

Working Towards Net-Zero: Tenant and Owner Partnerships

WEDNESDAY, DECEMBER 3, 2025



Speakers



Phoebe Leung
Senior Manager,
Sustainable Development
Swire Properties



Andrew Macpherson
Executive Director, Head
of Asset Development,
Asia Pacific
JLL



Jonathan Tong
Vice President
PAG



Vidya Unnikrishnan
Manager, Sustainability
Research
ULI Asia Pacific
(Moderator)

Session Agenda

- Welcome & Introductions
- Overview of 5 Tenant & Owner Engagement Strategies
- Kick-off Poll!
- Tenant & Owner Engagement Strategy – Panelist presentation
 - Market Overview (Andrew MacPherson, JLL)
 - Engagement for Efficiency (Phoebe Leung, Swire Properties)
 - Tenant Perspective (Jonathan Tong)
- Panel Discussion
- Audience Q&A
- Audience Feedback

ULI Net Zero Mission Priority

Decarbonizing the real estate sector and accelerating our progress to net zero



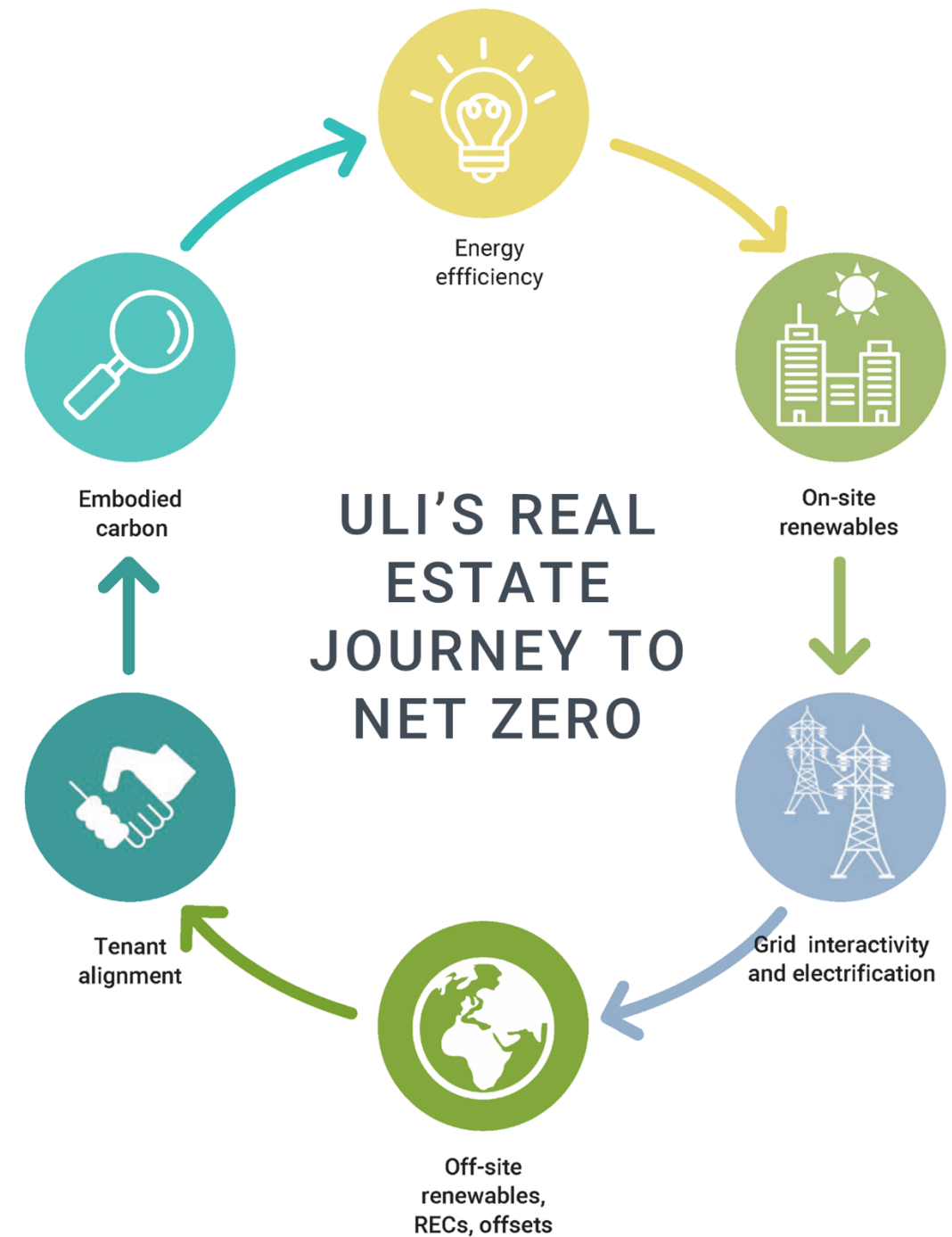
DECARBONIZATION

Accelerating progress towards net zero real estate

- Decarbonizing buildings
- Decarbonizing the real estate value chain (utilities, tenants, materials)
- Decarbonizing cities
- Emerging topics (nature positive net zero, refrigerants)

