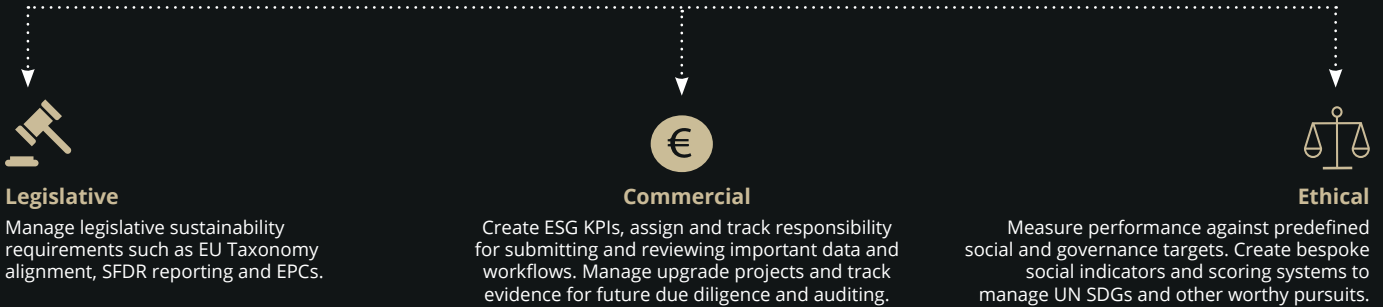


ESG - 3 Pillars



Credit - i3pt

CARBON IN CONSTRUCTION - WHAT IS IT?

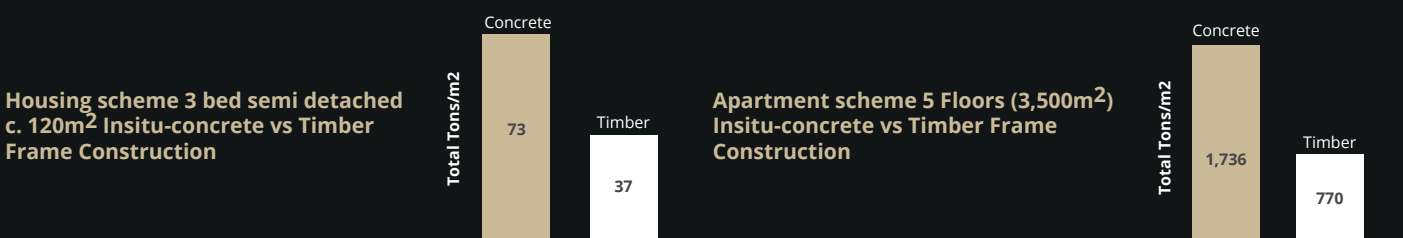


Embodied Carbon refers to the greenhouse gas emissions (GHG) associated with all the activities involved in the creation and demolition of a building. It is the total life cycle carbon less the operational carbon impact.

HOW IS CARBON SPLIT ACROSS A TYPICAL OFFICE BLOCK?



