

From ESG Ambition to Action



A 3-Stage Framework for China Occupiers

August 2026

ESG is redefining the role of corporate real estate (CRE).
Our latest survey reveals where occupiers stand today,
and where they can go next.

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Foreword

China's corporate real estate (CRE) market is entering a new phase of transformation. Beyond traditional considerations such as cost and location, workplaces are increasingly expected to **support broader corporate ESG objectives**, such as employee wellbeing, decarbonisation and business resilience. ESG considerations are increasingly influencing how occupiers **screen, lease, and operate** office space, particularly in Tier-1 cities.

What are the driving forces behind this trend? This transformation is being accelerated by two converging trends.

1 ESG reporting requirements introduce new expectations for listed companies in China and multinational corporations (MNCs) operating in China. The Chinese Government's recent introduction of the national-wide Corporate Sustainability Disclosure Standards No.1 – Climate (Trial) establishes a clear roadmap toward phased, mandatory corporate climate-related disclosures. The Shanghai and Shenzhen Stock Exchanges have introduced the Sustainability Reporting Guidelines (Trial), requiring selected listed companies to publish sustainability reports, with the first mandatory reports largely covering the FY2025 reporting cycle. At the same time, many MNCs and financial institutions operating in China's Tier 1 cities are also subject to reporting requirements in their home markets. As a result, occupiers are placing greater emphasis on collecting reliable ESG data and improving the environmental performance of their CRE portfolios.

2 China's commitment to achieving carbon neutrality before 2060, together with increasingly **ambitious net-zero targets** committed by MNCs, is accelerating the transition towards lower-carbon workplaces. Occupiers are increasingly seeking buildings and workplaces that can support operational decarbonisation through better energy performance, access to clean energy sources, greater environmental data transparency, and more sustainable workplace operations. These measures also help organisations achieve portfolio- and workplace-level ESG objectives while strengthening their ability to access sustainability-linked financing opportunities.

Knight Frank's Inaugural China Occupier ESG Survey

Corporate ESG ambitions are becoming increasingly clear. Yet, turning these ambitions into day-to-day real estate decisions is a significant challenge to many.

Against this backdrop, Knight Frank's inaugural China Occupier ESG Survey captures the perspectives of 153 office occupiers spanning 9 industries across Chinese mainland's major CRE markets, including MNCs, local enterprises, and publicly listed companies. The survey generated over 4,200 data points, providing a robust basis for analysing occupier ESG priorities, challenges, and leasing preferences.

This year's survey highlights three defining insights.

1

ESG ambition outpaces implementation

The findings reveal a structural disconnect between occupiers' ESG ambition and execution in real estate.

2

Green leasing is gaining momentum

Occupiers are increasingly open to landlord collaboration for sustainability initiatives that create measurable value.

3

Occupiers Need a Practical ESG Integration Framework

To address the implementation gaps, this report introduces the Sustainability-Linked Occupancy (SLO) Framework — a practical three-stage approach supported by survey insights, market examples and implementation toolkits to help occupiers embed ESG into CRE.



A Defining Shift

ESG as a Strategic Factor of Leasing Decisions in China

The findings from **Knight Frank's inaugural China Occupier ESG Survey** suggest that ESG is entering a new phase within the Chinese mainland's CRE market. ESG is increasingly influencing how occupiers select, lease and operate office space.

This shift is evident across occupier decision-making. Three-quarters (75%) of the occupiers surveyed indicated that ESG factors are considered during office leasing decisions, while close to a quarter (26%) of respondents indicated ESG as an important factor. This demonstrates that ESG is no longer viewed solely as a corporate responsibility initiative but has been a strategic factor in office planning and business operations for occupiers in China.

The importance of ESG appears more pronounced among occupiers with multi-city office portfolios. Nearly half (48%) of occupiers with offices across all four Tier 1 cities - Beijing, Shanghai, Guangzhou, Shenzhen - identified ESG as an important consideration. Together, these findings suggest that ESG is becoming increasingly embedded in CRE decisions, particularly among larger, listed and more geographically diversified occupiers.

Figure 1 / Level of ESG Considerations

Q: To what extent does your company incorporate ESG/sustainability considerations into occupier decisions (e.g., relocation, lease renewal, fit-out)?

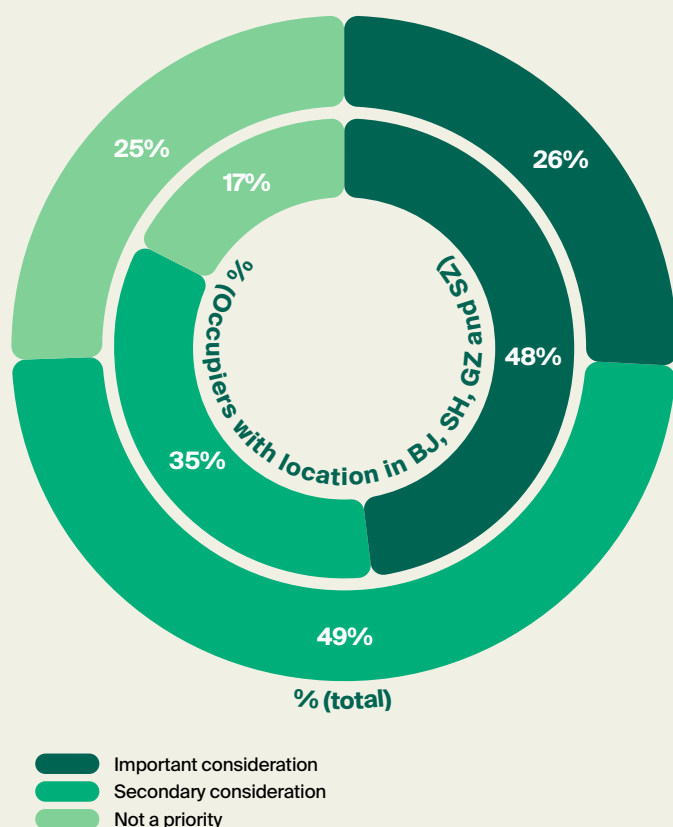


Figure 2 / Sustainability Department

Q: Does your company have a dedicated sustainability department or person in charge?