GREENPRINT

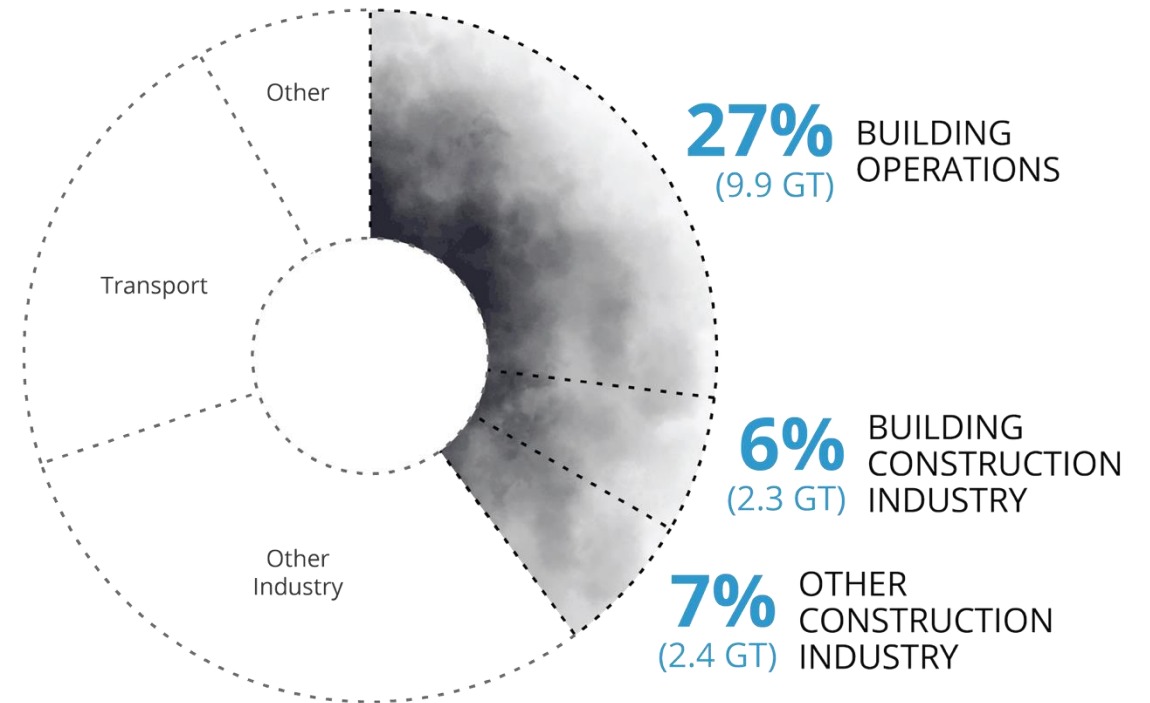
A global community of ~130 owners, developers, & investors with a shared commitment to sustainability (40+ have APAC portfolios),



Why Tenants?

- The built environment is responsible for almost **40% of global carbon emissions** and up to **70% of emissions in urban cities**
- **Tenant** spaces can account for **over 50 percent of total energy consumption in commercial buildings.**
- Both owners and tenants share the goal of reducing their carbon emissions and have taken action to do so, including setting their own individual net zero goals.

Annual Global CO₂ Emissions



© Architecture 2030. All Rights Reserved. Data Source: IEA (2022), Buildings, IEA, Paris

Building Construction Industry and Other Construction Industry represent emissions from concrete, steel, and aluminum for buildings and infrastructure respectively.

To achieve whole-building reductions in carbon emissions, property owners and tenants must work together—sometimes in new and creative ways.

The Business Case

Benefits to Tenants & Owners

Owners	Tenants
Increase property value due to reduced energy costs, resilience, and sustainable features	Meet corporate emissions reductions targets
Increase net operating income through higher rents and lower operational costs	Lower utility bills
Increase tenant retention and attractiveness	Improve occupant comfort and wellbeing

Challenges

Split incentive problem → when the party paying for a product or service, such as a renewable upgrade, is not the receiver of the benefit, which instead goes to another party

This misalignment discourages investment in upgrades even if they are cost-effective overall.

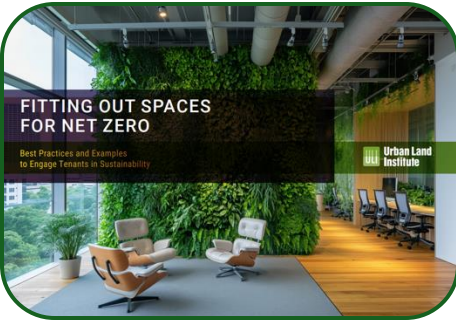
Engagement Strategies to Achieve Net-Zero



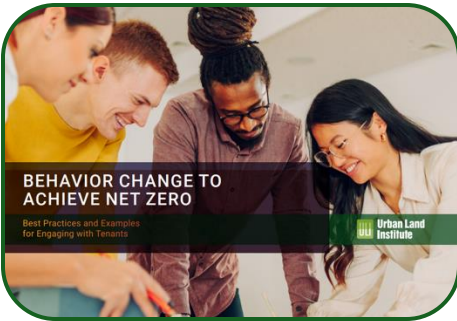
Green
Leasing



Data-Sharing



Tenant Fit-
Outs



Behavior
Change



Renewable
Energy

Read the primer
series here:



Engagement Strategies to Achieve Net-Zero



TAKING GREEN LEASES TO NET ZERO

Best Practices and Examples to Engage Tenants in Sustainability



Green
Leasing

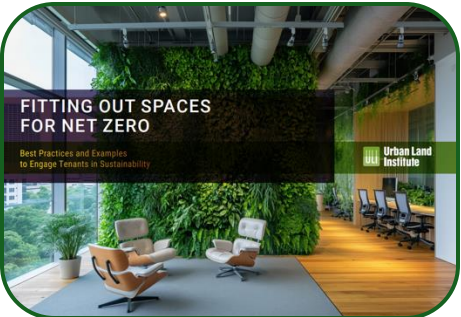


SHARING DATA TO ACHIEVE NET ZERO

Best Practices and Examples to Engage Tenants in Sustainability



Data-Sharing

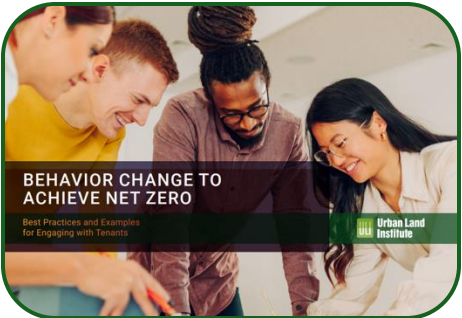


FITTING OUT SPACES FOR NET ZERO

Best Practices and Examples to Engage Tenants in Sustainability



Tenant Fit-
Outs



BEHAVIOR CHANGE TO ACHIEVE NET ZERO

Best Practices and Examples for Engaging with Tenants



Behavior
Change



HARNESSING RENEWABLE ENERGY TO ACHIEVE NET ZERO

Best Practices and Examples for Engaging with Tenants on Renewable Energy Technology



Renewable
Energy

Read the primer
series here:



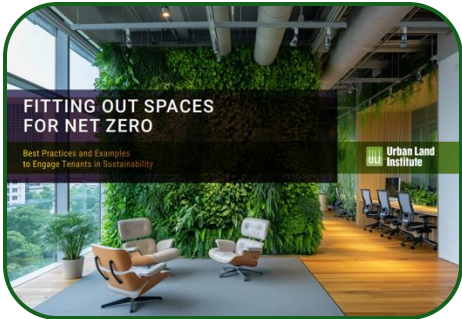
Engagement Strategies to Achieve Net-Zero



