



ECSP

European Council
of Shopping Places

Green Lease Guidelines for Retail Real Estate Industry

2026

Table of contents

Introduction 3

1. Definitions 4-6

2. Objectives for the Industry Guidelines 7

3. Advantages of using a Green Lease 8

4. Common Green Lease Articles 9-18

Acknowledgements

These Green Lease Guidelines were developed under the leadership of the ECSP Sustainability Working Group with the support and expertise of the ECSP Legal Working Group and Osborne Clarke.

Introduction

The ECSP Green Lease Guidelines were developed by the ECSP Sustainability Working Group. The expertise of 17 company and association members has been incorporated into the Guidelines.

These Guidelines are intended as a framework for industry members in the creation of a Green Lease.

Not all of the clauses suggested by these Guidelines need to be adopted as is. Each industry member shall be free to formulate their own clauses as long as they meet the requirements set out under the related topic. The wording chosen here is purely for guidance. The feasibility of the various measures may be addressed.

The ECSP Green Lease Guidelines provide industry members with a list of topics that are deemed essential and mandatory for inclusion in a signed lease for it to qualify as a Green Lease under these Guidelines. Without a commitment to the four mandatory clauses, the contract shall not comply with the ECSP Green Lease Guidelines and will not be considered a “Green Lease” under these Guidelines.

In the current document, ECSP has endeavoured to provide the industry members with a catalogue of suggested “green” clauses, which can be matched to the different essential topics and can be introduced either in new leases or as an addendum to existing leases.

The order in which the topics are arranged in the lease is also left to the discretion of the contracting parties.

Of course, the ECSP Green Lease Guidelines are not set in stone. They are expected to evolve from time to time, informed by market innovations, practical input from the industry stakeholders and in line with the regulatory requirements.

1. Definitions

- › **Building:** the real estate structure in which the Leased Premises are located.
- › **Building Management Systems (BMS):** computer-based systems, also known as Building Automation Systems (BAS), installed in buildings to control and monitor the building's mechanical and electrical equipment, such as HVAC, lighting, energy, fire systems, and security systems.
- › **Carbon footprint:** the total greenhouse gas (GHG) emissions caused directly and indirectly by an individual, organisation, event, or product. It quantifies the impact of activities on climate change and is usually expressed in carbon dioxide equivalent (CO₂e).
- › **Environmental Performance:** the measurable results of the ability of an organisation to handle environmental factors which can be defined as those elements of an organisation's activities, products or services that can interact with the environment, and have an impact on it. Among those factors are notably the following:
 - a. energy consumption
 - b. water consumption
 - c. waste generation and management
 - d. biodiversity
 - e. resilience of the Leased Premises and the Building to the actual or anticipated effects of climate change ...
- › **Energy Performance Certificate (EPC):** a document that assesses the energy efficiency of a required by applicable national regulations or law.
- › **Environmental Rating:** a process that evaluates and scores an entity's performance on environmental factors. It can be used to assess the sustainability of a company, product, or even a region. These ratings help provide a benchmark for comparison and improvement, often including indicators like carbon footprint, resource use, and waste management. Examples include GRESB and CDP.
- › **Green building certifications,** like LEED, BREEAM, DGNB and any other equivalent, are recognized credentials awarded to buildings that meet specific sustainability criteria. They demonstrate a building's commitment to environmental responsibility and energy efficiency. These certifications assess various aspects, including energy efficiency, water conservation, materials usage, and indoor air quality.
- › **Greenhouse gas emissions:** emissions from human activities are one of the primary drivers of climate change, trapping heat in the atmosphere and causing global warming. The burning of fossil fuels for energy, industry, and transport is a major source of these emissions.

› **Landlord and Tenant:** A landlord is a person or entity that owns and rents out property, such as land, buildings, or apartments, to tenants. The landlord is responsible for maintaining the property and ensuring that it is habitable, while the tenant pays rent and adheres to the terms of the lease agreement.

› **Leased Premises:** refers to a specific property or space that is rented out under a lease agreement. This can include residential properties like apartments or houses, or commercial spaces like offices, retail stores, and warehouses. The lease agreement outlines the terms and conditions under which the tenant occupies the premises.

› **Party (individually) or Parties (jointly):** In the context of a contract, “parties” refers to the individuals, businesses, or organisations that enter into and are bound by the terms of the agreement. These parties have rights, obligations, and responsibilities outlined in the contract, and they are the ones who can be held accountable for fulfilling or breaching the terms of the agreement.

