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For Immediate Release

Sumitomo Forestry Co., Ltd.

Six-story mass-timber office building in London, UK, completed ~An environmentally conscious building with significantly lower CO₂ emissions~

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; headquarters: Tokyo; hereinafter, Sumitomo Forestry) is pleased to announce the completion of a six- story environmentally conscious mass-timber office building in London, UK. A ceremony to commemorate the event was held at the site on May 8th. This property was developed by Paradise 11 Limited, a joint venture of Sumitomo Forestry and the British real estate development company Bywater Properties. It is one of the largest mass-timber office structures in London.*1 With a focus on environmental considerations, the building reduced CO2 emissions in all phases of development, from material procurement to the completion of construction, and features equipment with high environmental performance to respond to the shortage of offices that meet environmental performance standards in the UK.



Reducing embodied carbon emissions

According to calculations using the software One Click LCA^{*2}, the project successfully limited upfront carbon emissions - i.e., emissions from material manufacturing, transportation, construction, and other phases, excluding renovation and disposal - to 413 kg CO₂e per square meter of floor area. This represents an approximate 60 percent reduction compared to the benchmark value of 1,000 kg CO₂e/m² for new office buildings set by the Greater London Authority^{*3}, a regional governing body that oversees all of Greater London. Furthermore, because of its mass-timber construction, the building will



sequester approximately 1,900 tons of CO₂e over its lifetime.



Reducing operational carbon emissions

Operational carbon emissions generated during the building's use will be reduced with high thermal insulation exterior walls and on-site power generation from rooftop solar panels. The building has earned the highest "A" rating for the Energy Performance Certificate (EPC)^{*4}, which rates energy efficiency of buildings during operation. It has also received the highest Platinum rating from the digital infrastructure certification system WiredScore, is expected to be rated Excellent under the environmental sustainability assessment and certification system BREEAM, and is expected to obtain Gold certification under the health and wellness-focused WELL Building Standard.

Circular economy through building materials recycling

The building is constructed using approximately 2,300 m³ of wood. About 80 percent of the structural wood is designed for reuse after the building's demolition. By enabling repurposing for future construction projects, the wood used to construct the building will sequester carbon over a longer period of time. This maximizes resource recycling and contributes to the realization of a circular economy.

Background behind our development of environmentally conscious real estate

With the construction sector accounting for 37 percent of the world's industrial CO_2 emissions, there is an urgent need to reduce CO_2 emissions over the entire life cycle of buildings, including embodied carbon and operational carbon emissions.^{*5}

To reduce operational carbon emissions in line with the UK government's target to achieve carbon neutrality of greenhouse gas (GHG) emissions by 2050, building regulations already prohibit the leasing (including new contracts and renewals) of buildings with an EPC rating of level F or lower, with plans to prohibit the leasing of non-residential buildings that do not fulfill level B criteria by 2030. On the other hand, there is a shortage of office buildings that meet environmental performance standards, with only about 20 percent of office properties in London at level B or above as of 2023. Hence, demand for buildings with high environmental performance is expected to rise in the future.



World's CO₂ emissions by industry

Source: Global Alliance for Buildings and Construction (2021) International Energy Agency

London office EPC ratings





Property characteristics

This iconic mass-timber office building showcases exposed beams, columns, ceilings and other structural elements as part of its finished interior, embracing a biophilic design that conveys the warmth and natural atmosphere of wood. Adjacent to a lush, green park, the building provides a comfortable, sustainable working environment with parking spaces for about 100 bicycles, shower facilities and other amenities. Located along one of central London's main transportation routes, this building is certain to become a landmark mass-timber structure.





Area characteristics

The building is situated on the south bank of the River Thames, an area within central London undergoing large-scale redevelopment. Offices, multifamily residential buildings and retail stores are being redeveloped around this area. New developments are expanding in the Battersea and Vauxhall areas where Apple's UK headquarters and the US Embassy have relocated to, as well as around Waterloo Station, the busiest train hub in London in terms of annual number of passengers. The new building is also conveniently located near the Westminster area on the north side of the Thames with many government offices (Security Service MI5, Home Office, Ministry of Justice, Department for Transport, Department for Education, Department for Business, Energy and Industrial Strategy, etc.).



Completion ceremony held

A completion ceremony was held at the site on May 8th, attended by approximately 70 people, including representatives from construction companies involved in the development, banks, government officials and the media. The ceremony opened with congratulatory speeches and a ribbon-cutting ceremony and was followed by a tour of the office building. The high level of interest in environmentally conscious mass-timber office buildings was evident throughout.

SUMITOMO FORESTRY



Sumitomo Forestry Group is engaged in a broad range of global businesses centered on wood, including forestry management, the manufacture and distribution of mass-timber building materials, the contracting of single-family homes and medium- to large-scale mass-timber buildings, real estate development, and wood biomass power generation. Under our long-term vision Mission TREEING 2030 and through our operations in forests, timber and construction, we are seeking to promote the Sumitomo Forestry Wood Cycle, our value chain to contribute to decarbonization for the whole of society by increasing the CO₂ absorption of forests and popularizing wooden buildings that store carbon for long periods of time. With the promotion of global expansion as one of our business policies in our long-term vision, we are also working to accelerate decarbonization initiatives in the UK.

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Name	Paradise Project
Location	London Borough of Lambeth
Development overview	Six-story mass-timber office building
Construction	Mass timber structure (RC construction for the core portion,
	partially post-and-beam S construction)
Gross Internal Area	83,087 sqft
Start of Main	March 2023
construction	
Completion	March 2025

Project summary

*1 Based on a Sumitomo Forestry in-house study.

*2 A software for which Sumitomo Forestry holds the exclusive distributorship agreement in Japan. It accurately calculates CO₂ emissions of a building, from procurement of raw materials for construction, processing, transport, construction, renovation, and disposal (embodied carbon). Related press release: <u>https://sfc.jp/information/news/2022/2022-08-08.html</u> (Japanese only).

*3 The Greater London Authority was established in 2000 as a strategic regional authority for Greater London (32 London boroughs and the City of London).

*4 EPC is a rating scheme introduced in 2007 by the European Union that evaluates the energy efficiency of buildings using a ratings scale from A (very efficient) to G (inefficient).

*5 Source: Alliance for Building and Construction (2023).