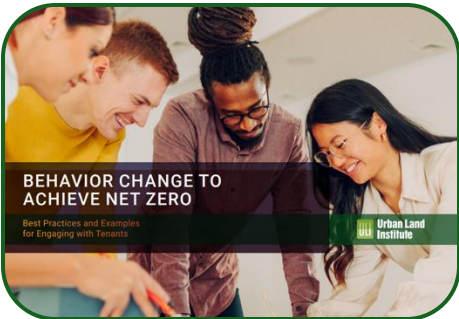
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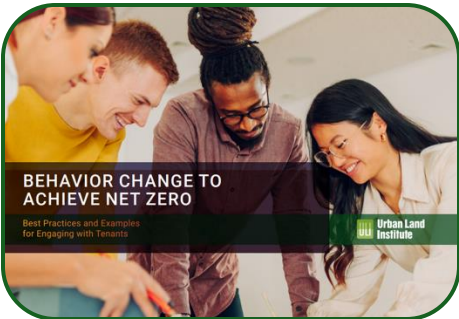
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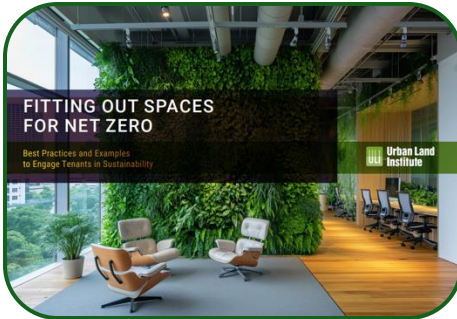
Engagement Strategies to Achieve Net-Zero



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Leasing



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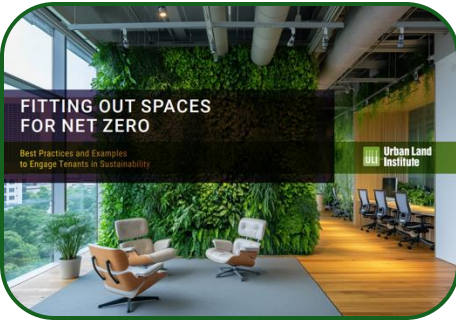
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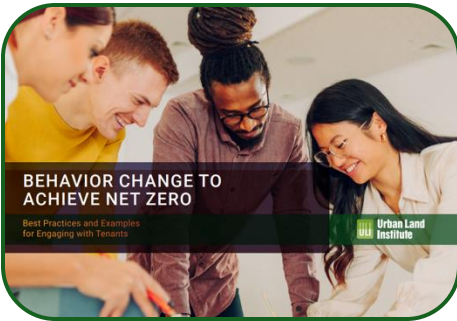
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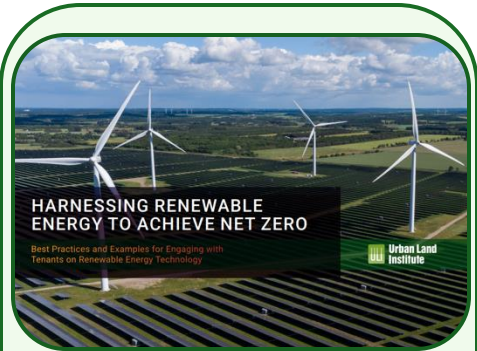
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Tenant Fit-
Outs



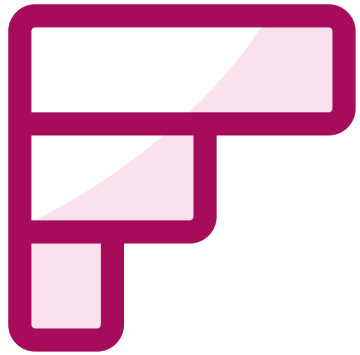
Behavior
Change



Renewable
Energy

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series here:





Which strategies would you prioritise to comply with regulations, lower emissions, and foster collaboration between owners and tenants?

A dark, grayscale background image showing two people, a man and a woman, looking down at a tablet computer. The man is on the left, wearing glasses and a light-colored shirt. The woman is on the right, wearing a dark jacket over a light-colored top. They are both focused on the screen of the tablet, which is held by the woman. The overall tone is professional and collaborative.

Panelist Presentation

ULI Tenant Engagement Webinar

3 December 2025

Andrew Macpherson
Head of Asset Development, APAC



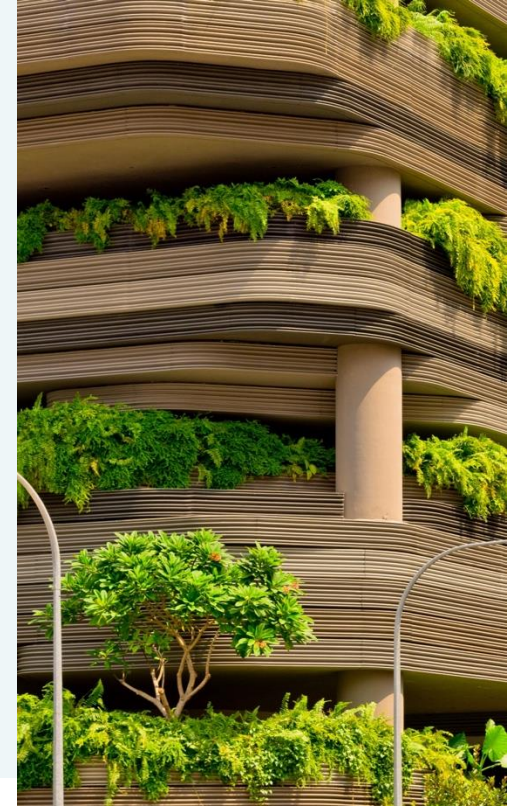
Corporates are choosing buildings that support their ESG goals

Looking towards 2030, the following scenarios are highly or moderately likely for organizations in APAC . . .