› **Permitted use of a Leased Property:** refers to the types of activities or businesses that are allowed on the premises.

› **100% Renewable Energy:** means that all energy used, whether for electricity, heating/cooling, or transport, is sourced from renewable energy sources that are naturally replenished, such as solar, wind, hydropower, tidal power, geothermal and biomass. This concept moves beyond simply replacing fossil fuels with renewable alternatives and aims for a complete transition to sustainable energy systems, including solar, wind, hydropower, tidal power, geothermal and biomass.

› **Renewable energy contract:** a contract that guarantees the purchase of 100% renewable energy.

› **Social Impact:**

a. the economic, environmental and social benefits to the community which include:

- i. local employment opportunities;
- ii. apprenticeship and training opportunities;
- iii. support for local businesses and suppliers;
- iv. local community engagement and volunteering;
- v. engagement with local schools and other educational establishments;
- vi. promotion of public transport and other environmentally friendly and cost-efficient means of transport; and
- vii. promotion of health and wellbeing (including mental health) or

b. the impact of the Leased Premises [and the Building] on the physical, mental and social health of the occupiers

› **Sustainable use and management:** the use and management of resources in a circular way that meets current needs without compromising the ability of future generations to meet their own. It involves balancing economic growth, environmental protection, and social equity to ensure long-term resource availability and ecosystem integrity.

› **Waste:** any spill, waste, rubbish, debris, materials or goods created by or resulting from any activity undertaken by the relevant Parties in the Leased Premises and the Building.



2. Objectives for the Industry Guidelines

› Education

Create a common understanding among the Parties in the retail property industry, i.e. Landlords and Tenants, that there is an increasing need to introduce a green clause package in their leases.

› Demonstrate advantages:

Green Leases can contribute decisively to the economically, ecologically and socially sustainable operation of retail real estate. Through Green Lease clauses, Tenants and Landlords have the opportunity to set sustainable goals and measures that will have positive effects for both sides.

› Increase efficiencies:

A normalisation of the approach and understanding of the content of Green Leases shall facilitate their adoption by the contracting parties, without having to systematically revisit the fundamentals of Green Lease Guidelines in general.

3. Advantages of using a Green Lease

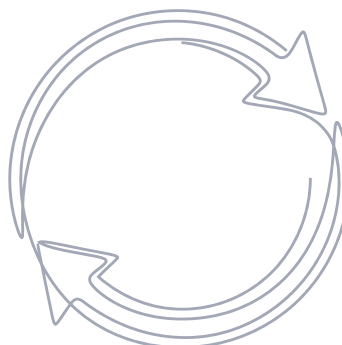
- › **Reduction of (i) energy consumption, (ii) greenhouse gas emissions, (iii) water consumption, (iv) waste production in the Building, notably through lower overall consumption.**
- › Keeping or, ideally, reducing ancillary costs through lower consumption of resources.
- › Creating transparency through annual disclosure of Tenant's consumption data.
- › Compliance with increasing legal requirements through revision and continuous adjustments of the ECSP Green Lease Guidelines.
- › Anticipatory action and long-term planning reduce the risk of additional costs due to short-term conversion.
- › Sustainable corporate management through more efficient use of resources.
- › Increase in the value of the property.



4. Common Green Lease Articles

A Green Lease agreement aims to incorporate key sustainability considerations into the contractual relationship. The ECSP Green Lease Guidelines provide a structured framework by identifying the relevant areas of focus for Landlords and Tenants in the retail real estate sector

However, it is important to note that a lease agreement may only be considered ECSP-compliant if it includes the mandatory provisions explicitly defined in the Guidelines (Mandatory Clauses). The precise wording and drafting of these clauses are left to the discretion of the contracting parties, provided that the substantive minimum requirements of the Guidelines are met.



§ 1	
Commitment to sustainability + environmental protection	
Mandatory clause	p. 11
§ 2	
Sustainable use and management	
Mandatory clause	p. 11-13
§ 3	
Collection of sustainability-related data	
Mandatory clause	p. 13-14
§ 4	
Use of low carbon technologies and renewable energy	
Mandatory clause	p. 14-15
§ 5	
Social Safeguard	p. 15-16
§ 6	
Tenant's fixtures and fittings	p. 16-17
§ 7	
(Toleration of) sustainability-promoting measures by Landlords	p. 17
§ 8	
Note on sustainable transport	p.17-18
§ 9	
Sustainability dialogue	p. 18

§ 1

Commitment to sustainability + environmental protection

Mandatory clause

The Landlord and the Tenant are both invested in the running of the Building within which are located the Leased Premises. As such, they are playing a decisive role in reducing the environmental impact of the Building's operations, as well as in maintaining and improving the existing Environmental Performance of the said Building.

