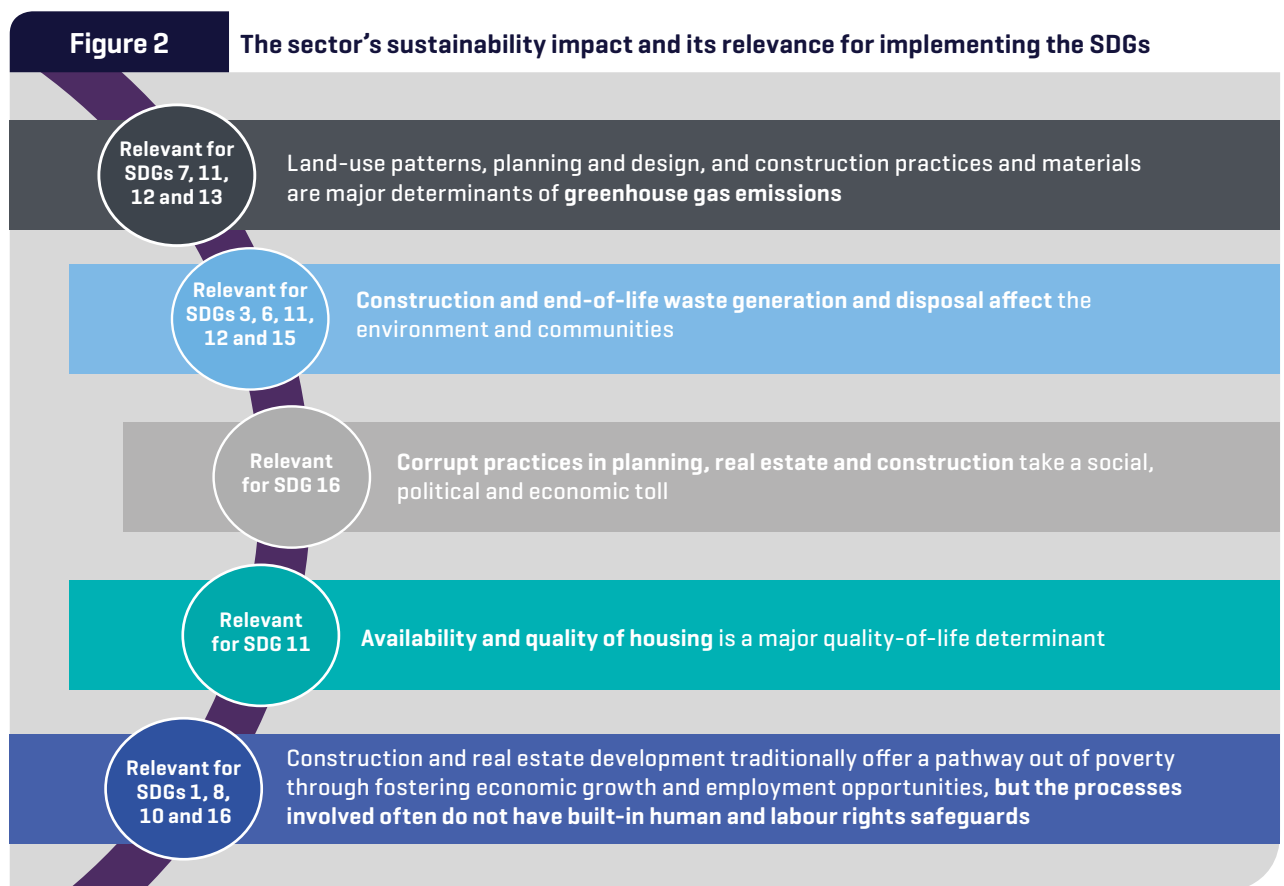
By providing housing, the land, construction and real estate sector fulfils one of humanity's fundamental needs. As well as offering homes and educational and recreational facilities for communities, the sector has the potential to positively impact local economies by providing jobs and training.

In addition, through their architectural design, buildings can also create cultural value.

Figure 2 illustrates the sector's sustainability impact at every stage of its life cycle and its relevance for implementing the SDG.

Global demographic shifts related to population growth, urbanisation in developing countries, changing household sizes and increasing levels of wealth are all bound to further exacerbate this impact.

We are all touched by real estate, as we all live, work and socialise in buildings.



3.0 About this resource

3.1 Objectives

In many companies operating in the land, construction and real estate sector:

- relevant corporate sustainability policies are in place but actual implementation in daily operations appears to be a key challenge;
- sector-specific initiatives usually focus on only one or two Global Compact issue areas; and
- the emphasis is on environmental issues, leaving significant scope to engage with the other Global Compact areas of human rights, labour rights and anti-corruption.

Land development, construction and real estate use constitute a crucial but often overlooked component of a company's overall sustainable development strategy.

Therefore, the three key objectives of **'Advancing Responsible Business in Land, Construction, Real Estate Use and Investment'** are:

- 1. To raise awareness, increase capacity and give practical guidance** for responsible business within the sector by capturing and showcasing existing good practice of how the Ten Principles and the SDGs are already being implemented;
- 2. To overcome** current silo-thinking amongst sector participants, its users and suppliers by promoting a holistic, whole life cycle approach and circular economy thinking; and
- 3. To encourage** companies operating in the sector and those that invest in, commission and use land and built assets to widen the scope of their current policies and strategies by identifying both business opportunities and operational challenges relating to all Global Compact issue areas, i.e. human rights, labour, environment and anti-corruption, as well as broader UN goals.