74% Will only select buildings that are **resilient to climate events**
(72% globally)

72% Will pay a premium to only occupy spaces with **leading sustainability and green credentials**
(72% globally)

69% will only select **recyclable furniture** and workspace fit outs using materials from the **circular economy**
(70% globally)



Key considerations for building owners:



Understand which assets are most at risk from obsolescence

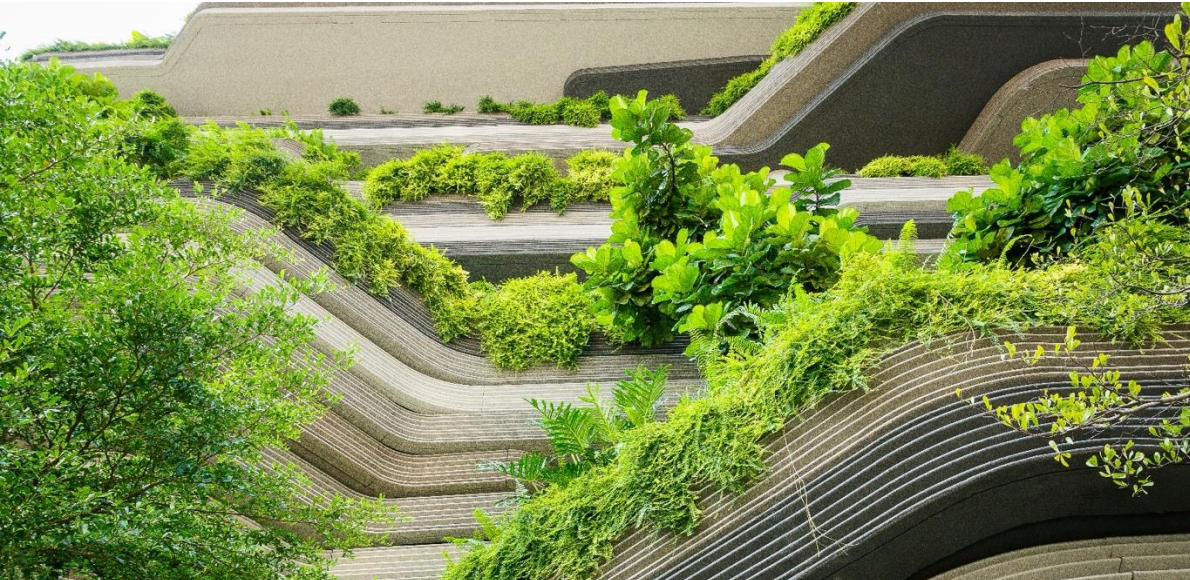


Work with tenants to undertake improvements to the building to improve sustainability performance



Monitor and measure the impact ESG performance has on asset value

Three-fifths of Grade A office stock is now green certified in APAC



59%

of Grade A & Premium office stock are green certified in APAC as of end-2024.

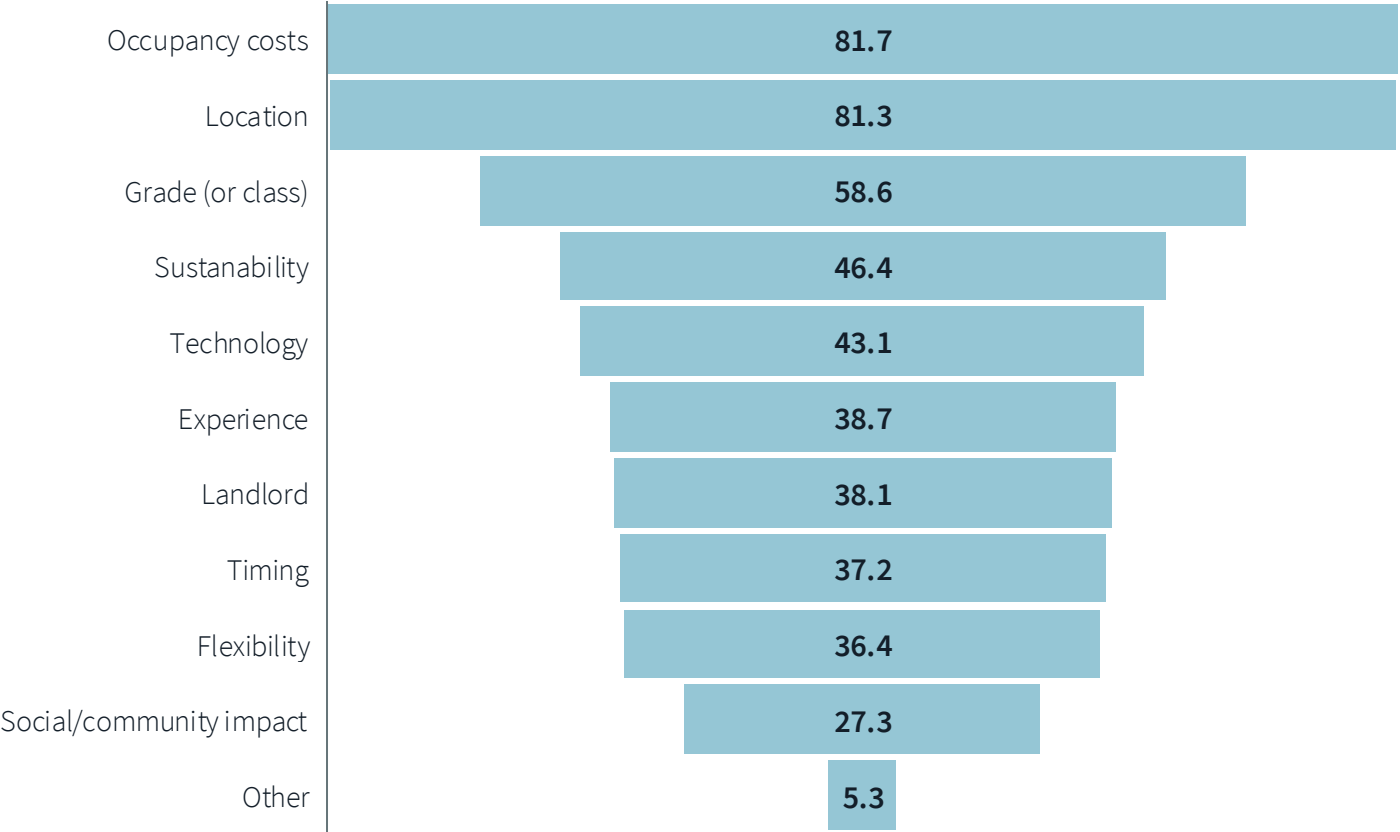
City-wide green certified Grade A office stock (% certified by NLA)