The Landlord and the Tenant commit to operate the Building properly so as to improve, or at the very least maintain the Environmental Performance of the Building or the Leased Premises.

Therefore, it is essential for the Parties to join their efforts in order to improve the Environmental Performance of the Building and the Leased Premises. As such, the purpose of this Green Lease is to provide a set of rules for the Parties.

With a view to improving the overall energy performance and sustainability of the Building and the Leased Premises, the Tenant undertakes to make its best efforts to:

- › Adhere to a responsible and ambitious sustainable development policy and a continuous improvement approach,
- › Work with the Landlord to improve the environmental and energy performance of the Building as well as the Leased Premises.

Once a year, the Landlord may access the Tenant's meters to check the consumption readings.

§ 2

Sustainable use and management

Mandatory Clause

The Parties are obliged to use and manage the Building and the Leased Premises as sustainably as possible. The Tenant shall encourage its employees to use the Leased Premises accordingly. Measures to save energy and reduce CO2 emissions are to be implemented wherever possible. This includes, in particular, switching off lighting and appliances outside operating hours and using timers and motion detectors.

Furthermore, the most energy-efficient devices should be used. In addition, suitable measures should also be taken to reduce water consumption (e.g. use of water-saving taps, review of the cleaning concept) and to reduce and avoid waste (e.g. reduction of packaging material, reuse of materials).

Suggested clause including both the Landlord and the Tenant's duties in order to achieve a more sustainable use of the Building and the Leased Premises:

„The Tenant must

- a) not operate the Leased Premises in an unsustainable way, i.e. in a way which increases the consumption of energy or water above that which would be reasonable for the specific purposes for which the Tenant uses the Leased Premises in accordance with the permitted use as defined between the Parties; and*
- b) use [all] reasonable endeavours to ensure the efficient use of energy and water in the Leased Premises [and in respect of its use of any Common Parts of the Building]; and*
- c) operate any equipment or facilities within the Leased Premises (or which exclusively serve the Leased Premises and are the responsibility of the Tenant to operate and/or maintain) in accordance with the reasonable recommendations and requirements of the Landlord in order to maintain the Environmental Performance of the Leased Premises.*

The Parties understand that nothing in this clause will:

- a) prevent any change of use or the intensification of the Tenant's use of the Leased Premises provided that*
 - i) where the Landlord's consent to such change or intensification is required by this Lease, that consent has been obtained; and*
 - ii) in all cases, any other necessary consent has been obtained.*

The Landlord must:

- a) not operate the Building in a way which increases the consumption of energy or water above that which would be reasonable for the specific purpose for which the Landlord uses the Building;*
- b) use [all] reasonable endeavours to ensure the efficient use of energy and water in the Building;*
- c) operate any Building Management System so as to ensure the efficient and sustainable use of utilities; and*
- d) properly operate any equipment or facilities in the Common Parts, whose purpose it is (in whole or in part) to maintain the Environmental Performance of the Building.*

The Parties understand that nothing in this clause will:

a) prevent:

- i) any lawful use or intensification of use of the Building; or*
- ii) the maintenance of acceptable ambient conditions for the Building [and where relevant the Leased Premises] for those uses; and*

b) require the Landlord to carry out any work to the Building or to improve any equipment or facilities”

§ 3

Collection of sustainability-related data

Mandatory Clause

In order to be able to fully assess whether the Building and its parts, including the Leased Premises, are being used in a sustainable way, it is also essential for the Landlord and the Tenant to regularly and transparently share data regarding the use of energy, water and the production of waste within the Leased Premises and the Building and, where agreed, other Environmental Performance data so as to ensure that meters can be installed in the Leased Premises to record utility usage, as well as to guarantee a proper use of any smart building technology. The Landlord can use any digital platform or technical device at its own discretion to collect and publish data.