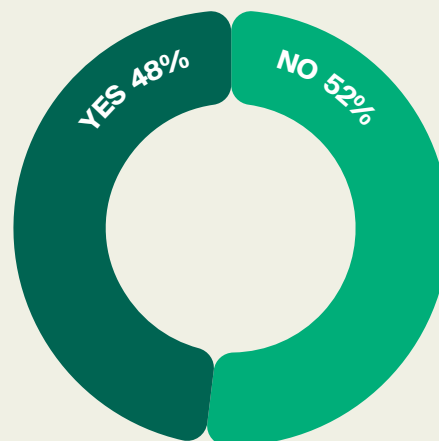
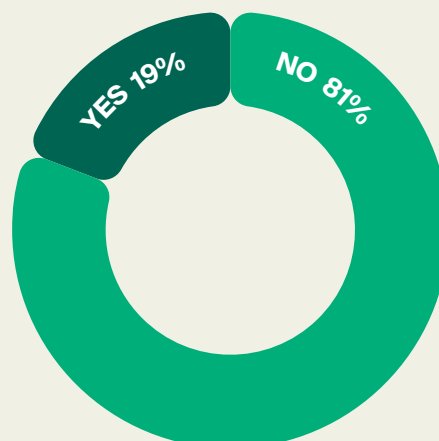


Figure 3 / ESG Requirements for Leasing Team

Q: Have ESG-related requirements been communicated to your company's leasing manager or CRE team?



A STRUCTURAL DISCONNECT EXISTS BETWEEN OCCUPIERS' ESG AMBITION AND EXECUTION IN REAL ESTATE

However, recognising the importance of ESG does not necessarily mean it has been integrated into CRE processes. The survey reveals an implementation gap within CRE, with approximately half (52%) of occupiers reporting that their organisations do not have a dedicated ESG department or representative. And only 19% of respondents indicated that ESG-related requirements have been established for leasing managers or CRE teams.

In practice, this disconnect can mean that corporate ESG ambitions are not embedded early enough in real estate requirements, site selection criteria, or lease negotiations, limiting their ability to meaningfully influence decision making and outcomes.

The Missing Link

ESG has become part of corporate vision and tendering criteria, but mechanisms needed to operationalise these ambitions throughout the leasing process remain underdeveloped.



Integration Challenge

Collaboration between occupiers, landlords, and other stakeholders is often constrained by a lack of intermediaries and structured engagement mechanisms.

Governance Alignment Challenge

ESG objectives are recognised at the corporate level, but dedicated sustainability ownership within CRE functions remains limited.

Implementation Challenge

Practical frameworks and incentives to translate ESG ambitions into building selection criteria, green lease commitments, and operational improvements remain underdeveloped.

Bridging the Gap

A Three-stage Sustainability-Linked Occupancy (SLO) Framework

Recognising the significance of ESG is only the beginning. Translating sustainability ambitions into consistent real estate decisions requires clearer governance, stronger collaboration and practical implementation. Building on the survey findings, Knight Frank introduces the SLO Framework — a practical three-stage approach that helps occupiers embed ESG across the real estate lifecycle, from building selection and leasing to workplace operations. The framework comprises three stages:



1

Sustainable Building Screening

Assess and select buildings that align with the occupier's ESG objectives and operational needs.

2

Green Leasing

Strengthen landlord-occupier collaboration through mutually beneficial green lease, pledge and data-sharing mechanisms that support environmental performance.

3

Sustainable Operations

Translate ESG ambitions into measurable outcomes through sustainable workplace design, fit-out, operational practices, and ongoing performance management.

SLO STAGE 1: Sustainable Building Screening

Which Criteria are More Important Now and in the Future?

To better understand these priorities, respondents were asked to identify the five sustainability features they consider most important when evaluating a building or workplace.