3.2 What this resource is

The combined resource of Executive Summary and the full-length document has a number of complementary functions:

- **It is** an awareness raising tool for companies about both business opportunities and operational challenges regarding the investment, development, design, use and operation and refurbishment or demolition of their real estate assets in relation to implementing the Global Compact Ten Principles and the SDGs.
- **It identifies and explains** the link between the sector's business activities, the four issue areas of the Global Compact and individual SDGs.
- **It is** a practical whole life cycle orientated resource, aimed at giving companies guidance for corporate sustainability and responsible business practices in relation to real estate management and decision-making by capturing and showcasing existing good practice, providing them with a list of relevant UN references for further consideration and a self-assessment checklist helping companies to define their current status in addressing the Global Compact's Ten Principles and implementing the SDGs in their daily business operations.
- **It reflects** different key stakeholders' involvement, varying priorities, interests, opportunities, challenges and risks at different points in the life cycle.
- **It seeks** to address issues of relevance both to developed countries (where the most critical issues lie with existing stock and associated refurbishment) and less mature markets (where the emphasis is on new construction).
- **It contains** recommended good practice for Global Compact participants and all other sector stakeholders, including real estate users.

However,

- **It is not** a technical manual.
- **It does not** provide an exhaustive list of issues, yet highlights some of the most impactful ones.

3.3 Who this resource is for

'Advancing Responsible Business in Land, Construction and Real Estate Use and Investment' takes a holistic approach in terms of both its scope and target audiences. It demonstrates how all of the Global Compact issue areas, and the action items for addressing them, are of universal relevance for decision makers within every company.

Within those companies for whom real estate is not a core business, the resource will be of particular interest to: **Chief Executive Officers, Board of Directors, Chief Financial Officers, Chief Operational Officers, Human Resources Directors, Senior Risk and Compliance Executives, Communications and Marketing Directors and CSR and Sustainability Officers.**

Even if real estate is not the core business of your company, it can still significantly affect your core strategy.

4.0 Taking a whole life cycle approach

‘Advancing Responsible Business in Land, Construction and Real Estate Use and Investment’

considers the practical application of the Global Compact’s Ten Principles and the SDGs to the land, construction and real estate sector in relation to residential, commercial, and public sector buildings as well as their respective stakeholders.

The land, construction and real estate life cycle has been divided into three phases, each of which contains its own individual processes in relation to supply chains:

- 1. Development Phase**
- 2. Real Estate Use Phase**
- 3. Recovery Phase**

Each of the three life cycle phases consists of interlinked stages. Despite the close links between individual stages, in practice, due to the fragmented and complex nature of the sector, stakeholders operating at a particular stage in the life cycle will often assume that those in other stages have very different interests and concerns and may not even be aware that other stakeholders are impacted by their own decision-making. As a result, stakeholders do not always communicate effectively with each other, instead focusing solely on the issues affecting their own stage.

This is particularly true for real estate users. This group of stakeholders may occupy a building without taking an interest in, or having an opportunity to access, information about that building’s history. This includes how the land was acquired, which suppliers and materials were used in its construction, or whether any human or labour rights were violated in the process of its development.

While each of the three phases may be looked at individually, all organisations are encouraged to consider the life cycle as a whole and to explore the links and cross-impacts between the phases, the UN Global Compact issue areas and individual SDGs. For example:

- **Developers and constructors**, who would naturally find most synergy with Development Phase issues, may also want to take into account the subsequent phases of the life cycle. This will help them to assess the impacts of their decisions for users during the building’s operational phase, and ultimately for the building’s end of life potential.
- **Investors, corporate occupiers and facilities managers** may want to extend their focus beyond the Real Estate Use Phase to consider the issues raised in the Development or Recovery Phases. This might inform negotiations with developers, constructors and suppliers before the start of a new construction or refurbishment project.