As part of a comprehensive evaluation of the Building's sustainability with regard to the use of energy, water and the production of waste, the following data are, where applicable, considered most important and should be recorded, provided and/or analysed at least annually:

› **Electricity consumption**

› **District heating and cooling consumption**

› **Gas consumption**

› **Water consumption**

› **Fugitive emissions related to HVAC**

› **Information provided by the respective energy suppliers**, such as electricity mix and emission factors.

› **Use of green energy:**

- › The Tenant must provide the Landlord, at least annually, with appropriate documentation to evidence the sources of energy used to generate electricity for the Leased Premises;
- › At the Tenant's request, the Landlord may provide the Tenant with appropriate documentation to evidence the sources of energy used to generate electricity for the Building, with the exception of the Leased Premises, whose energy supply is the responsibility of the Tenant.

› **Waste management: where applicable,** the Tenant shall provide the Landlord with a regular assessment of the waste that is managed by the Tenant according to its type, quantity and recyclability.

› **Energy Performance Certification:** The Landlord undertakes to provide the Tenant with a current and valid Energy Performance Certificate.

§ 4

Use of low carbon technologies and renewable energy

Mandatory Clause

Use of energy-saving equipment (based on EU-energy labels¹)

The Parties to the Green Lease shall undertake to use energy-saving equipment in the Building and the Leased Premises. This notably involves the Parties' commitment to have the Building and the Leased Premises equipped with LED lighting or equivalent energy-saving technology. This applies to new lease agreements and new fit-out works. At the Landlord's request, the Tenant shall provide the Landlord with formal confirmation regarding the exclusive use of LED lighting within the Leased Premises.

Renewable energy

The Tenant undertakes to enter into renewable energy contracts for the Leased Premises, where available. At the same time, the Landlord shall make the same commitment for the Building and its common areas.

The Tenant and the Landlord must ensure that 100 per cent of the power supply comes from renewable energy sources, provided that such a supply is available on the relevant electricity market in the form of standard market products or instruments for renewable electricity.

¹ https://energy-efficient-products.ec.europa.eu/ecodesign-and-energy-label/understanding-energy-label_en

If a 100 per cent supply from renewable energy sources is not available, the Tenant shall be obliged to check the market availability at regular intervals, adjust the implementation accordingly and provide suitable evidence to the Landlord on request.

For the purposes of this provision, sustainable energy sources include those listed in the definition of '100% Renewable Energy' in Section 1 (Definitions).

§ 5 Social Safeguard

The Landlord and the Tenant shall work together to ensure that the value chain operates in line with a sustainable operations policy in place at the Building.

The Tenant shall conduct its business free from illegal, unethical or fraudulent activities and act in a manner consistent with ethical and professional standards. The Tenant shall use reasonable endeavours to implement a code of conduct to ensure that working conditions in the Tenant's supply chain are safe, that workers are treated with respect and dignity, and that the Tenant's supply chain operates in full compliance with the laws, rules and regulations of the countries in which it operates.

The Landlord and the Tenant shall ensure that systems and procedures are in place to eliminate any Modern Slavery, shall adhere to [fair/minimum/national/living] wage standards and shall promote a safe and diverse culture free from discrimination when it comes to on-site staff and contractors, including maintenance, security and cleaning staff.

The Tenant will have regard to and, where practicable, comply with:

- a) the workplace co-ordination policies to maximise fair employment and skills opportunities within the Building, implemented by the Landlord and communicated to the Tenant from time to time;
- b) the diversity and inclusion policies designed to improve accessibility to the Leased Premises as well as any other premises in the Building belonging to the Landlord's portfolio, implemented by the Landlord and communicated to the Tenant from time to time;
- c) policies designed to minimise the waste of food, energy, water and any other supplies and encourage sustainable business in the Building, implemented by the Landlord and communicated to the Tenant from time to time;

d) the requirement to provide all of its employees with a fair and equitable living wage and to abide by current labour laws and industry regulations.

At the same time, the Landlord shall undertake to ensure:

a) that all of the Landlord's employees who work at the Building and all employees of direct contractors and suppliers (being contractors or suppliers appointed by the Landlord in connection with any aspect of the management or operation of the Building, the "Direct Contractors or Suppliers") are at all times paid a fair and equitable living wage; and

b) that the employees of first-tier contractors or suppliers (being the contractors and suppliers that are appointed by Direct Contractors and Suppliers in connection with any aspect of the management or operation of the Building) whose work involves any aspect of the management or operation of the Building are at all times paid a fair and equitable living wage.