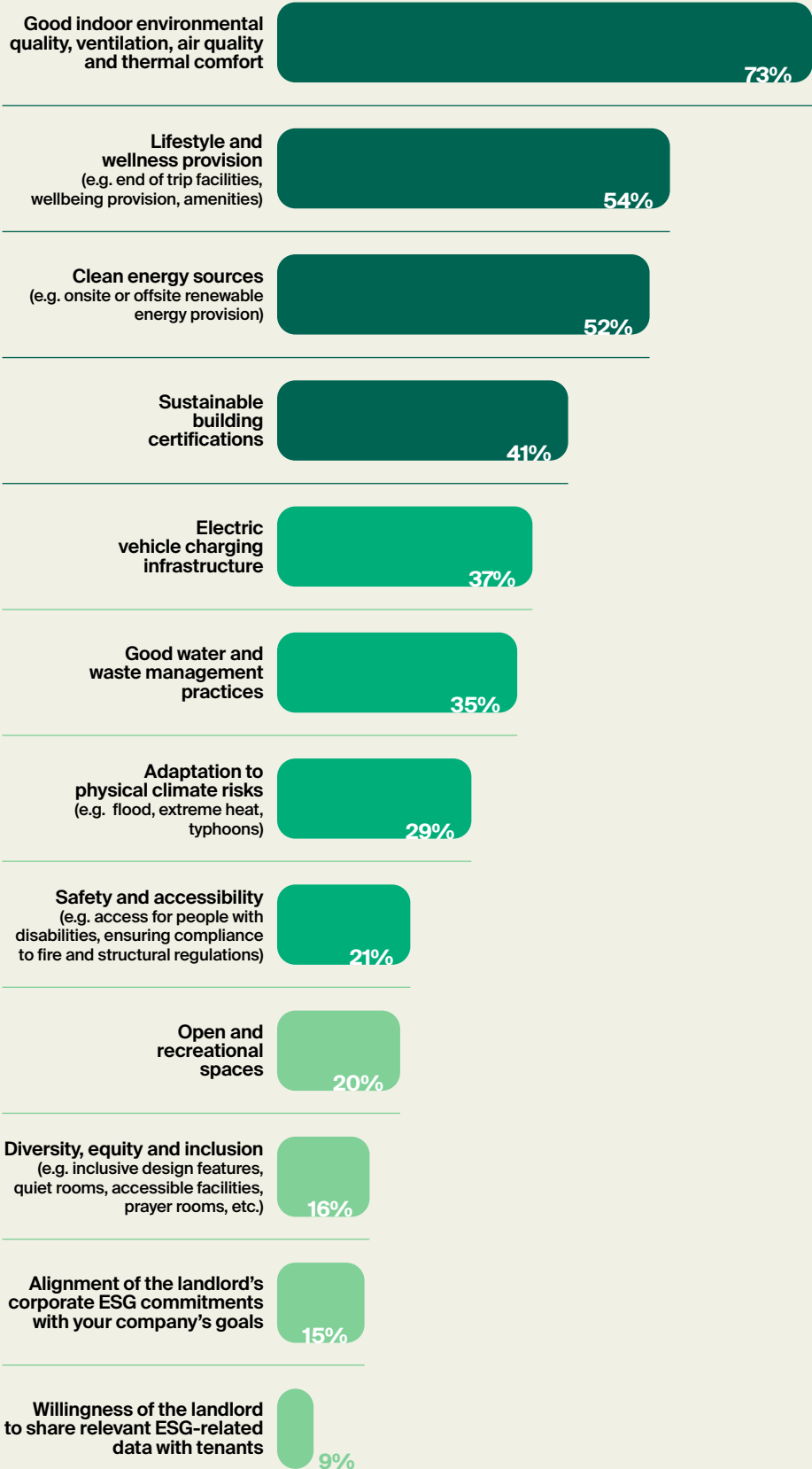
“S” of ESG is Taking Centre Stage

Since we first launched (Y)OUR SPACE in 2018, Knight Frank’s flagship research providing data-led insights about the future direction of travel in corporate real estate, wellbeing has taken an increasingly elevated position in corporate real estate decision making. This trend has been accelerated by heightened health awareness following the COVID-19 pandemic. Good indoor environmental quality and wellness provisions emerged as the two highest-ranked sustainability features, reflecting the growing importance of employee wellbeing, productivity and workplace experience in office selection.

“E” of ESG is Poised to Shape the Next Wave of CRE Decisions

The next generation of office buildings will also be judged by how they support organisations in achieving their climate-related agenda. The Chinese Government’s recent introduction of the Corporate Sustainability Disclosure Standards No.1 – Climate (Trial) establishes a clear roadmap toward phased, mandatory corporate climate-related disclosures. For service-oriented sectors, particularly financial institutions, banks, and insurance companies, this impending regulatory shift makes office selection highly strategic, as operational emissions from office spaces constitute a dominant share of their total carbon footprint. Access to clean energy sources emerged as one of the highest-ranked environmental priorities, reflecting its growing importance in reducing operational emissions and supporting corporate climate reporting, and meeting the rising energy demands associated with AI adoption and data-driven operations. This is followed by increasing demand for electric vehicle (EV) charging infrastructure, as organisations prepare for gradual electrification of corporate mobility, and greater emphasis on water and waste management and physical climate risk adaptation.

Figure 4 / Occupier Sustainability Priorities
Q: Which sustainability features of the building or workplace are most important to your company?
Note: Respondents were asked to identify their top 5 features

