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Environmental Due Diligence

A Product Information Sheet by the Environmental Services Business Unit

What is Environmental Due Diligence?

Various types of due diligence, e.g. financial due diligence and legal due diligence, have evolved as methods of recognising and assessing the risks involved in mergers and acquisitions. In addition to the above, environmental due diligence, developed in the USA, is gaining increasingly in importance. Its task is to record and evaluate, if possible, all environmental problems and financial risks involved in or impacting on real property (e.g. plants, buildings, subsoil).

Arguments for Environmental Due Diligence

Mergers and acquisitions involve a number of risks; of these, environmental risks are taking on increasing significance, and are particularly high if the buyer

- is unfamiliar with national environmental standards, construction quality, waste-disposal situation, regulations regarding environmental protection and occupational health and safety, and/or
- is unaware to what extent the company offered for sale has previously satisfied statutory requirements.

Collection of construction and plant engineering data and information about environmental protection and occupational health and safety has thus become an exceptionally important task prior to a merger or acquisition. This procedure acts as an environmental precaution and thus protects the buyer's capital.

Your Benefits

- ▶ Compared to the costs of acquiring a company or real property, the costs incurred by due diligence inspection are low
- ▶ Inspection generates legal security and a reliable information basis
- ▶ Possibility of subsequent negotiations by the buyer
- ▶ Energy and raw-material savings potentials may be uncovered
- ▶ Practice-oriented suggestions for possible refurbishment and optimisation measures (buildings/real property/plant engineering)

We offer all-round analysis with special consideration of environmentally relevant facts and their legal basis.