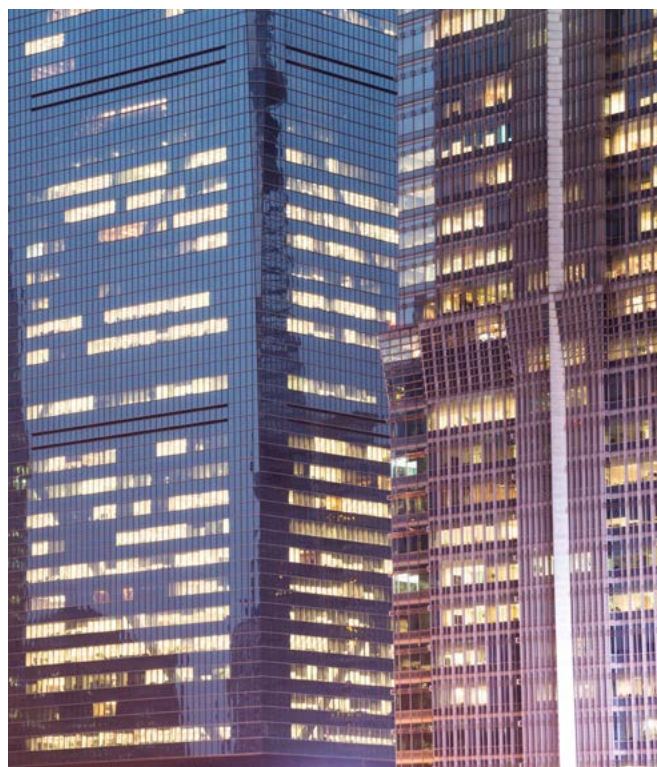
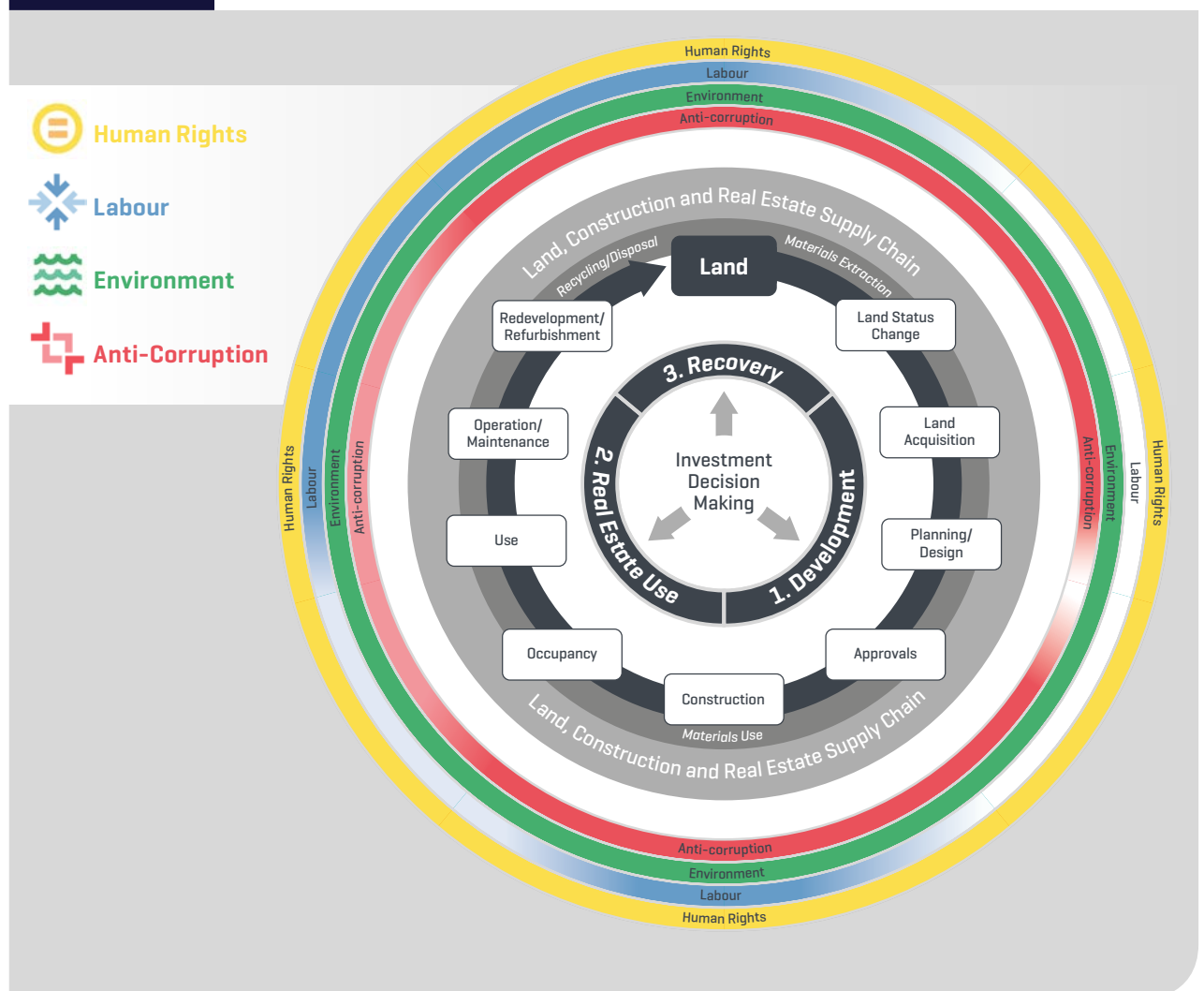


Figure 3 draws on sectoral stakeholder consultations carried out within the framework of the development of the full-length resource. It shows the degree of impact of the three life cycle stages on the four Global Compact issue areas.

General awareness about the environmental impact of real estate development is definitely on the rise. However, while crucial in safe-guarding human survival, a one-dimensional focus on environmental stewardship does not do justice to the full spectrum of the SDGs, i.e. to the wider social sustainability impact real estate and construction have on individuals and communities. Therefore, going forward, companies should put policies, systems and processes in place to equally address the other three issue areas as well.

Figure 3 Heat map showing the impact of the individual stages of the life cycle on the issue areas



5.0 The issues for the sector

‘Advancing Responsible Business in Land, Construction, Real Estate Use and Investment’ has identified the most critical and impactful issues facing the sector and how addressing them can help stakeholders and users to implement the SDGs. The selection of the five issues identified for each of the three life cycle phases is based on extensive issue mapping and prioritisation with the project’s Steering Group and RICS members.