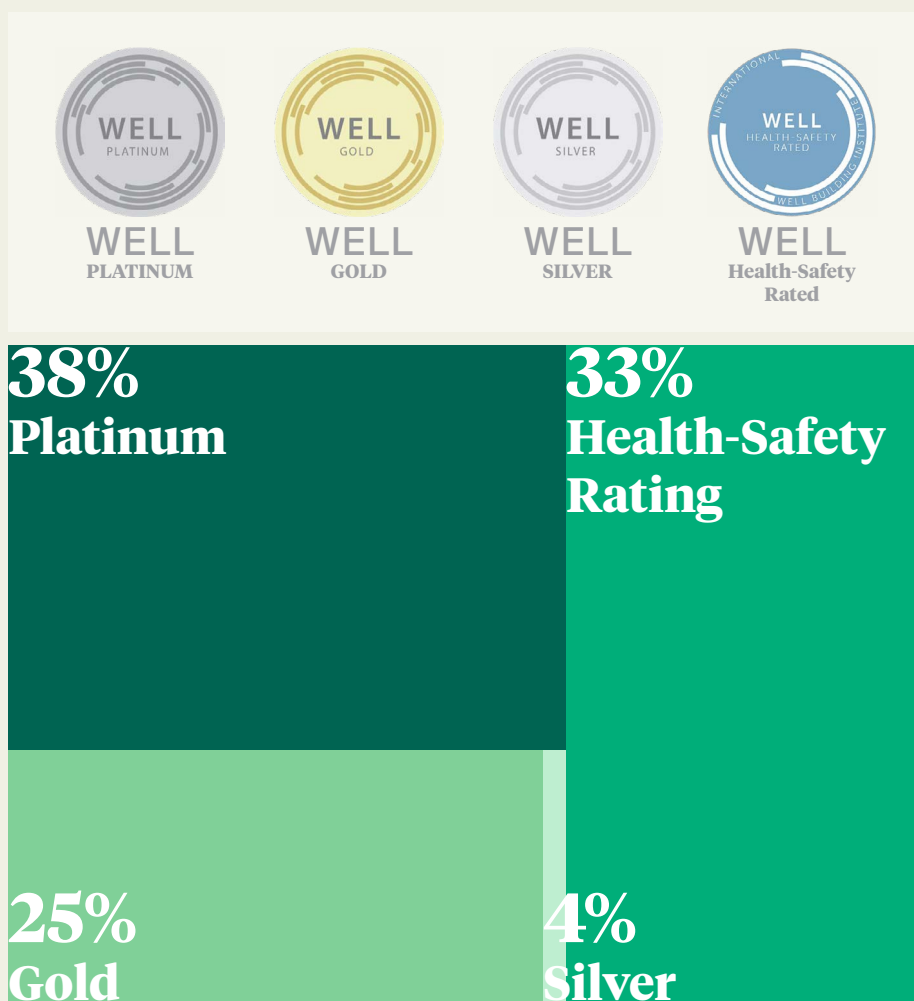


Responding to Occupier ESG Priorities

Occupiers' ESG requirements for office selection



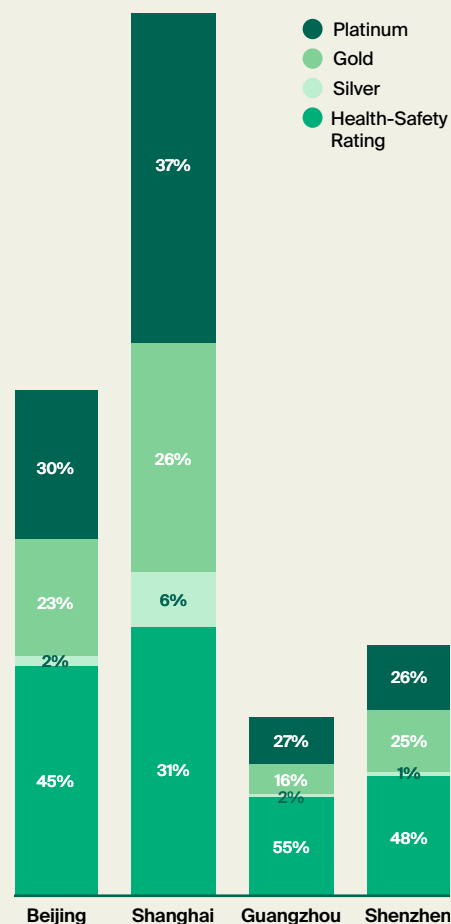
Figure 5 / Distribution of WELL-Certified Projects in China by Rating Level¹
Number of WELL-Certified Projects by Rating Level in China



(#1) Good Indoor Environmental Quality (#2) Lifestyle and Wellness Provisions

Developers of new Grade A offices in Tier-1 cities are increasingly recognising health and wellbeing as a baseline component of their developments' value proposition, with growing occupier expectations providing further impetus to differentiate their offerings. Common features now include CO₂ and particulate monitoring, PM2.5 filtration in the air condition system, enhanced fresh air rate, thermal comfort controls, improved daylight access, operable windows, fitness facilities, and collaborative workplace amenities. The supply of healthy buildings also continues to grow across the Chinese mainland. More than 500 commercial buildings across the four Tier 1 cities have achieved healthy building certifications, such as WELL, expanding the range of workplaces available to occupiers.

Number of WELL-Certified Projects by Rating and City in China



1. Data comprise WELL Certification v1, WELL Certification v2 (Core and Pilot), and WELL Health-Safety Rating (HSR) projects. The dataset reflects certification records available as of 1 July 2026.

(#3) Clean Energy Sources

While commercial office energy demand is already predominantly met by electricity, China’s 15th Five-Year Plan pushes this dependency further by accelerating smart grid integration and deeper building electrification. Consequently, an occupier’s operational carbon performance now hinges heavily on two factors: the local grid and the building’s own infrastructure.

Regional differences in electricity generation influence the carbon intensity of purchased electricity. As location-based Scope 2 emissions are calculated using local grid emission factors, occupiers should understand how grid carbon intensity varies across the Chinese mainland when evaluating operational carbon performance and selecting office locations.

Table 1 / Regional Grid Emission Factors and Non-fossil Electricity Share in Chinese Mainland

Regional Grid (Main Operator)	City	Grid Emission Factor (2023 latest) ² (kg CO ₂ e/kWh)	Percentage of Electricity Generated from Non-fossil Energy Sources (2025)
North China Grid	Beijing	0.56	30%
East China Grid	Shanghai	0.57	17%
China Southern Power Grid	Guangzhou, Shenzhen	0.44	55%

However, because landlords and occupiers cannot alter local grid infrastructure, their immediate leverage lies within building-level controls. Occupiers can prioritise buildings with low Energy Use Intensity (EUI), on-site renewable energy systems that benefit tenant electricity consumption, or access to renewable electricity procurement options, where available. Buildings equipped with photovoltaic, energy storage, direct current, and flexible load (PEDF) systems can further be considered as they increase renewable electricity utilisation and reduce reliance on grid electricity. Similarly, buildings with heat recovery systems can enhance HVAC energy efficiency.

² Grid emission factor indicates the carbon intensity of the local electricity grid. A lower emission factor reflects a more decarbonised electricity supply and generally indicates greater readiness for the energy transition.

(#4) Sustainable Building Certifications and ESG Performance Benchmarks

Under the Action Plan for Carbon Dioxide Peaking Before 2030, the Chinese Government set a target for all new urban buildings to meet green building standards. As a result, certifications such as LEED, WELL, and China Green Building Label are increasingly incorporated into office selection criteria. For occupiers, certifications provide an initial screening indicator.

Did you know?

Global Real Estate Sustainability Benchmark (GRESB) and Carbon Risk Real Estate Monitor (CRREM) are widely adopted industry frameworks that assess the ESG performance and decarbonisation alignment of real estate portfolios.

(#5) EV Charging Facilities

Demand for EV charging infrastructure is growing as more organisations transition their corporate vehicle fleets from internal combustion engine vehicles to EVs as part of their decarbonisation strategies. Newly built mixed-use developments and business parks typically incorporate EV charging infrastructure during the planning stage, including dedicated charging spaces and sufficient electrical capacity.



(#6) Water and Waste Management Practices

Key occupier considerations include water-efficient fixtures, water metering, waste segregation, recycling facilities and responsible construction waste management during fit-out and reinstatement. Access to reliable environmental performance data is equally important, supporting ESG reporting and resource management.



(#7) Adaptation to Physical Risks

Over the past five years, major office markets across Chinese mainland have experienced more frequent and severe climate-related events, highlighting the potential impacts of physical climate risks on building operations, occupier safety, insurance cost, and business continuity. Relevant considerations include flood gates, drainage capacity, backup power systems, emergency response procedures, and broader business continuity arrangements.

Figure 6 / Examples of Physical Climate Hazards in Tier-1 Cities in China



Beijing has experienced intensified extreme rainfall and urban flooding. Between 2019 and 2025, the city activated 94 times of emergency alert for extreme rainfall and recorded 1,694 rainfall-induced geological hazard incidents. These hazards can place pressure on drainage infrastructure in commercial buildings.