Singapore	95%	Taipei	57%
Manila	89%	Mumbai	52%
Brisbane	84%	Shanghai	52%
Perth	83%	Hong Kong	49%
Sydney	77%	Guangzhou	47%
Melbourne	76%	Seoul	46%
Tokyo	73%	Auckland	45%
Ho Chi Minh	73%	Beijing	45%
Canberra	72%	Osaka	43%
Adelaide	68%	Kuala Lumpur	41%
Bengaluru	64%	Chengdu	40%
Chennai	64%	Hanoi	39%
Bangkok	61%	Wellington	38%
Delhi NCR	58%	Christchurch	7%
Jakarta	58%		

Source: JLL Research, 2025 (Q4 2024 data)

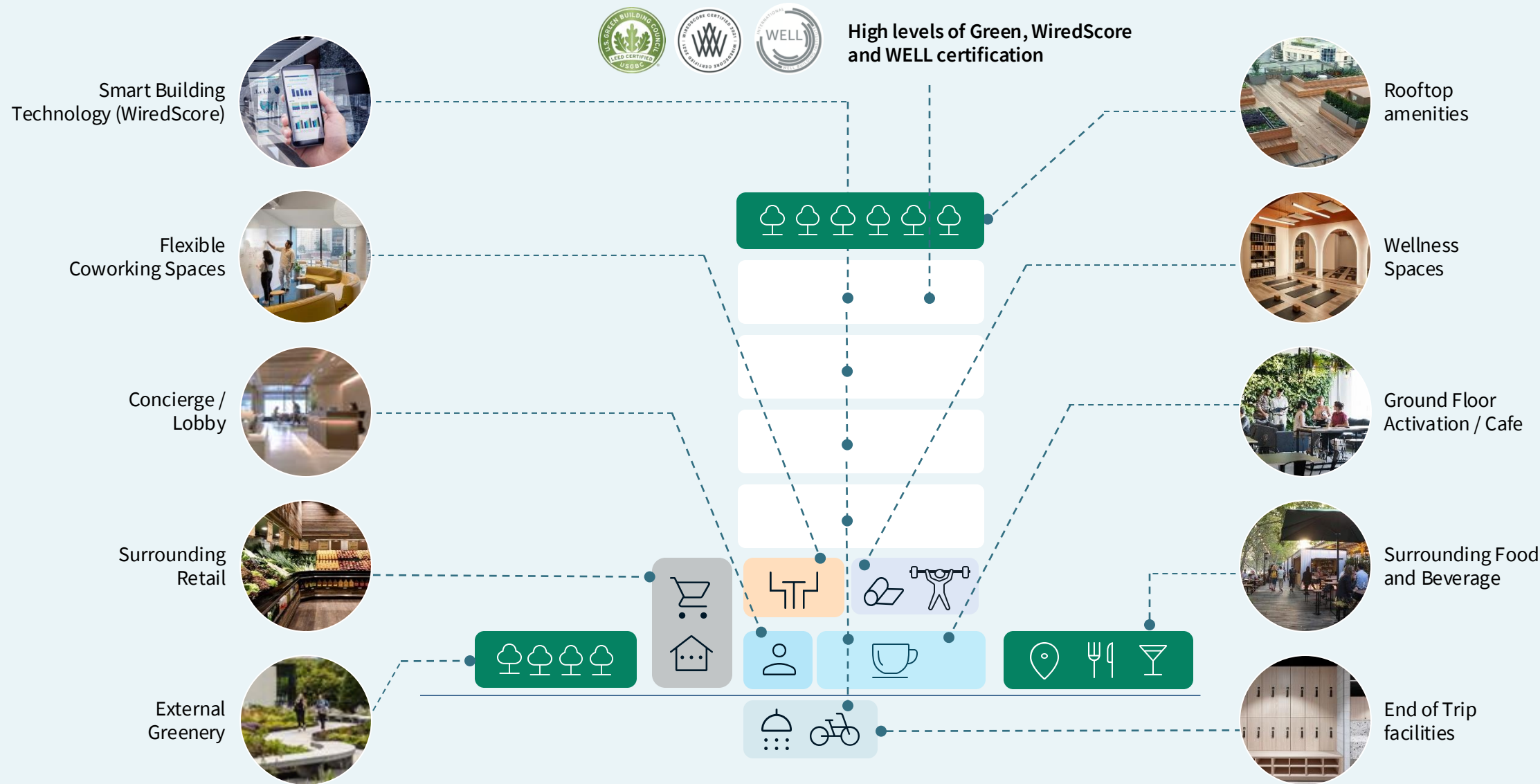
Key factors tenants evaluate when considering new leases

When evaluating future office decisions (new or renew), how does your client prioritize the following factors?



- Occupancy costs and Location are the top two priorities when evaluating future office decisions, with scores above 80.
- Other significant considerations with scores above 50 are building grade (**comprising age, condition, building amenities and human experience**).
- **Sustainability and technology** have scores over 40.
- Factors that score above 30 are Landlord, Timing and Flexibility.
- Social and community impact was a low priority with scores below 30.

New buildings are setting higher standards aligned to tenant expectations



Owners of old buildings are upgrading them to remain competitive



Sustainability upgrades

Landlords are improving the sustainability performance of their buildings by:

- Green certification
- Reduced Energy Use Intensity (EUI)
- Renewable energy sources
- Centralise waste management and recycling
- Removing fossil fuels (electrification)
- Incorporating low embodied carbon products.



