

Governmental
pledges

Commitment to
reach Net Zero

The E in ESG

Green finance

Setting the right
sustainability targets

Corporate
occupiers

The path to
becoming
'carbon negative'

The built environment contributes roughly 40% of global carbon emissions, so it has a crucial role to play in helping the global economy to decarbonise.

The E in ESG for Office Occupiers

What are the key drivers?



Why ESG is so important to your organisation's future?

ESG is a key focus for occupiers and investors

The aftermath of COVID-19 has put sustainability at the forefront of the news agenda. A mixture of public and private sector pressure continues to drive action around sustainability targets:

Governmental pledges

The commitments to reach Net Zero cover almost 80% of the global economy. Green issues continue to remain in the spotlight at international and UN Conferences on climate change such as COP 26.

Green finance

Managed investment funds investing on behalf of pension funds have sustainability targets, and they hold huge stakes in companies. Those companies are paying attention. A number of leading developers in Hong Kong have recently announced its first sustainability-linked loan with financing directly linked to the company's sustainability targets.

Corporate occupiers

25% of F500 companies have carbon neutral targets by 2030. Companies including Amazon, Accenture and Microsoft are more ambitious and want to be 'carbon negative' by 2030. A company's sustainability plan is becoming an important factor in talent attraction too. University graduates are increasingly assessing a company's 'green credentials' when considering potential employers.

What can Office Occupiers do to help?

Occupiers are now starting to review their carbon footprints end-to-end. In Hong Kong, buildings account for up to 90% of electricity consumption and up to 60% of GHGs (compared to 40% globally).

Here are a few ideas on how office tenants can reduce their CO2 footprint during their tenancy occupation lifecycle:

Pre-leasing



Portfolio/Flex strategy

Promote more hybrid and flex strategies to increase 'on-demand' office usage and reduce commuting.



Transport connectivity

By some measures, employees' commutes can contribute up to 60% of an office building's CO2 impact. A 'Green' building located in the suburbs with lack of public transport connectivity could potentially have a greater CO2 impact than an inefficient building in a city centre.



Green leasing

Does the Landlord have similar ambitions and expectations on environmental outcomes? Are there opportunities to collaborate to improve performance?



Green review

Is there any renewable energy in the building? Are there policies in place to reduce building waste/decrease water consumption? Are there capital improvements planned to improve the building's sustainability?



Green certification

Does the building have one of the commonly used Green Certifications in APAC such as LEED, BEAM Plus (Hong Kong), Green Mark (Singapore), Green Star (Australia)?

During occupation



Up to 80% of a building's energy usage is HVAC-related
Tenants who have control of their own air conditioning systems should adjust the air flow/temperature during low office usage periods.



Save money and energy. Tenants can install energy-efficient lighting
Including zonal controls/motion sensors



Converse energy consumption
The Green Building Council's Energy Efficiency Index in Singapore recommends an office's energy consumption be lower than 90 kWh/m²/yr*



Going green
In some countries across APAC, tenants who lease/own an entire building have greater flexibility when installing 'green' measures. For example, one tech occupier has installed Pollinators onto its rooftops and a Singaporean bank is retrofitting a 'green wall' into its building; both initiatives serve to increase biodiversity.



Benchmark and measure your carbon building footprint
In Australia, NABERS** has a 'reverse calculator' providing an indication of the maximum amount of energy your building can use to achieve your targets. Colliers partners with Measurabl, the leading ESG software solution, allowing you to benchmark, measure and improve your company's key ESG metrics.

* For an office density lower than 12 sqm per person;
** National Australian Built Environment Rating System

Checklist for a 'green' and sustainable office reinstatement

1

In some countries across APAC, office leases require the tenant to reinstate the premises to Shell & Core condition, which can generate a significant amount of waste. All efforts should be made to negotiate with Landlords, but there are also vendors that specialise in reducing landfill waste.

2

Occupiers can also assess furniture suitability for reuse or potential donation to NGOs or social enterprises.

3

For assets that do not meet sustainability standards, consider disposition strategies (whether leasehold or freehold).



Create an ESG strategy for your business

Colliers has sustainability experts around the globe that can help you achieve your ESG goals. Learn about ways you can minimise environmental impact while maximising operational efficiency within your organisation. Contact our experts in Asia Pacific and look out for the upcoming series by Colliers on ESG recommendations for occupiers.



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