Shanghai has faced recurring heatwaves, with temperatures exceeding 40°C during peak periods in 2024. Higher cooling demand can increase operating costs, place pressure on energy systems, and affect workplace comfort and productivity during prolonged heat events.



The Pearl River Delta, including **Guangzhou and Shenzhen**, has faced multiple typhoons and 100-year floods in recent years, including the September 2018 typhoon Mangkhut, the May 2020 urban flooding in Guangzhou caused by short-duration heavy rainfall, the April 2024 Guangdong flood, and the June 2025 Huaiji County flood.³ These events resulted in direct economic losses exceeding RMB 5.6 billion and demonstrate the potential for disruptions to underground parking facilities, IT and server infrastructure, building accessibility, business operations, and broader business continuity.

3. A 100-year flood is a flood event with a 1% probability of occurring in any given year, characterised by a large-scale flood.

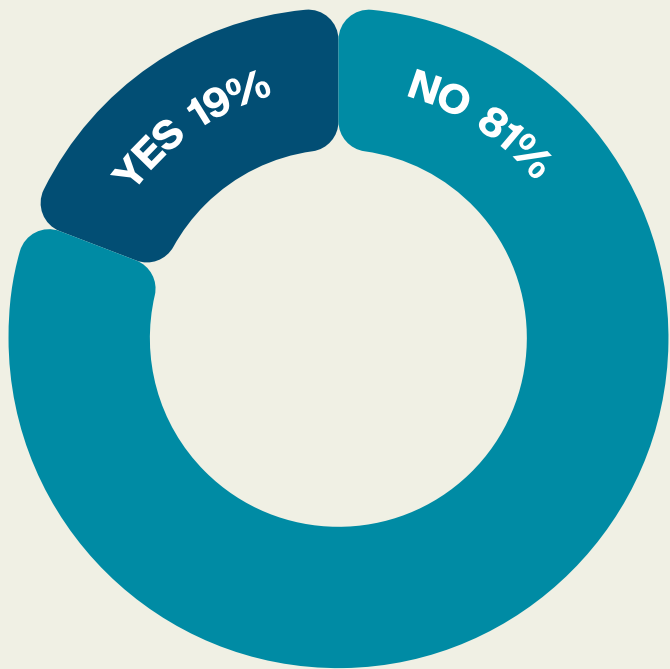
SLO STAGE 2: GREEN LEASING

From Shared Space to Shared Responsibility

Occupiers are increasingly aware that ESG outcomes cannot be accomplished by them alone. To achieve long-term environmental goals, they must partner with landlords. As a result, the relationship between occupiers and landlords is evolving beyond traditional leasing arrangements towards longer-term sustainability partnerships. Green leases and sustainability pledges have become an important mechanism for aligning landlord and occupier objectives in some of the mature markets.

Figure 7 / Green Lease Adoption

Q: Is your organisation currently signing, or working with your landlord to sign, a green lease or pledge?



This Transition is Already Underway

The survey suggests that this transition is already underway in Chinese mainland. About one-fifth (19%) of occupiers have either signed, or are actively discussing, green leases or sustainability pledges with their landlords. Although adoption remains at an early stage, the findings indicate growing recognition that sustainability objectives should be embedded throughout the lease term rather than addressed only during building selection.

The survey further revealed strong support for landlord-occupier collaboration on sustainability initiatives. When asked which benefits would motivate collaboration with landlord on sustainability during the lease term, respondents identified a range of business and operational drivers beyond environmental performance alone.

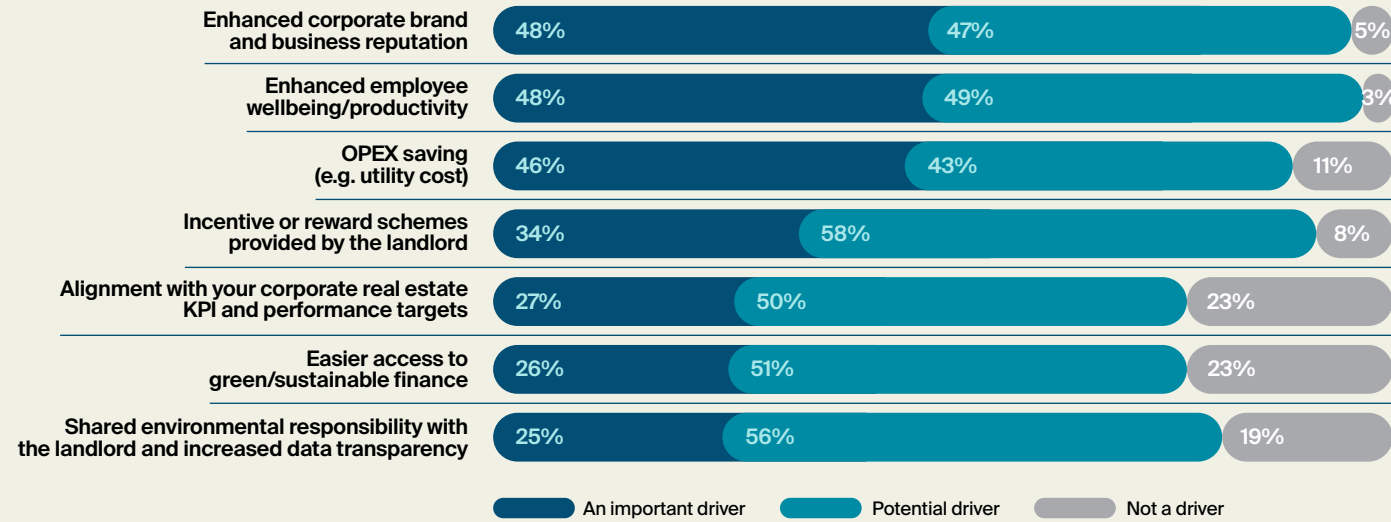
The strongest driver was enhanced employee wellbeing and productivity, cited by 97% of respondents. This reinforces the growing recognition that workplace quality and environmental performance can directly influence employee satisfaction, engagement, and productivity.

Enhanced corporate brand and business reputation ranked closely behind. As ESG performance receives greater attention from investors, employees, and clients, sustainable workplaces can support both corporate positioning and stakeholder confidence. Landlord-provided incentive or reward schemes and lower operating costs also ranked among the key drivers of sustainability collaboration.