Occupier experience enhancements

A major priority for organisations is a focus on the employee experience. Landlords are responding by:

- Retrofitting additional amenities
- Improving F+B and retail offerings
- Access to outdoor spaces
- Providing events, learning experiences and other space activation
- Community related activities



Smart Building Technology integration

PropTech, AI driven building systems and IOT enabled devices improve the performance of a building in terms of:

- Comfort, convenience, reliability and safety
- Improves operational efficiency. Savings can reduce the building management fees for tenants
- Provides a platform for tenants to interface with for their own systems and controls



Space optimization and greater flexibility

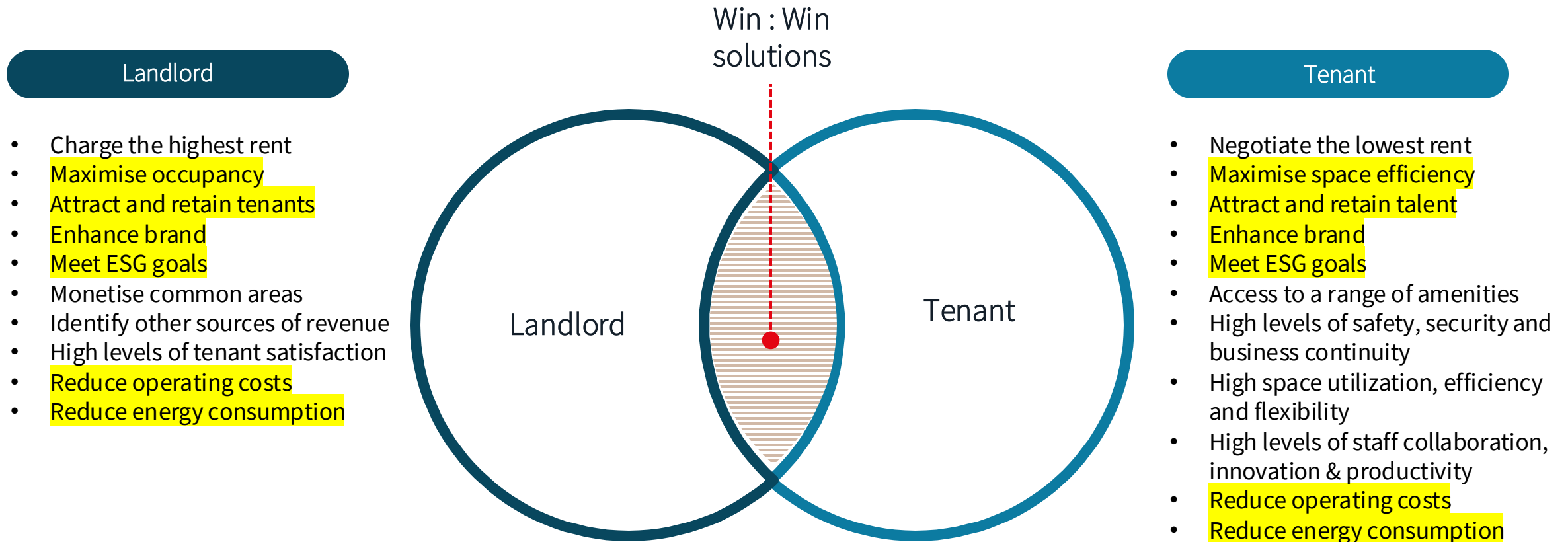
Landlords are providing (either free or for a usage charge) spaces such as coffee shops, gyms, training rooms, large meetings rooms and even small recording studios for creating social media content, as part of the Landlord provision, reducing the need for tenants to fit out those kind of spaces.

Some Landlords are providing fully fitted out space

Landlords are also providing more flexible lease terms

Landlord and Tenant Drivers

Key areas of win : win solutions for Landlord and Tenant include improving human experience, reducing operational costs (especially energy consumption) and achieving better ESG performance including certification



Green leases

Green leases include clauses that foster collaboration between landlords and tenants to improve a building's environmental performance

Light Green

Includes mainly aspirational provisions with nothing binding on the landlord or the tenant
A kind of Memorandum of Understanding

Medium Green

Includes specific targets and the development of an environmental action plan for monitoring purposes but without legal enforcement if targets are not met


Dark Green

Includes obligations and targets which become legally binding, with a breach potentially resulting in financial penalties

Key drivers:


Regulatory environment

APAC governments are implementing policies & incentives (e.g., Singapore's Green Mark) to promote sustainable buildings.




Tenant demand

Major occupiers are increasingly demanding green-certified buildings and lease clauses to align with their own NZC goals




Cost savings

Energy-efficient offices translate to reduced utility bills for tenants




Data sharing

Requiring tenants to share data on energy, water, and waste consumption so that performance can be monitored and improved.



Futureproofing


Assets that fail to meet rising green standards risk obsolescence, providing a strong case for landlords to adopt sustainable practices.



Common green lease provisions include:


Green building certifications

Tying lease provisions to the achievement or maintenance of certifications like LEED or Green Mark.




Energy efficiency

Committing to energy-efficient installations, procurement of renewable energy, and specific operating procedures.




Waste and water management

Implementing robust recycling programs and water-reduction measures.



Sustainable fit-outs

Encouraging the use of sustainable materials and minimizing waste during tenant renovations and fit-outs



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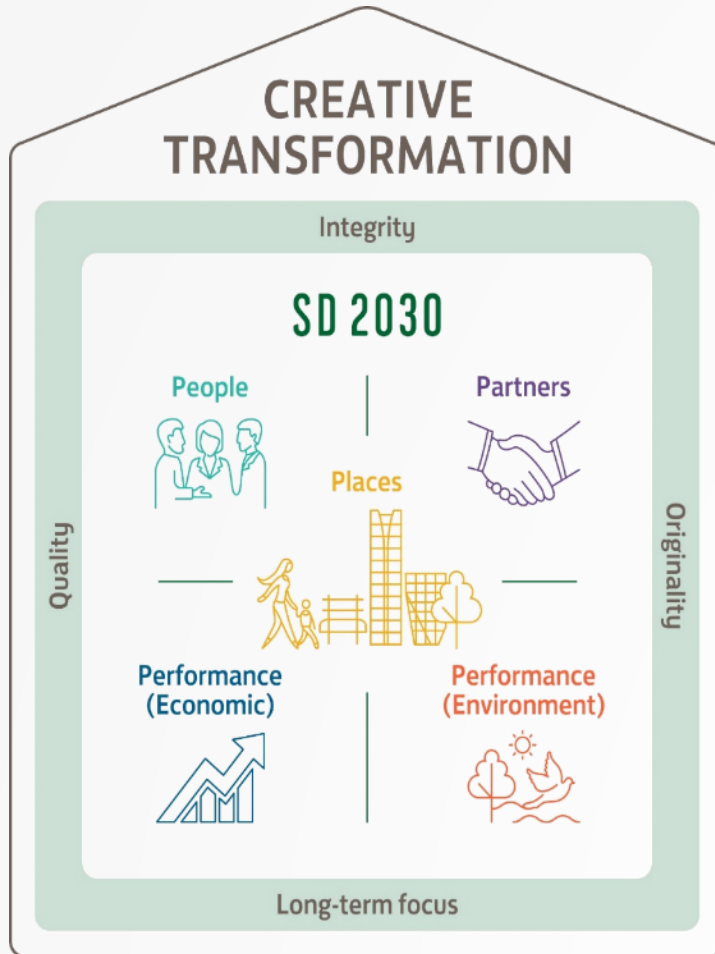
Panelist Presentation



