

# ENVIRONMENTAL DUE DILIGENCE ASSESSMENT

## EXPERT SERVICES ONLINE SOLUTIONS TRAINING

Asbestos / Hazardous Materials  
Occupational Hygiene  
Property Risk  
Work Health & Safety  
Environmental Management  
Contaminated Land  
Emergency Management

ENVIRONMENTAL  
DUE DILIGENCE IS A  
SIMPLE, COST  
EFFECTIVE TOOL TO  
MANAGE YOUR  
RISKS AND  
LIABILITIES DURING  
ACQUISITION,  
DIVESTMENT AND  
PORTFOLIO  
MANAGEMENT

Are you involved in acquisitions, divestments, portfolio management or development projects? If so, how important is it to you to understand the potential environmental liabilities, costs and opportunities associated with your projects?

A very simple and effective tool that can be used to identify and mitigate your commercial risks is Environmental Due Diligence (EDD) assessment. In any acquisition or divestment, be it a single property or portfolio of properties, the optimal scenario is to commence with a fit-for-purpose EDD assessment as early as possible in the process. This will add value by identifying, characterising and quantifying environmental liability (e.g. soil or groundwater contamination) and thereby strengthening your position in any negotiations with the buyer or seller.

You may not wish to wait for divestment to trigger an assessment, you may want to understand your potential environmental liabilities now and start planning accordingly. The EDD assessment process works equally well in this environment. Armed with the results of an EDD assessment, you may want to start making financial provision for clean-up costs and implement any remedial actions over a period of time. This holds the advantage that when it comes time to divest, you have removed the environmental liability and maximised the value of the asset. Alternatively, if you are the buyer and have undertaken your own due diligence, you can negotiate a discounted purchase price in lieu of the environmental liabilities or even walk away from the deal if it too risky.

A typical source of environmental liability is soil and groundwater contamination associated with the historical and on-going activities on site. For example, an EDD assessment of your property may determine that you have soil and groundwater contamination from underground fuel storage tanks. Through further assessment, you can characterise the extent of the contamination, determine whether it has remained on site or migrated offsite and cost the remedial works that would be required to either contain or remove the contamination. You may elect to clean up the contamination or, in consultation with the regulators, agree a solution whereby containment and monitoring of the affected area is acceptable.

In order to accommodate your particular situation, you need an assessment tool that is simple, flexible and can be readily designed to fit your property assets, the structure of the deal, your timing requirements and the desired commercial outcomes.



The Greencap EDD process follows a tiered approach, where you can select either a Tier 1, Tier 2 or Tier 3 EDD assessment.

## Greencap's Unique Tiered EDD Approach

Greencap has developed a very simple approach to EDD assessment that allows you to choose the level of assessment required, depending on your needs. In simple terms it is Decision Tree and by asking a series of yes/no questions, you can quickly determine what level of assessment will best suit your needs.

The work streams associated with the Tier 1, 2 and 3 assessments have been broadly divided into the following categories: Desk Studies, Site Work, Risk Assessment, Commercial Liability Assessment and Recommendations. The specific scope items (i.e. tasks) associated with each work stream are either a standard or optional offering in a particular tier. For example, the review of existing environmental reports is one scope item under the category 'Desk Studies' that is optional under a Tier 1 assessment but is a standard Greencap offering under a Tier 2 and 3 EDD assessment.

Similarly, intrusive soil investigation is a scope item under the category 'Site Works' that is optional in a Tier 1 EDD but is standard under a Tier 2 and 3 assessment. The beauty of the Greencap EDD tiered approach is that you get to choose what you think you need.

Environmental Due Diligence assessment is a flexible and effective tool that can be applied to better understand and manage the potential liabilities, costs and opportunities associated with your property assets. The Greencap EDD assessment tool gives you a distinct advantage in the acquisition or divestment process and maximises your commercial returns.

## Ask a Greencap Expert

Greencap's advice is centred around a risk-based approach to due diligence and our highly experienced team is readily able to find solutions that balance environmental protection and the commercial realities inherent in acquisitions, divestments and portfolio management.

A major benefit of Greencap's tiered approach to EDD is that you only pay for those scope elements that are directly applicable to your project. What happens if you are not certain? Ask the Greencap experts and we will advise you on what options will address your specific needs, and add the greatest value.

For further information on these services go to:  
[greencap.com.au](https://www.greencap.com.au)

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