In addition, all issues went through an extensive public consultation process.

Nevertheless, the list of issues raised is not intended as exhaustive. Companies operating in the sector are encouraged to put processes and systems in place to identify additional potential or actual impacts across all social and environmental issues relevant to their business.

Five Development Phase issues

Development is the first phase of the life cycle. It includes land use status change, the design stage and the conclusion of construction, which makes it of particular relevance to planners, designers, architects, developers and material suppliers.

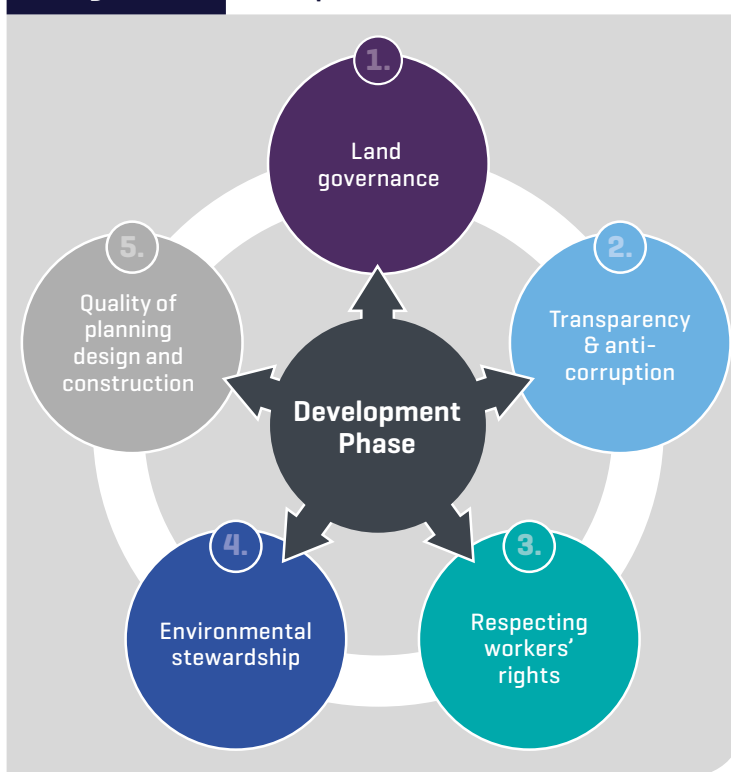
However, all companies should pay close attention to the issues listed below, as any material departures from best practice during the Development Phase – such as failing to perform social, economic and environmental impact assessments in respect of the whole life cycle (especially with regard to supply chain choices) – can have serious implications for those involved at later stages of the life cycle.

There is often a disconnect between delivery and operation, as developers tend to hand over the building to a third party who is likely to have had no connection with the development. The recipient tends to inherit an asset which may come with features that are hard to change or manage during use. Bad planning and design are often impossible to correct for end-users at a later stage, or involve considerable time and expense.

A badly designed building, constructed with poor quality materials may not only impact resource efficiency and user experience during the Real Estate Use Phase, but can also create long-term problems for refurbishment and/or recyclability during the Recovery Phase.

Figure 4 summarises the primary issues in the Development Phase.

Figure 4 Development Phase issues



The issues for the **Development Phase** and its key, inter-related considerations include:

1. Land governance



Acquisition

- impact of land prices on development decisions, costs and affordability
- establishing land ownership (tenure)
- effect of inadequate land use management on communities

Indigenous peoples

- need for effective engagement and consultation
- risk of forced displacement and resettlement away from traditional lands
- potential for negative economic, social and environmental impacts

Right to housing or adequate living conditions

- assessing the potential impacts on existing settlements
- achieving balanced land agreements
- protecting human rights

2. Transparency and anti-corruption



Bribery and facilitation payments

- impacts on costs, schedules, safety and reputation
- threats to communities and natural resources

Bid-rigging

- gaps in structuring of tender processes
- leaks of confidential information
- collusion between potential contractors

3. Respecting workers' rights



Freedom of association and collective bargaining

- fair treatment for unionised workers
- voluntary processes to agree terms and conditions

Non-discrimination

- preventing subordination or disadvantage in the labour market or workplace
- tackling gender discrimination in the sector

Occupational health and safety

- preventing fatalities and serious injuries
- protection against sector-specific health and social problems

Forced labour

- prevalence in both formal and informal working relationships
- identifying coercion or lack of consent in all its forms

Rights of migrant workers

- elevated risk of abuses in the sector
- links to organised crime and human trafficking

Child labour

- prevalence in extended supply chains and raw materials sourcing
- implications for employers or those who transact throughout supply chains

4. Environmental stewardship



Natural resource consumption

- increasing scarcity of many construction materials
- resource intensive production and extraction methods
- impacts on environment and biodiversity

Energy conservation

- importance of development assessment and design processes
- choice and sourcing of materials in relation to embodied carbon

Choice of design and construction materials

- impact on waste, emissions and the environment
- potential health and safety effects for workers and occupants

Biodiversity

- impacts of extraction and consumption on bio-habitats

Waste and fly-tipping or illegal dumping

- resource management and waste reduction processes
- negative impact of illegal activity for businesses, communities and the environment