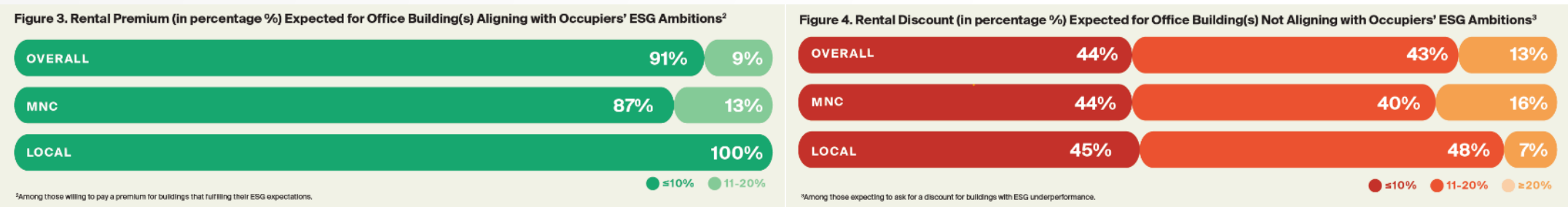
LANDLORD TENANT PARTNERSHIP STRATEGIES

ULI APAC WEBINAR: TENANT-OWNER PARTNERSHIPS FOR NET ZERO IN ASIA PACIFIC (3 DEC 2025)

SD VISION & SD 2030 STRATEGY



BUSINESS VALUES – GREEN PREMIUM & BROWN DISCOUNT



TENANTS' ESG DEMAND & SUSTAINABILITY SENTIMENT

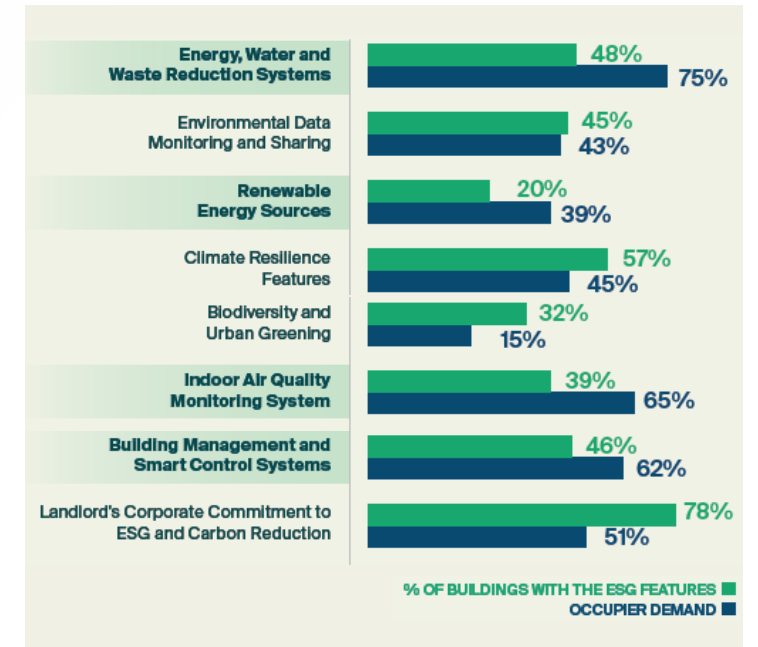


78%

of responding companies indicated that their company has global or local sustainability goals

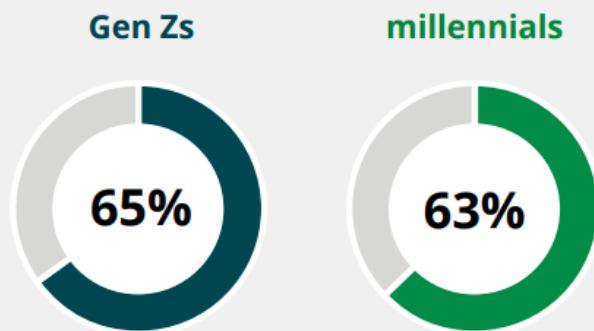
80%+

of responding companies have a sustainability policy endorsed by top management and regularly compile sustainability data for management reporting.



NEW CONSUMER MINDSET: VALUES AS A PURCHASE DRIVER

Percentage of respondents who are willing to pay more to purchase environmentally sustainable products or services



Q. To what extent do you agree or disagree with the following statement related to the environment? I am willing to pay more to purchase environmentally sustainable products or services.

Deloitte.



2025 Gen Z and Millennial Survey
Growth and the pursuit of money, meaning, and well-being

Growth across 90+ attributes illustrates care for environment, others, and animals all important

+22.1%

Social Responsibility

+330.9%
Minority Owned
+83.8%
Women Owned
+46.9%
B Corporation
+28.9%
Fair Trade
+27.4%
Ethical

+24.5%

Environmental

+127.5%
Regenerative Agriculture
+84.1%
Renewable Resource
+64.9%
Reef Safe
+44.0%
EU Organic Farming
+37.3%
Less Emissions

+17.5%

Sustainable Packaging

+156.9%
Plastic Free
+99.9%
Renewable Pkg Cntnt
+35.5%
Tetra Pak
+34.9%
Terracycle

+37.1%

Animal Welfare

+69.0%
Cruelty Free
+43.7%
Grass Fed
+39.6%
Cage Free
+39.5%
Humane
+37.1%
Free Range

**Sustainability:
the new consumer
spending outlook**

The latest environmental, social, and governance (ESG) developments that your business should know about.

NielsenIQ

LANDLORD-TENANT PARTNERSHIPS

For Office Tenants



190+** office tenants committed in Hong Kong and Chinese Mainland, representing **60%+** of occupied LFA and **>6.7 million sq ft.

