

Activate Capital

**IMPACT INVESTING:**  
**Enabling Sustainable  
Communities**

**ESG Strategy**



# ACTIVATE CAPITAL | ESG STRATEGY

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## 01 | CEO FOREWORD



Activate Capital was founded in 2015 as a catalyst to unlocking new home supply.

Our ESG Strategy, Impact Investing – Enabling Sustainable Communities is anchored in directing funds to the delivery of high quality, energy efficient, affordable homes in inclusive community settings.

With the support of our capital, our customers continue to deliver large numbers of sustainable houses and apartments to the private sale and the social and affordable sectors.

We are pleased to be an active contributing member of the **Irish Green Building Council** and a signatory of the United Nations supported **Principles for Responsible Investment (PRI)**.

The Activate team is proud of our progress and the impact we have made to date. Equally, we recognise we must evolve our sustainability journey in partnership with our customers.

**ROBERT GALLAGHER, CEO**



**02 | STRATEGY OVERVIEW**

**Enabling Sustainable  
Communities through  
Impact Investing**

## 02 | STRATEGY OVERVIEW

Activate Capital was founded in 2015 to address the prevailing shortage in housing supply by **accelerating new home construction**.

We create real impact **through strategic capital allocation that funds the large-scale delivery** of new energy efficient homes.

We support our customers in the creation of **inclusive communities** for all stages of the housing life cycle.

We recognize that environmental, social, and governance (ESG) factors support long-term value creation, risk management and **sustainable growth**.

Our ESG strategy is built on two foundational pillars, **Sustainable Investing and Responsible Business**, to ensure that our financing activities not only deliver robust risk adjusted returns to our investors but also contribute to a more resilient and equitable built environment.



The Activate Capital team with customer, Adwood, and former Minister for Housing Darragh O' Brien, at the opening of cost rental apartments at Kilcarbery Grange, Dublin. Activate Capital is proud to support the development of cost rental apartments which see tenants occupy units at a 25% discount to market rents.

## Activate Capital Impact in numbers

**26,400** housing units unlocked by Activate Capital funding since 2015

**€3.2 billion** advanced to projects since inception

**8,036 NZEB<sup>1</sup>** units funded and sold to date

**2,800** housing units being actively funded, including 900 apartments

**14% of new home delivery** funded by Activate is for social & affordable home construction

NZEB<sup>1</sup> = Nearly Zero Energy Building



**03 | IMPACT INVESTING PILLARS**

**Sustainable Investing,  
Responsible Business &  
Responsible Governance**

## 03 | IMPACT INVESTING PILLARS

In creating these pillars, we have adopted the six principles of the UN-supported PRI, with reference to the UN Sustainable Development Goals relevant to our business. By integrating these principles across our operations, we aim to align financial returns for our investors with positive environmental and social impact.



### Sustainable Investing

We finance projects that advance decarbonization, energy efficiency, and sustainable urban development, embedding ESG criteria into our lending decisions to support green buildings, affordable housing, and climate-resilient infrastructure.



### Responsible Business

We focus on minimizing environmental impact through efficient resource management & empower employees with the skills to promote sustainable investing. We operate with strong governance procedures backed by board level oversight and stakeholder engagement.



An aerial photograph of a coastal city. In the foreground, a road is under construction, with a large concrete barrier and construction equipment. To the right, there are several modern, multi-story apartment buildings. The background shows a large body of water, likely a bay or harbor, with a city skyline in the distance under a blue sky with scattered clouds.

## 4 | SUSTAINABLE INVESTING

We focus on two themes to guide our investment decisions: Climate Resilience & Land Use and; Sustainable Communities. By integrating these principles into our decision-making framework, we aim to align our financial returns for our investors with positive environmental and social impact, reinforcing our commitment to a sustainable future in real estate.

## 04 | SUSTAINABLE INVESTING

Our investment approach is rooted in sustainability, with a dual focus on Climate Resilience & Land Use and Sustainable Communities. By integrating these priorities into our strategy, we aim to address critical societal needs, such as multi tenure housing, while promoting sustainable development. This creates long-term value for stakeholders in an environmentally focused manner.

### Climate Resilience & Land Use

As part of our due diligence, we evaluate a development's climate resilience by assessing its targeted energy performance and land-use efficiency. Below is a selection of questions we pose to developers to score their performance in this area:

- Target energy performance (BER/NZEB standards)
- Whether a climate and vulnerability assessment has been completed
- Verification that a flood risk assessment has been completed
- Efficiency of land usage in determining whether a greenfield or brownfield development
- Whether a Borrower is seeking a third-party accreditation such as BREEAM <sup>2</sup>.
- Whether a lifecycle assessment has been completed.
- How many products with environmental product declarations have been utilised.