5. Quality of planning, design and construction



Construction materials

- impact of cheap, inferior quality materials on life expectancy, recyclability and health and safety

Safety testing reports

- falsified reporting and compromises to construction quality and safety

Building codes

- poor enforcement and undermining of construction quality
- absence of correct documentation compromising investment value



Adaptation to climate change and resilience

- impact of location, design and positioning
- extreme weather conditions and impact on future building stability and comfort for occupants

Refurbishment and recycling capability

- importance of whole life circular thinking

Accreditation standards and their respective enforcement

- need of experienced professionals with adequate levels of skills and competency



Five Real Estate Use Phase issues

Real Estate Use is the second phase of the life cycle. It encompasses the period from the initial occupation of a building throughout the duration of its use, operation and maintenance. The business stakeholder community within the Real Estate Use Phase is broad, with many organisations occupying and using real estate space in one form or another (e.g. as offices, retail outlets, hotels, industrial hangars or warehouses.).

The management of a building plays a central role. A poorly operated and maintained building will inevitably require extensive refurbishment or demolition at a much earlier stage than would a well-operated and maintained one.

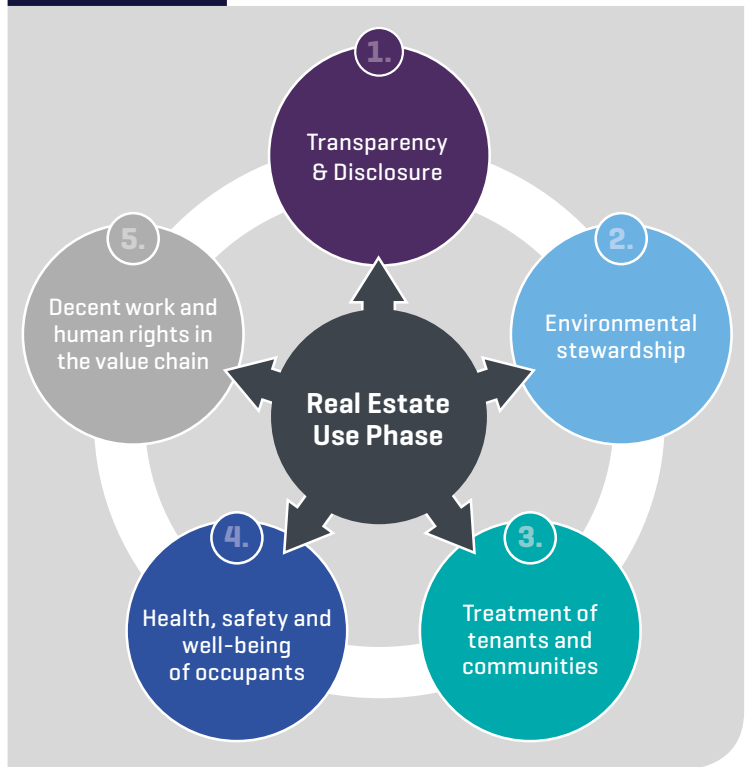
While this phase is aimed primarily at real estate investors, fund and asset managers, landlords, and real estate users, all companies should pay close attention to the issues outlined below, especially developers and constructors as they establish the initial infrastructure.

With consumer awareness on the rise, it is those companies occupying buildings with direct end-consumer interaction that are also likely to be most scrutinised for any irresponsible business practices.

Figure 5 summarises the primary issues in the Real Estate Use Phase.

Figure 5

Real Estate Use Phase issues



The issues for the **Real Estate Use Phase** and its key, inter-related considerations include:

1 Transparency and disclosure



Money laundering

- attractiveness of real estate as a vehicle for criminal activity
- market manipulation, pushing up prices, reducing availability
- impacts on local businesses and communities

Ineffective business decision-making

- inadequate information and data management encouraging crime and hindering decision-making
- resulting loss of revenue and reputational damage

Undermining of investor confidence

- poor documentation as a risk to marketability

2. Environmental stewardship



Energy consumption and carbon emissions

- implications of the sector's heavy use of energy and water and generation of carbon emissions
- resource consumption and its socio-political impacts

Water management

- threat to the sector due to future lack of water
- impact of declining supply on nearby communities

Waste management

- 'fit-out churn' as a major generator of waste
- adverse effects of lack of waste management on health and safety of workforces and communities

3. Treatment of tenants and communities



Isolation and feelings of lack of inclusion and belonging

- potential alienation of communities due to inadequate consideration and involvement

Gentrification

- Exclusion of local residents from affordable housing and social spaces in their community

Discriminating access to and lease of buildings

- tension and resentment through lack of access to or inability to lease buildings for some members of society

Security issues

- consequences of lack of community interaction on area security

4. Health, safety and well-being of building occupants



Access for persons with disabilities

- addressing the barriers to independent living

Access to water, sanitation and hygiene

- ensuring the needs of all occupants are met

Indoor air quality

- challenges of balancing indoor air quality with energy conservation measures
- impacts of inadequate ventilation and polluting products and materials

5. Decent work and human rights within the value chain



Supply chain

- ensuring employment law and good practice are followed
- vulnerability of temporary workers

Forced labour

- identification of coercion or lack of consent
- prevalence in both formal and informal working relationships

Minimum working age and child labour

- unsuitability of certain tasks for children and young people
- implications for physical and psychological health

Working hours

- increased risk of accidents and damage to health due to excessive working hours
- compromised family and community relationships
- challenges of new and flexible work patterns

Diversity and non-discrimination

- the workplace as a strategic entry point for freeing society from discrimination.