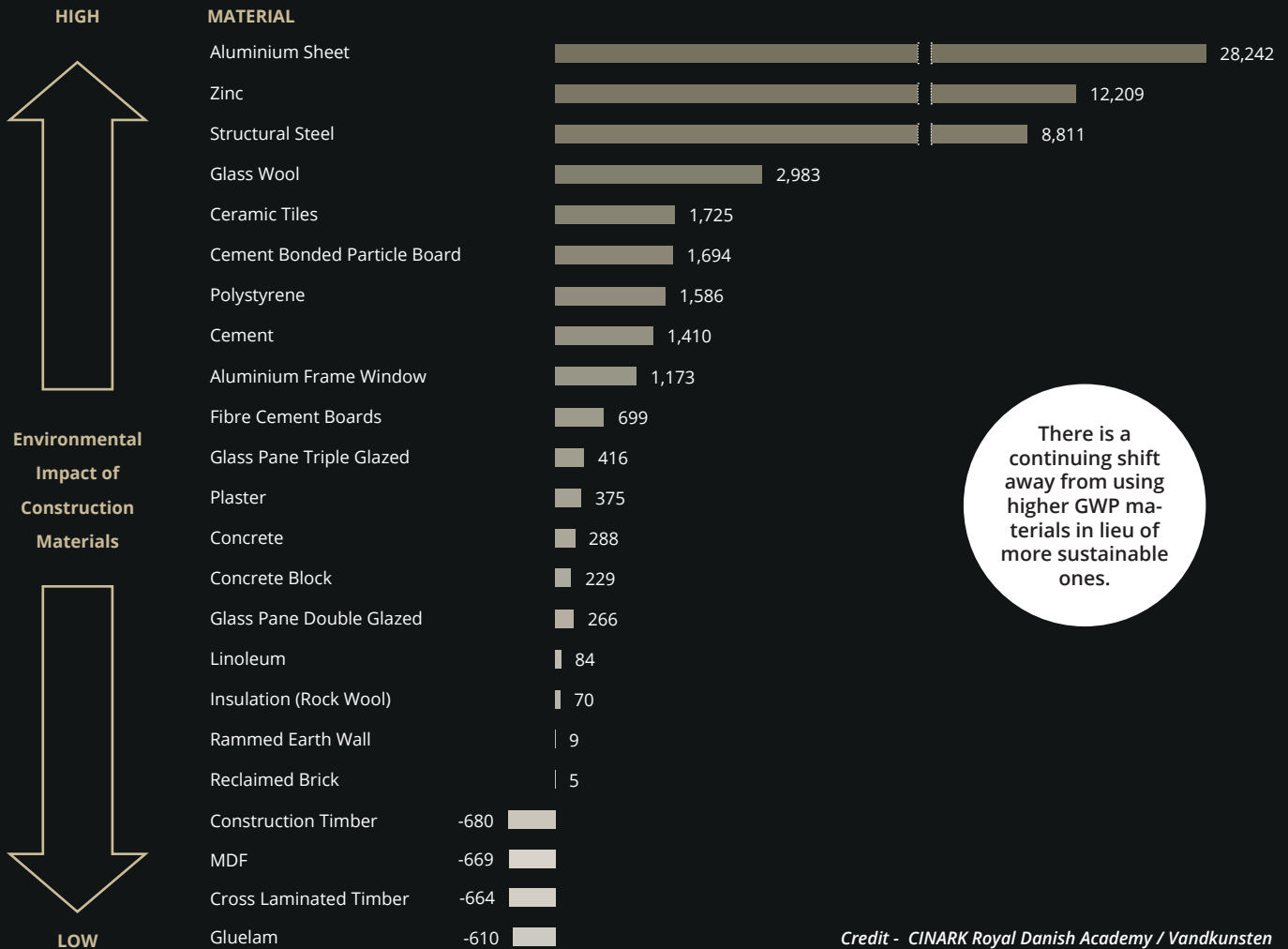
IMPACT OF DESIGN ON THE EMBODIED CARBON OUTPUT OF A DEVELOPMENT



SOME THINGS TO LOOK OUT FOR IN 2024...

- Engaging ESG Consultants early in the design process
- Cost of stranded assets
- Legislation Compliance
- Repurposing Existing Stock
- Carbon Reporting / Audits

Calculated as Global Warming Potential (GWP) and expressed in carbon dioxide equivalent units.



There is a continuing shift away from using higher GWP materials in lieu of more sustainable ones.

Credit - CINARK Royal Danish Academy / Vandkunsten

EU TAXONOMY - WILL IMPACT...

What?

- Construction of new buildings
- Renovation of existing buildings
- Acquisition of buildings
- Individual renovation measures, installation of renewable on-site and professional, scientific and technical activities

Who?

- Financial market participants offering financial products in the EU
- Large companies who are already required to provide a non-financial statement under the Non-Financial Reporting Directive
- The EU and Member States, when setting public measures, standards or labels for green financial products or green (corporate) bonds

IMPACT ON REAL ESTATE INDUSTRY

Increased Demand for Sustainable Buildings

- Increased yield on rentals and sales values
- Greater tenant retention
- Positive addition to property portfolio



Access to Capital

- Investing in accredited sustainable assets could gain access to funding at reduced rates
- ESG compliance could enable access to Green Bonds, Loans with Sustainability clauses and ESG focused Funds.

Perception

- Companies placing emphasis on the 'Social' aspect of ESG will improve connection with customers, employees, and community.
- Enhanced reputation
- Positive image

Enhanced Reputation and Brand

- A strong ESG profile may set businesses apart in a competitive and saturated market, enabling them to retain valuable investors and employees.

Community

- Consideration of how properties impact communities including diversity
- Creates opportunities for multitenant shared spaces
- Transformation of underutilised buildings (indirectly attributing value to existing buildings)



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