For F&B Tenants



***140+** F&B outlets committed, approx. **25%** of F&B LFA*

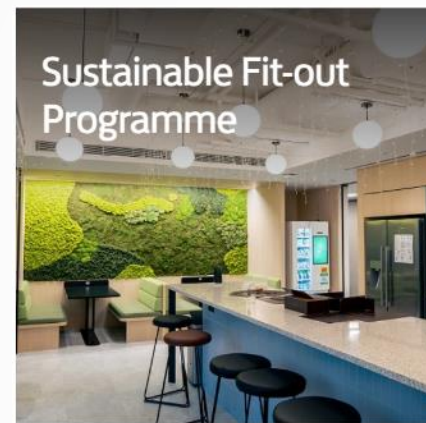
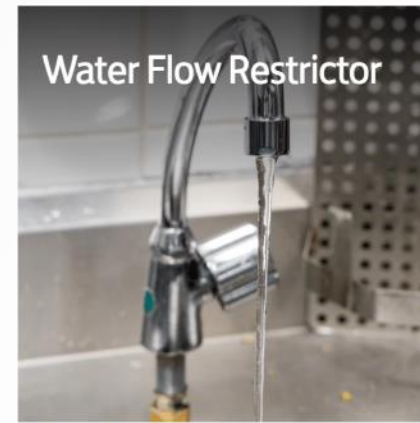
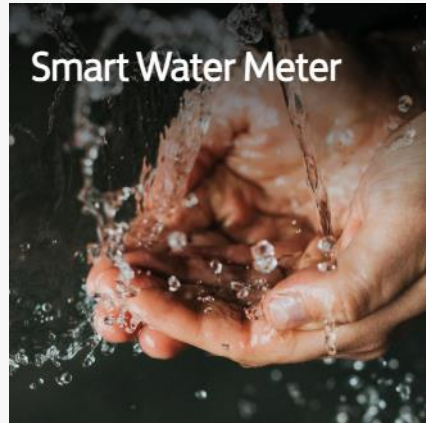
For Retail Tenants



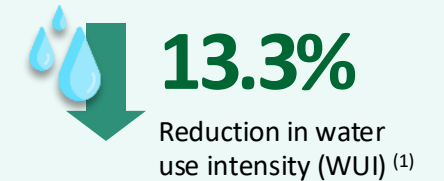
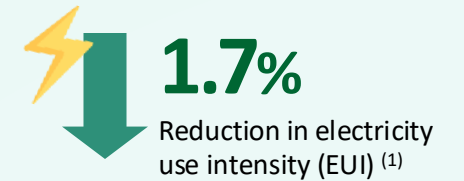
*Strategic Partnership with **LVMH** and **Kering***



GREEN PERFORMANCE PLEDGE (GPP)



2024/2025 Results (HK)



(1) Impact figures calculated from tenants which participated in the GPP and reported electricity, water and waste diversion data for both 2023/24 and 2024/25 award years.



綠色廚房
**GREEN
KITCHEN**

140+ F&Bs in HK & Chinese
Mainland Green
Kitchens (June 2025)



GREEN KITCHEN RECOGNITION SCHEME



Green Kitchen Evaluation Framework	1) Sustainable Fit-out	2) Sustainable Operations
Target F&B Tenants	New Tenants and Major Renovations	Existing Tenants with 1+ years Operation
Prerequisites	<ul style="list-style-type: none"> Adopt LED lights to all regular lights in kitchen and the dining area. All water taps used for washing purpose in the kitchen should meet WELS Grade 2 or better. Conduct food waste segregation and recycling. 	
Voluntary Requirements	<div>  Energy Efficiency and Reduction </div> <div>  Water Efficiency and Water Quality </div> <div>  Ventilation & Refrigerant Management </div> <div>  Resource and Circularity </div> <div>  Outstanding Operation Management </div>	<div>  Sustainability Management </div> <div>  Energy and Water Efficiency </div> <div>  Waste Reduction and Recycling </div> <div>  Sustainable Packaging </div> <div>  Sustainable Procurement </div>

GREEN RETAIL PARTNERSHIP

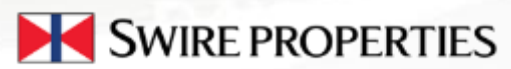


Swire Properties x LVMH



Swire Properties x Kering





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Panelist Presentation

Introducing PAG

The leading diversified alternative investment firm in Asia Pacific



● Principal office location



15
Offices globally with 13 in Asia Pacific



3
Fully licensed principal offices with full system backups



More than
790
Employees



More than
300 Institutional investors worldwide

PAG Impact

Investing to achieve sustainable, long-term value



OUR INVESTMENT APPROACH

Risk Mitigation

When evaluating a potential investment, we consider sustainability factors to identify risks

Systematic Approach

Impact is an integral part of each business' investment process, from selection to approval to funding.

Value Creation

We undertake a holistic view of our investments in order to unlock opportunities for value creation

Long-term Thinking

We recognize that the impact of a deal can often exceed the lifespan of our investment. We work with our partners to identify opportunities that create lasting, durable changes

PAG IMPACT IN ACTION

GROUP

Over 50%

of net floor area at PAG offices achieved LEED Platinum or Gold certification

PRIVATE EQUITY

186

sustainability initiatives identified for 22 portfolio companies, all aimed at enhancing value creation and driving long term growth

REAL ASSETS

77%

of building area received green building certification, compared to 48% in 2022

CREDIT & MARKETS

35%

Lending counterparties with a sustainability policy in place, up from 22% in 2023

Impact in our operations



Environmental initiatives

- 50% of net floor area achieve LEED certification
 - Certified Platinum and Gold for Hong Kong and Shanghai offices respectively
- Implemented policies to optimize business travel and use of sustainable aviation fuel when selecting flights
- Provision of recycling facilities
- Eliminated provision of single-use plastic beverage containers
- Purchasing offsets on a “2 for 1” basis



Green wall @ Shanghai office



Cafe @ Tokyo office

Wellness facilities and initiatives

- Internal café promoting healthy food and drinks
- Dedicated staff gym
- Dedicated nursing room
- Annual ping pong tournament



Dedicated nursing room @ Hong Kong office



Ping pong tournament @ Hong Kong office



Panel Discussion: Getting to Net Zero

Q&A

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