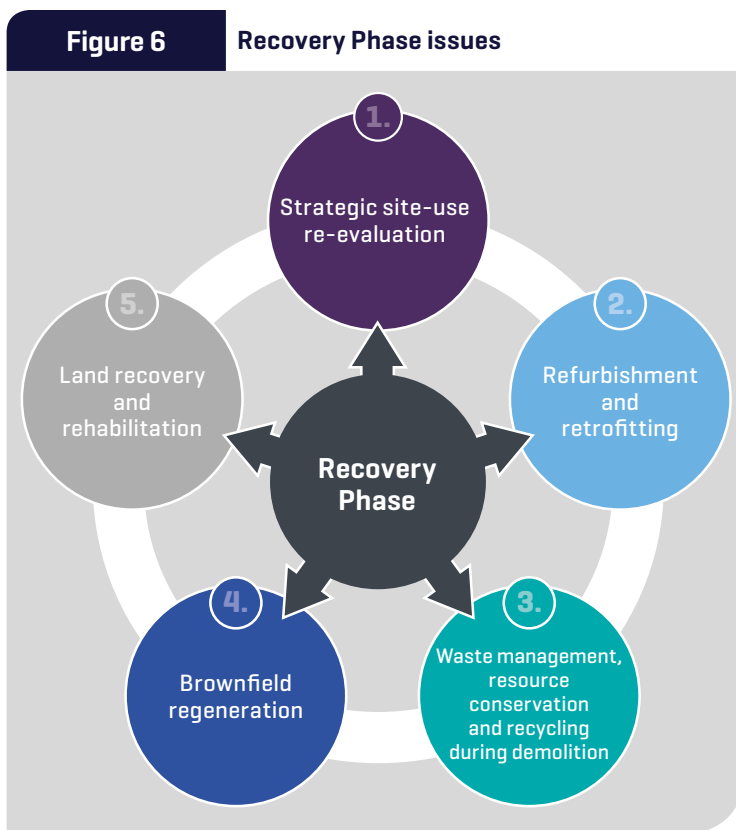
Five Recovery Phase issues

Recovery represents the final phase of a building's life cycle. It happens when the building and its associated facilities are at the end of their economic and/or physical life. This point in time may be determined by a number of factors, such as changing user preferences, dilapidation due to use of low-quality materials within the Development Phase and/or poor maintenance throughout the Real Estate Use Phase. Other triggers include obsolescence, changes in planning, and even natural disasters.

The end of a development's viable life may not necessarily be the end of a site's physical usefulness – quite frequently it marks the end of an investment period.

The principal stakeholders involved in the Recovery Phase are likely to include freehold and leasehold land owners, local communities, providers of finance as well as refurbishment, demolition and regeneration experts.

Figure 6 summarises the primary issues in the Recovery Phase.



The issues for the **Recovery Phase** and its key, inter-related considerations include:

1. Strategic site-use reevaluation



Potential displacement of residents and communities

- social impact caused by change of use, such as potential gentrification and unaffordability of space

Corrupt practices

- lack of transparency about land use decision-making
- re-emergence of opportunities for corruption and inferior land use planning
- misuse of natural resources

Consideration of heritage sites

- challenge of retaining the heritage of original buildings and sites during redevelopment

2. Refurbishment and retrofitting



Complexity

- hidden challenges that may emerge, potentially turning minor projects into major pieces of work
- difficulty of adapting new technologies and materials to fit older buildings

Skills and capacity

- possibility that SMEs working on smaller projects may lack the latest technical expertise on sustainable construction and materials

Informal labour and safety

- enhanced risk of informal labour being used on smaller projects
- inadequate supervision of the workforce resulting in lower health and safety standards

Continuation of business operations/use

- challenges of ensuring business continuity during refurbishment projects

3. Waste management, resource conservation and recycling during demolition



Hazardous waste

- toxic elements that require specialist expertise to protect the environment
- elevated risk of serious or fatal accidents

Re-use and recycling

- opportunities and limitations of recycling

Waste water

- containing waste water to avoid contaminating water sources, vital for local communities

Health and safety

- risks of low health and safety standards on demolition sites
- severe health risks associated with asbestos

4. Brownfield regeneration



Soil contamination and public health issues

- contamination of brownfield sites from previous use or general dilapidation
- need for specialist expertise to isolate and remove contaminants

Forced and child labour

- frequency of forced and child labour being used at demolition sites
- significant reputational and legal risks carried by landowners and developers

Health and safety

- lack of health and safety provisions, with sometimes fatal results

5. Land recovery and rehabilitation of site



Compulsory acquisition

- potential of significant disruption leading to social and economic costs

Invasive/introduced species

- risk of damage and threat to native plant communities, wider biodiversity and, in extreme cases, public health

Soil contamination and public health issues

- contamination of soil from previous use or general dilapidation
- need for specialist expertise to isolate and remove contaminants

Health and safety

- health and safety is often ignored, with sometimes fatal results



6.0 The actions for the sector

On the basis of the 15 issues identified above, **‘Advancing Responsible Business in Land, Construction, Real Estate Use and Investment’** includes a set of actions in each phase that companies are encouraged to integrate into their everyday business. The 15 actions identified cover

overarching themes, and are supported by more specific actions, detailed in the full-length document.