Collectively, these findings suggest that occupiers increasingly view sustainability collaboration not only as a means of achieving environmental objectives, but also as a mechanism for creating business value through improved workplace performance, talent outcomes, cost efficiencies, and corporate reputation.

Figure 8 / Drivers for Sustainability Implementation

Q: Which benefits can motivate your collaboration with your landlord on sustainability during the lease term



Overcoming Barriers to Green Lease Adoption

Green leasing is gaining momentum as occupiers increasingly recognise its role in supporting corporate ESG objectives. However, translating this interest into widespread adoption remains a challenge, with several practical barriers continuing to limit market uptake.

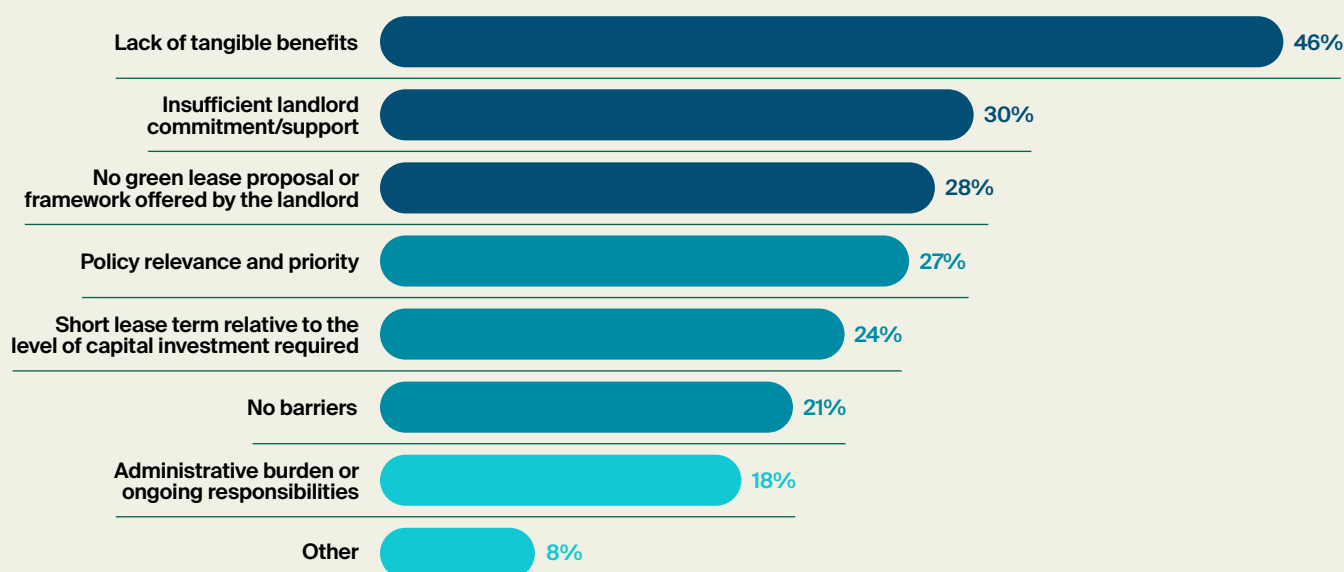
The strongest barrier identified by respondents was the lack of tangible benefits, cited by 46% of respondents who require a clearer business case linking green lease commitments to measurable outcomes, such as lower operating costs and improved workplace performance.

Insufficient landlord engagement remains one of the biggest barriers to wider adoption. Nearly one-third of respondents identified limited landlord support as a key challenge, while 28% reported that their landlord had not offered a green lease framework or sustainability proposal. Together, these findings suggest that green leasing has yet to become standard market practice in Chinese mainland, with many occupiers still lacking both the partnership and practical framework needed to initiate sustainability discussions during lease negotiations.

Figure 9 / Challenges for Green Lease/Pledge Adoption

Q: What would be the biggest barrier preventing your company from signing a green lease/pledge

Note: Respondents were asked to identify their top 3 barriers



Making Green Leasing Practical

Drawing on the ESG-related leasing requirements adopted by the 19% of occupiers already implementing green leasing arrangements, together with best practices from more mature markets, Knight Frank has consolidated a selection of commonly adopted green lease provisions. These provisions provide a flexible reference that can be adapted to reflect the material ESG issues, operational context and sustainability objectives of individual landlords and occupiers.

Table 2 / Examples of Green Lease Clauses

Aspect	Sample Clauses	Aspect Currently Considered by the Survey Respondents?
Sustainable Building Certifications	- Maintain or pursue recognised green building certification (e.g. LEED, WELL, CGBL). - Maintain building performance throughout the lease term and notify occupiers of any changes to certification status.	
Carbon Reduction and Net Zero	- Landlord to disclose building decarbonisation roadmap and carbon reduction targets. - Collaborate with occupiers on initiatives to reduce Scopes 1 and 2 emissions. - Support occupier net-zero commitments where practicable. - To support the occupier's carbon intensity reduction initiatives, the landlord shall consider sourcing from green power suppliers or provide necessary support to the occupier to obtain green power for the premises once green power becomes available. - Agree allocation of renewable electricity generated on-site where applicable.	
Energy Performance	The landlord shall commit to actively contributing to Energy Use Intensity (EUI) reduction.	
Data Sharing and Metering	- The landlord shall agree to regular sharing of environmental performance and utilities usage data of the building, including but not limited to refrigerant, water, waste, and other data supporting occupier ESG reporting and carbon accounting requirements. - Work together to install and maintain separate utility meters or sub-meters, where feasible, to monitor electricity, cooling energy, water and other utility consumption.	
Water and Waste Management	- Install low-flow and water-efficient fixtures. - The landlord shall use reasonable endeavours to minimise the amount of waste sent to landfill and maximise recycling from building and occupier operations by establishing waste diversion targets and implementing occupier engagement initiatives.	
Electric Mobility	- Provide and maintain the agreed number of EV charging facilities. - Expand charging capacity where demand increases.	
Climate Risk Resilience	Landlord to provide a climate risk assessment as part of the technical due diligence for the leased space, appended to the lease, and to develop subsequent climate risk mitigation plans.	
Indoor Environmental Quality	- Maintain agreed indoor air quality, thermal comfort and ventilation standards. - Notify occupiers of significant indoor environmental issues affecting occupants.	
Governance and Collaboration	- Establish regular landlord-occupier ESG meetings. - Review performance, targets, environmental data and improvement initiatives annually or quarterly.	
Occupier Alterations and Fit-out	- Landlord not to unreasonably withhold consent for sustainability improvements. - Encourage reuse of existing fit-out and reduce reinstatement requirements where appropriate. - Implement green-fit out guide provided by the landlord.	