### Sustainable Communities

We define sustainable communities based on four core metrics: affordability, public transport integration, biodiversity impact, and material efficiency. Borrowers are evaluated and scored against the following benchmarks:

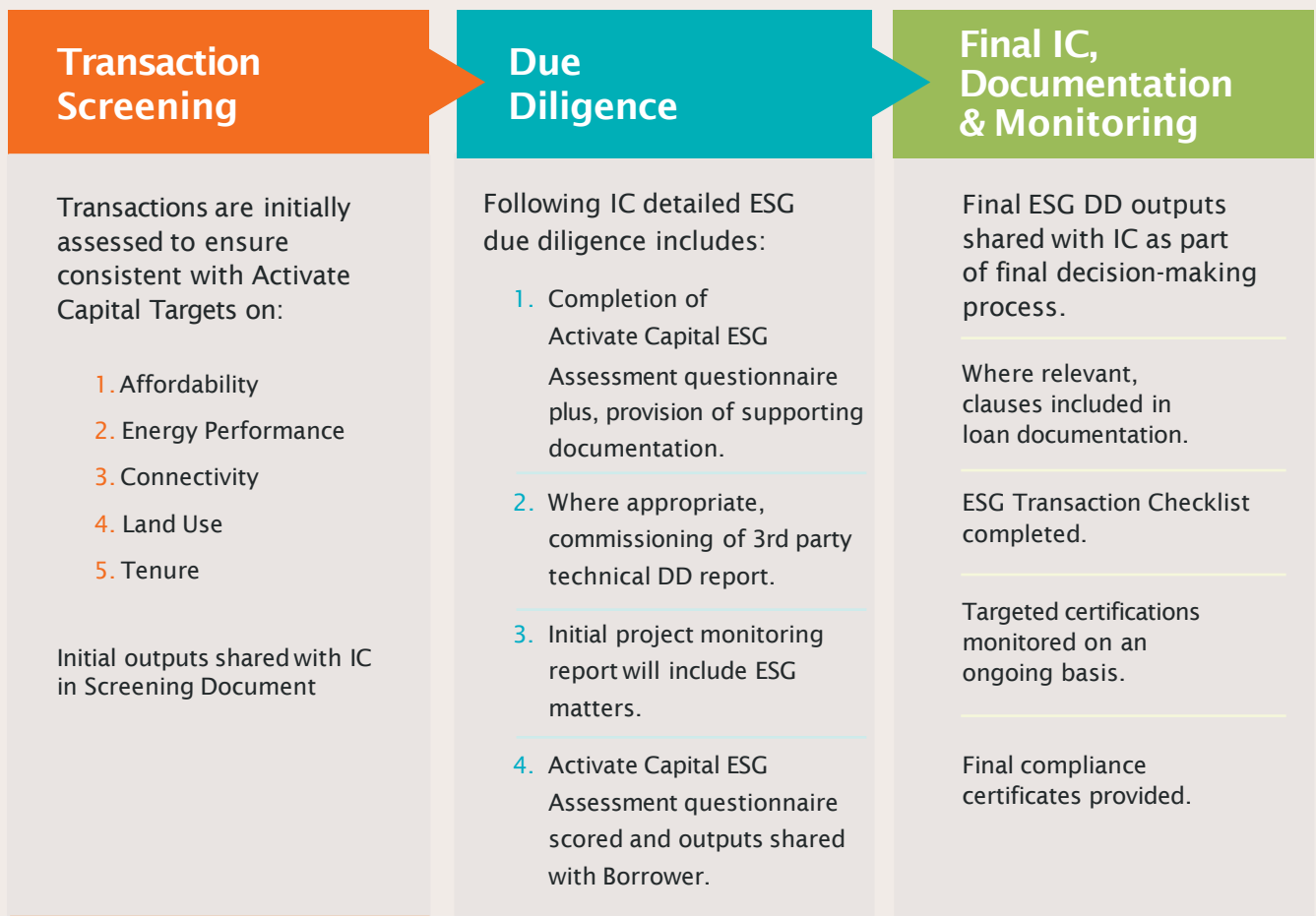
- Proposed recycling rates during construction
- Access to public transit infrastructure within 1km of the development
- Affordability of homes relative to the Government support schemes
- Tenure mix
- The biodiversity initiatives & local amenities for the development