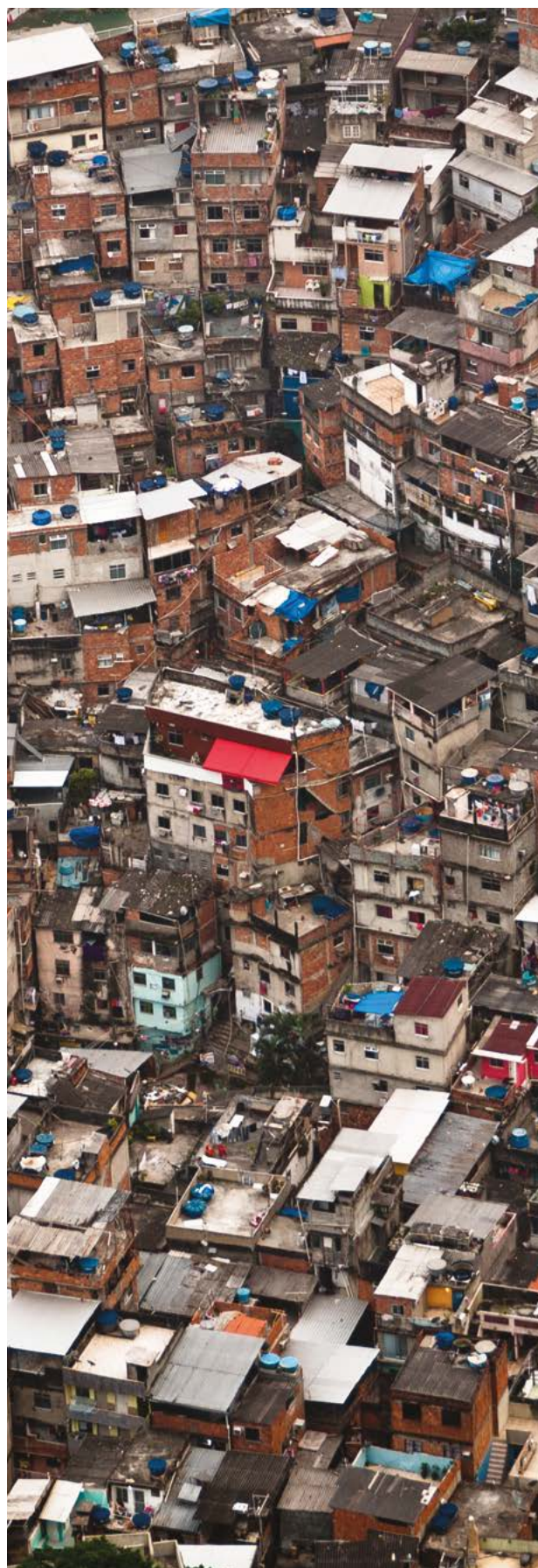
Figure 7 provides an overview of how the five key issues per life cycle phase align to their corresponding action items.

Figure 7 The 15 issues and their corresponding action items

Life cycle phase	Five key issues and main Global Compact issue areas impacted	Five action items per life cycle phase
Development	1. Land governance Human rights, anti-corruption, environment	Enter into an open dialogue with members of the community at the point of land status change and at the planning and design stage
	2. Transparency and anti-corruption Anti-corruption, environment, labour, human rights	Actively promote greater transparency and fight corruption at all levels
	3. Respecting workers’ rights Labour, human rights	Make responsible supply chain choices that respect the protection of labour and human rights
	4. Environmental stewardship Environment, human rights	Take responsibility with regard for the environment at the point of land status change and at the planning and design stage
	5. Quality of planning, design and construction Human rights, environment	Deliver safe, high-quality and well-designed buildings
Real Estate Use	1. Transparency and disclosure Anti-corruption, environment, labour, human rights	Improve internal processes for identifying and addressing corrupt practices and for increasing overall corporate transparency
	2. Environmental stewardship Environment and human rights	Make environment stewardship an integral part of the daily operation of the building
	3. Treatment of tenants and communities Human rights and environment	Interact with tenants and local communities
	4. Health, safety and well-being of occupants Labour and human rights	Provide a safe and healthy work environment for employees
	5. Decent work & human rights in the value chain Human rights and labour	Ensure decent work conditions for employees and subcontracted workers
Recovery	1. Strategic site-use reevaluation Environment and anti-corruption	Carry out a thorough economic, social and environmental building and site-use reevaluation
	2. Refurbishment and retrofitting Human rights, labour and anti-corruption	Create conditions for carbon mitigation and resource use minimisation during refurbishment and redevelopment
	3. Waste management, resource conservation and recycling during demolition Environment, human rights and labour	Prepare an independent method statement and risk assessment for safe and efficient waste management at demolition stage
	4. Brownfield regeneration Environment, human rights and labour	Minimise impact on the environment and communities during brownfield regeneration
	5. Land recovery and rehabilitation of site Environment and human rights	Undertake an environmental impact assessment with regard to land recovery and rehabilitation