SLO STAGE 3: SUSTAINABLE OPERATIONS

While building screening and green leasing provide occupiers with a strong foundation for fulfilling their ESG ambitions, practical ESG outcomes are ultimately achieved through workplace fit-out decisions and ongoing building operations. This is where occupiers have the greatest influence over workplace culture, environmental performance and employee wellbeing.

Today's Fit-out Decisions Shape Tomorrow's Cost

As electricity prices continue to increase and carbon-related regulations become more stringent, fit-out and operational decisions increasingly carry both financial and sustainability implications. In addition, global energy market volatility and rising construction and fit-out costs have increased the importance of making informed workplace investment decisions. Delaying energy-efficient upgrades or sustainable fit-out measures may result in higher long-term operating costs, greater exposure to future energy price surges, and potentially higher capital expenditure as material and labour costs continue to rise.

The following green fit-out measures can be considered during the workplace design stage to improve environmental performance, enhance employee wellbeing, and reduce long-term operating costs:



Figure 10 / Examples of Green Fit-Out



1 Energy Efficiency

- High-efficiency LED lighting throughout leased premises, with a target LPD of $\leq 8 \text{ W/m}^2$
- Occupancy and daylight sensors in meeting rooms and common areas
- Smart controls and zoning for lighting and HVAC systems
- Sub-metering and regular monitoring of workplace consumption
- Energy-efficient office equipment and appliances (e.g. China Energy Label Grade 1)
- High-efficiency HVAC systems, EC fan motors or variable-speed ventilation equipment (where occupier-controlled)
- Smart energy monitoring and digital dashboards
- Hybrid cooling strategies

2 Indoor Environmental Quality & Employee Wellbeing

- Healthy indoor air quality (e.g. IAQ monitoring with $\text{CO}_2 < 800 - 1,000 \text{ ppm}$, $\text{PM}_{2.5} < 15 - 25 \mu\text{g/m}^3$, $\text{TVOC} < 500 \mu\text{g/m}^3$; enhanced fresh air ventilation; MERV 14 or higher air filtration)
- 100% low-VOC paints, adhesives, carpets, and furniture
- Access to natural daylight and occupant comfort controls
- Acoustic performance for open-plan offices and meeting rooms
- Post-occupancy workplace satisfaction surveys
- Provision of biophilic features

3 Sustainable Materials & Circularity

- Prioritising low-carbon and recycled-content materials
- Reuse of existing furniture and fit-out elements where feasible
- Embodied carbon assessment and selection of low-carbon materials
- Construction waste management and end-of-life planning
- Preference for products with China Green Product Certification or Environmental Product Declarations (EPDs), where available

4 Water & Waste Management

- Water-efficient fittings and fixtures
- Workplace recycling facilities
- Monitoring of waste generation and recycling performance
- Waste segregation for paper, plastics, metals, glass, and food waste in accordance with local municipal requirements
- Effective water usage monitoring through sub-metering to regularly track water consumption
- Water leakage detection system, where applicable

Getting Ready for ESG Reporting

The value of workplace ESG data is becoming increasingly important as occupiers prepare for evolving reporting requirements and sustainability expectations. What was once considered a “nice-to-have” for ESG reporting is becoming an increasingly important business requirement. Many organisations, particularly listed companies, are required to monitor and disclose metrics such as energy consumption, carbon emissions, renewable energy use, water consumption, and waste generation.

Did you know? ESG reporting demand is taking shape in the Chinese mainland

Shanghai and Shenzhen Stock Exchanges have trial mandated sustainability disclosures for selected large listed companies, including constituents of major indices, with the first reporting covering FY2025 cycle.

In parallel, the Guidelines on Environmental Information Disclosure for Financial Institutions (2021) encourage banks, insurers and asset managers in Chinese mainland to strengthen ESG governance as well as enhance disclosure on environmental risk management and financial impact assessment.

Together, these developments reflect a progressive tightening of ESG disclosure expectations in China's financial sector, aligning with global frameworks while allowing flexibility in implementation.

As a result, it is expected that more occupiers will consider ESG data management processes and utilise data from landlords in the operational stage of the workplace. This includes collecting, monitoring and validating environmental performance data to support ESG reporting, performance management and corporate decarbonisation objectives. Table 3 provides examples of workplace ESG data commonly requested by occupiers.



Table 3 / Examples of Workplace ESG Data Collection for ESG Reporting

Category	Data Required
Fuel Consumption	Fuel used for company-owned vehicles or other workplace appliances
Fugitive Emissions	Air-conditioner refrigerant type and top-up quantities
Electricity Consumption	Annual electricity consumption, electricity use intensity, EV electricity charged
Renewable Energy	Renewable electricity purchased or generated, such as Renewable Energy Certificates (RECs) or Green Electricity Certificates (GECs) acquired
Water Consumption	Annual water usage
Waste Management	Amount of waste disposed and recycled
Material/Furniture Purchased & Embodied Carbon	Embodied carbon of major fit-out works, furniture reuse rates, recycled-content
Employee Commuting	Employee commuting mode split by transport type (public transport, cycling, walking and private vehicles), estimated commuting-related emissions, utilisation of bicycle parking and EV charging facilities
Health & Wellbeing	Employee wellbeing survey results, participation in wellness programmes, indoor environmental quality metrics (CO ₂ , PM2.5, TVOC), thermal comfort and lighting satisfaction ratings
Safety Incidents	Number of workplace incidents, first-aid cases, emergency drill participation rates
ESG Governance	Workplace ESG targets, progress against ESG KPIs, designated ESG/CRE responsibilities, ESG committee oversight
Training & Awareness	Number of ESG-related workplace training sessions, employee participation rates, sustainability awareness programmes conducted
Workplace Occupancy & Utilisation	Occupancy rates, workspace utilisation, hybrid working metrics