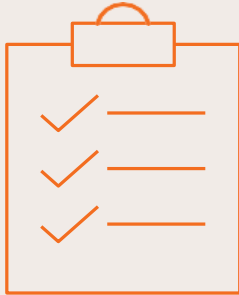
BREEAM <sup>2</sup> = Building Research Establishment Environmental Assessment Method

## 04 | SUSTAINABLE INVESTING – Investment Process

All transactions are assessed for ESG purposes as part of our Investment Committee (IC) process, this is detailed as follows:



## 04 | SUSTAINABLE INVESTING - Metrics



Activate Capital measures its impact through a combination of financial and non-financial metrics outlined below:

Item	Target	2024	2025
<b>Energy Performance</b>	Minimum A3 BER/ NZEB	100%	100%
<b>Affordability</b>	75% to fall within Government affordability initiatives	86%	84%
<b>Land Use</b>	Number of units built on brownfield sites to > 50%	40%	36%
<b>Access to Transport</b>	90% of units within 1km of major public transport	95%	96%



CASE STUDY

# Climate Resilience & Land Use

## CASE STUDY | Urban Revitalisation & Placemaking

# Queen Street Place

**Sector:** Purpose Built Student Accommodation

**Sponsor:** Elkstone / Harrison Street

Queen Street Place is a high density 345 bed PBSA development in Galway City Centre.

The development facilitated the **regeneration** of a 0.55-acre brownfield site.

Centrally located within walking distance of UG, ATU & public transport nodes. Walk Score of 98.

Designed to achieve **BREEAM Excellent** certification & **NZEB +10%**.

Alignment pathway for EU Taxonomy Climate Change Mitigation, Potential Article 9 Asset, CRREM date of 2039.





CASE STUDY

# Sustainable Communities

# KILCARBERY GRANGE

## CASE STUDY | Thriving Sustainable Communities

# Kilcarbery Grange

**Sector:** Social & Affordable Homes

**Sponsor:** Adwood

29-ha site in West Dublin developed in partnership with South Dublin County Council.

A new community which will ultimately accommodate over **1,000 A rated homes**.

First truly mixed-tenure Strategic Housing Development which will serve all elements of the housing life cycle including **social, cost rental, affordable for sale, private rental and owner-occupied** accommodation.

50% of units made available for social tenancies, affordable purchase and cost rental.

Cost rental is **not-for-profit** housing, offering long-term, secure tenancy at more affordable rents which start at **25% below** the average local rent.

Activate partnered with its customer, Adwood, alongside approved housing body Tuath, the Housing Finance Agency and South Dublin County Council to deliver this flagship residential development.