In relation to these action items, it has to be acknowledged that:

- implementing certain action items might initially be easier and more applicable at the project level before wider organisational roll-out;
- for some users of this document, some of the proposed action items are current state of practice while others are aimed at advancing the sector;
- markets and companies may be at differing levels of maturity;
- much of the new construction of this century will take place in the developing world and for companies operating in these developing or emerging economies the affordability of implementing certain action items may be prohibitive;
- there may be regional and national differences between companies as to the particular issues they may face when addressing certain action items;
- some of the action items identified may be currently difficult to implement against a specific socio-economic (and political) background; and that
- there may be significant differences between the capability of multi-national corporations and the many small and medium-sized companies (SMEs) that make up the sector's value chain who may not always have the necessary in-house skills and resources to address all of the action items and may therefore need to receive dedicated training and support, potentially from larger, more advanced companies for whom they act as suppliers or sub-contractors.



7.0 Seeing the bigger picture – Key building blocks of a responsible business strategy

Companies wishing to adopt the practices listed above are encouraged to consult the full-length version of this document as it provides access to:

- 1. Detailed practical actions:** All 15 action items are broken down into a number of practical sub-actions. These are graded into **'should'** actions, which are considered necessary for all companies to meet their social and environmental responsibilities, to advance the Ten Principles of the Global Compact and successfully implement the SDGs, and **'could'** actions that signal practices that today may be considered as leading or even pioneering and aspirational, but that may become mainstream over time. **'Could'** action items may be most useful for those companies that have already implemented a number of the recommended action items and want to use this document to identify further potential improvements to their corporate sustainability performance.
- 2. Sectoral good practice examples and UN resources tool boxes:** All of the action items and their sub-actions are supported by real-life good practice examples, as well as a tool box of useful UN resources for further reading.
- 3. A Self-Assessment Checklist:** A tool to help companies position themselves and better align their organisation and their business activities to the Global Compact's Ten Principles and the SDGs.

As noted earlier, most companies operating in the sector have relevant corporate sustainability policies and commitments in place. These policies are the foundation of a responsible business strategy but to bring these corporate policies to life in daily operations, they need to be firmly implemented, embedded and enforced. The action items and sub-actions identified and explained in the full-length document have been developed to do just that.

As illustrated in Figure 8, when summarised, the action items make up the set of building blocks that form the basis of a responsible business strategy.

Figure 8

Key building blocks of a responsible business strategy





United Nations
Global Compact



The UN Global Compact and RICS wish to express particular thanks to all company representatives and individuals who helped shape this resource by participating in the online or in-person consultation as well as Global Compact Local Networks supporting the consultations.

We would also like to thank the United Nations especially the International Labour Organization (ILO), the United Nations-supported Principles for Responsible Investment (PRI), the United Nations Office on Drugs and Crime (UNODC), the Office of the High Commissioner for Human Rights (OHCHR), the UN Environment Finance Initiative, the UN Environment Sustainable Buildings and Climate Initiative (UNEP SBCI), the Food and Agriculture Organization (FAO) and UN Habitat for their expert insight and feedback.

unglobalcompact.org

rics.org

Project team

Ursula Hartenberger (RICS) – Lead author

David Lorenz (KIT) – Contributing author

Alexandra Tarazi (UN Global Compact)

Leimer Tejeda (UN Global Compact)

Clare Eriksson (RICS)

Steering Group member organisations

Acciona (Spain)

BioRegional (United Kingdom)

Caisse des Dépôts (France)

Carroll Properties Corporation (USA)

Cemex (Mexico)

City Developments Limited (Singapore)

Cushman & Wakefield (Brazil)

Dubai Real Estate Institute (UAE)

FIABCI (Brazil)

Global Compact Cities Programme (Australia)

Jones Lang LaSalle (USA)

Link Management Limited (Hong Kong)

Marshalls (United Kingdom)

Real Capital Analytics (USA)

Skanska (Sweden)

Terre Initiative (United Kingdom)

RICS Member Advisory Group

Stephen Hill (United Kingdom)

Jerry Percy (United Kingdom)

Matthew Kinsella (United Kingdom)

Helen Murray (Ireland)

Joel Scherrenberg (The Netherlands)

Mark Griffin (UAE)

Leanne Tobias (USA)

See Liang Ong (Malaysia)

Raquel Naves Blumenschein (Brazil)

Chitra Weddikkara (Sri Lanka)

John Goddard (Australia)

Saad Yahya (Kenya)





Confidence through professional standards

RICS promotes and enforces the highest professional qualifications and standards in the valuation, development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to markets and effecting positive change in the built and natural environments.

Americas

Latin America

ricsamericalatina@rics.org

North America

ricsamericas@rics.org

Asia Pacific

ASEAN

ricsasean@rics.org

Greater China (Hong Kong)

ricshk@rics.org

Greater China (Shanghai)

ricschina@rics.org

Japan

ricsjapan@rics.org

Oceania

oceania@rics.org

South Asia

ricsindia@rics.org

EMEA

Africa

ricsafrica@rics.org

Europe

ricseurope@rics.org

Ireland

ricsireland@rics.org

Middle East

ricsmiddleeast@rics.org

United Kingdom RICS HQ

contactrics@rics.org