Where Occupiers Go from Here

Turning ESG into Everyday Practice

The message from this study is clear. ESG is no longer an aspiration sitting alongside CRE — it is becoming an increasingly important driver of how workplaces are selected, leased and operated across the Chinese mainland. ESG disclosure requirements gradually transition from voluntary to mandatory, and China 3060 dual-carbon goals and global corporate net-zero commitments move into the implementation phase. With near-term operational carbon targets approaching, the workplace companies occupy and how they select, lease and operate them, will have an increasingly direct impact on their decarbonisation progress, particularly for companies outside traditionally high-emitting sectors. At the same time, occupiers are recognising that sustainable workplaces can create tangible business benefits, including enhanced employee wellbeing and productivity, stronger corporate reputation, improved talent attraction and retention, and lower operating costs.

The next challenge is not building greater awareness of ESG, but embedding it into everyday real estate decisions. From selecting the right building and negotiating

meaningful green lease provisions to managing workplace operations and ESG data, every stage of the occupancy lifecycle presents an opportunity to translate corporate commitments into measurable outcomes.

The SLO Framework is designed to support this transition. Rather than treating ESG as a one-off leasing consideration, it provides a practical bridge between corporate ESG ambitions and day-to-day real estate decisions.

As ESG expectations, disclosure requirements, and market standards continue to evolve, occupiers that integrate ESG considerations across the entire occupancy lifecycle are likely to be better positioned to enhance sustainability performance, operational resilience, and long-term business value. The next chapter of CRE in the Chinese mainland will not be written by ambition alone. It will be shaped by the decisions occupiers make every day — from the buildings they choose, to the leases they sign, and the workplaces they create.



KNIGHT FRANK: CATALYSING ESG COLLABORATION IN CRE

As an independent international real estate consultancy with in-house ESG and CRE professionals, Knight Frank is uniquely positioned to bridge the gap between occupiers and landlords. We

- Translate ESG ambitions into clear, actionable real estate requirements
- Structure commercially viable green lease solutions
- Facilitate aligned decision-making and collaboration across stakeholders
- Support data transparency and measurable performance outcomes

Ultimately, the transition towards ESG-aligned leasing will not be driven by ambition alone, but by the ability to operationalise it effectively.

The SLO framework, supported by active facilitation, provides a practical pathway to achieve this, enabling occupiers and landlords to move from fragmented efforts to coordinated action, and from aspiration to measurable value creation.

APPENDIX: SURVEY RESPONDENT DEMOGRAPHICS

Figure 11
Respondents Breakdown by City

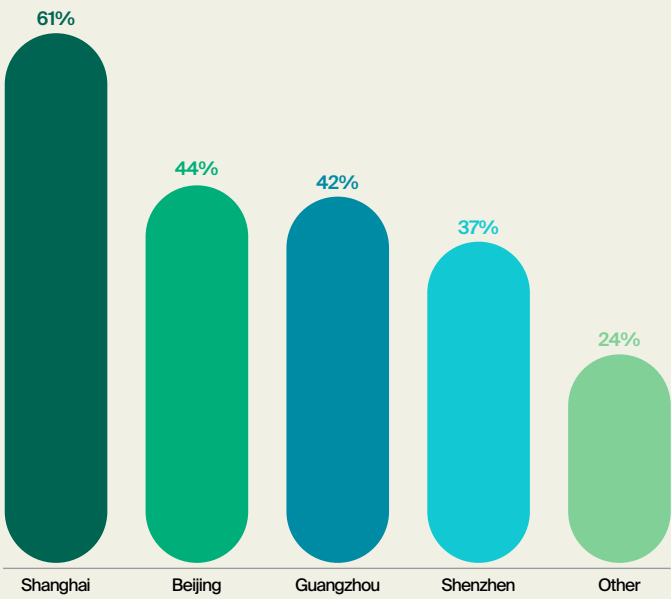


Figure 12
Respondents Breakdown by Ownership Type

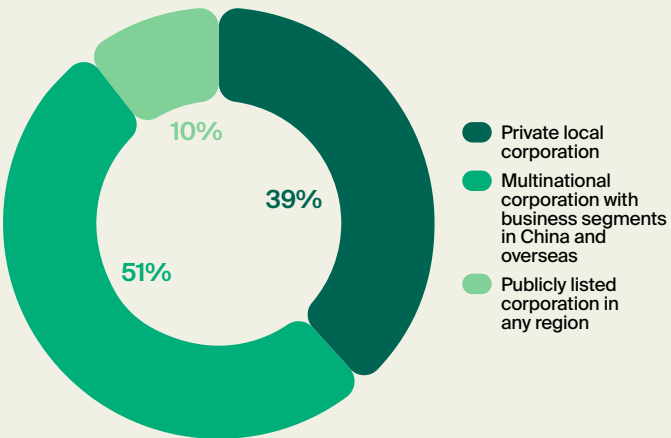
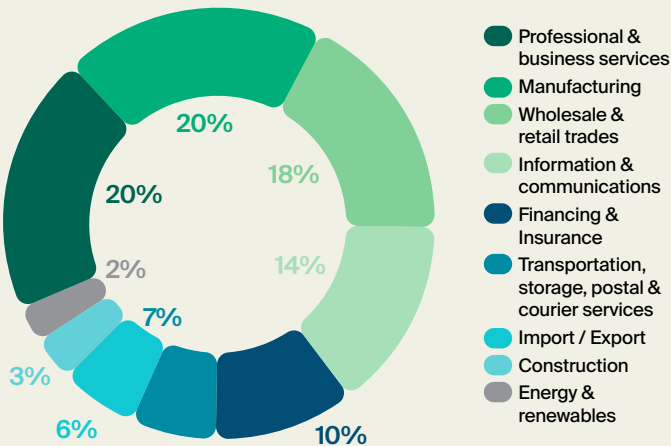


Figure 13
Respondents Breakdown by Industry



We like questions. If you've got one about our research, or would like some property advice, we'd love to hear from you.

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