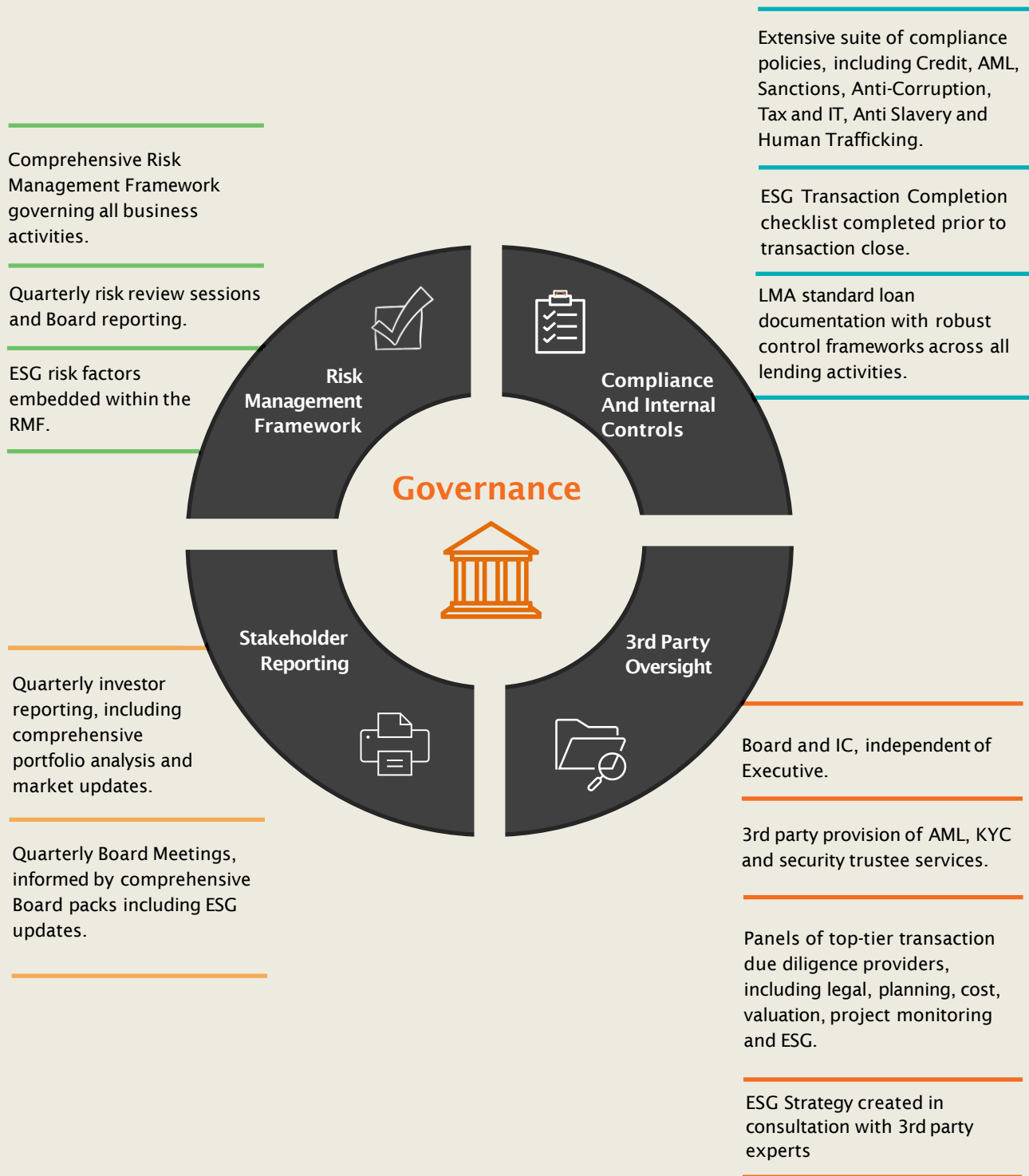


## 05 | Responsible Business

By integrating these principles across our operations, we aim to contribute to a positive environmental and social impact and provide an environment for our employees to thrive.

## 05 | Responsible Business

At the heart of our ESG strategy lies our commitment to operating as a Responsible Business, that prioritizes ethical practices, sustainability, and long-term value creation for all stakeholders. Our Responsible Business approach is driven by four core themes: Governance, Resource Use, Learning & Development and Partnerships.





### Resource Use

We are committed to reducing our environmental impact through targeted initiatives that promote efficiency, sustainability, and employee engagement. Key measures include:

- Encouraging low-carbon travel by offering the Bike to Work scheme and Public Transport Tax Saver scheme, along with office shower facilities to support active commuting.
- Eliminating single-use items by providing reusable coffee cups and implementing robust recycling programs across our offices.



### Learning & Development

We invest in our people, fostering a culture of growth, innovation, and accountability. Together, these themes ensure that our business operates responsibly today while building resilience for the future.

- We provide financial support for employees pursuing industry-recognized qualifications (e.g., CFA, ACCA).
- Our structured internship programmes offer university students hands-on experience in credit analysis, and portfolio management, alongside mentorship from industry professionals.
- We welcome Transition Year students annually for an insight week which provides secondary school students an introduction to financial services.
- Interns gain specialized training in real estate financial modelling through the CFI, strengthening their underwriting and risk assessment capabilities.



## 05 | Responsible Business

### Partnerships



Within our corporate governance framework, we recognize that strategic partnerships are essential for driving meaningful ESG progress.

- Through membership of industry bodies such as PII, IIP, IGBC we ensure we are well positioned to learn and help shape ESG practices and participate in policy formulation to help provide solutions to address the housing shortage.
- Our partnerships extend beyond industry collaboration to direct community support including:
  - Charitable donations. Key beneficiaries include Dublin Simon Community, Focus Ireland, ISPC, ARC House and the UNICEF Ukraine Appeal.
  - Matching employee charitable contributions within annual limits, doubling the impact of our employees' charitable donations.
  - Provision of one Corporate Social Responsibility (CSR) day per employee per annum.





# Activate Capital

Innovative funding with capital strength