§ 6

Tenant's fixtures and fittings

Insofar as the Tenant is authorised or obliged to make structural changes to the Leased Premises and/or to provide the Leased Premises with fixtures and/or permanently installed equipment and installations (hereinafter collectively referred to as "Tenant's fixtures and fittings"), the following shall apply:

The Tenant's fixtures and fittings must be compatible with the sustainable use and management of the Leased Premises and must not jeopardise any existing, planned or obtained certification.

The Landlord may refuse consent to the Tenant's fittings and alterations if these jeopardise the criteria to be met for the granting of an existing, planned or future certification. In general, the Tenant shall use its best endeavours, in particular to use only emission-free (or, if this is not possible, low-emission) materials that can be regarded as environmentally friendly and resource-saving on the basis of a life cycle assessment and to avoid negative effects on the energy consumption and air conditioning of the Building and/or the Leased Premises caused by the Tenant's equipment, to the extent possible and economically reasonable to do so.

The Tenant may, with the Landlord's consent, carry out alterations to the Leased Premises which are designed to improve the Environmental Performance or any EPC Rating or any Environmental Rating of the Leased Premises and the Building, provided that such alterations:

- (a) will not adversely affect the performance or the life cycle of any mechanical or electrical services, or any other plant, equipment or services in the Leased Premises and the Building; and
- (b) are not structural alterations.

Upon completion of any alterations or additions, the Tenant undertakes to provide the Landlord with as-built drawings and specifications and any other information in sufficient detail for an accurate assessment to be made of the effect of the works on the Environmental Performance or any EPC Rating or any Environmental Rating of the Leased Premises [or the Building].

§ 7

(Toleration of) sustainability-promoting measures by Landlords

The Tenant shall comply promptly with any statutory duty to produce a new Energy Performance Certificate, whether for the Leased Premises or the Building.

The Tenant shall ensure that works carried out at the Leased Premises or the Building comply fully with the requirements of the applicable [BREEAM/DGNB/LEED] certification and do not have a negative impact on any existing BREEAM/DGNB/LEED certification for the Building or the Leased Premises.

The Landlord will also notify the Tenant if it receives a specific green building certification. The Tenant agrees to act in accordance with the sustainability efforts to the extent reasonably required during the lease term and to instruct its employees to do so as well.

§ 8

Note on sustainable transport

The Landlord and the Tenant shall both endeavour to promote sustainable transport options to reduce the environmental impact associated with travel to and from the Building.

The Tenant shall create incentives for the use of sustainable mobility for employees whose centre of operational activity is in the Leased Premises.

Insofar as the structural conditions on the plot of land permit, the Landlord commits to ensuring the Building is accessible by public transport and that customers have access to a sufficient number of free and secure bicycle parking spaces and storage facilities in accordance with any official requirements or statutory provisions, in order to encourage customers and the Tenant's employees to use bicycles as a means of transport whenever possible.

The Landlord will facilitate the installation and maintenance of electric vehicle ("EV") charging stations within the car parks of the Building in order to support the use of electric vehicles. The Tenant is encouraged to use EVs to reduce carbon emissions.

The Tenant shall encourage its employees and customers to participate in carpooling and ride-sharing programmes to minimise the number of single-occupancy vehicle trips. The Landlord will provide information on other means of sustainable transport.

This clause aims to encourage tenants and landlords to adopt more sustainable travel practices, thereby reducing the environmental impact associated with commuting and travel.

§ 9

Sustainability dialogue

The success of a Green Lease relies as much on the actual co-operation between the Parties or their representatives as on the existence of strict legal obligations.

The Parties agree to meet regularly, e.g. once a year, to discuss the sustainable use and management of the Leased Premises and its promotion within the framework of this tenancy ("sustainability dialogue"). The aim of the dialogue is to strive for the most sustainable use and management possible and to promote the achievement of the sustainability objectives set out in § 1.



The European Council of Shopping Places (ECSP) is the voice for the European retail real estate sector. Based in Brussels, we represent an industry that employs around 4.5 million people, generates €750 billion in annual turnover, and welcomes billions of visitors each year. Our members design, develop, and manage vibrant shopping destinations that are essential to the fabric of European communities. Shopping centres and retail destinations account for around 20% of all retail sales in Europe, making them central to commerce, urban regeneration, and community life.