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| **PRESENCE TEST** | | **FURTHER INSTRUCTION** | |  |
| Do the parties acknowledge a commitment to environmental sustainability and include at least one form of initiative in the lease that is intended to achieve such a positive environmental outcome? | | This could be any type of initiative relating to environmental sustainability (such as recycling, green cleaning or land use ecology). The intent of this clause is to encourage the parties to, at a minimum, determine collaborative priorities with regards to environmental sustainability and commit to consideration of these during the term. This can result in a doubled scoring of a topic where the initiative is also a topic for consideration as part of the Leasing Standard. | |  |
| **OVERVIEW** | | **CONCERN/RISK** | | **MITIGATION** |
| These clauses may be used instead of or in addition to other clauses relating to Environmental Sustainability. | | Parties may be concerned that clauses relating to environmental sustainability will result insignificant costs and/or disruption to building operations. | | These clauses compel co-operation but are limited by what is practical and reasonable. If costs or operations will be adversely affected by activities under these clauses they may not be enforced. |
| **SAMPLE CLAUSES** |  | |  | |

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| NOTES | CLAUSE | CONCERN/RISK | MITIGATION |
| none noted | 1.1 Commitment  The Landlord and the Tenant are each committed to managing and operating the Building and the Premises to promote energy efficiency and minimise the environmental impact of the use and occupation of the Building. | none noted | none noted |

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| NOTES | CLAUSE | CONCERN/RISK | MITIGATION |
| These are positive, high-level commitments that can be placed in a lease document where more structured commitments may be problematic to agree. | 1.2 Co-operation   1. As part of their commitment in clause 1.1, the Landlord and the Tenant will cooperate with each other and act in good faith to:    1. positively contribute to the working environment of the occupants of the Building and the Premises;    2. promote the efficient use of resources in the management and operation of the Services, the Building and the Premises; and    3. improve and be accountable for energy efficiency in the Premises and the Building wherever possible. 2. In order to achieve the outcomes in clause 1.2(a), the Landlord and Tenant will, wherever practicable and reasonable, cooperate with each other’s initiatives to:    1. reduce energy consumption, water consumption and waste; and    2. increase and improve recycling, having regard to:    3. the extent of any works or operational change required to do so;    4. the cost of such works or operational change; and    5. the extent of interference to occupiers of the Building arising from any such works or operational change. | Tenants may be concerned that the wording “must not do anything” is broad and will impose unforeseen obligations or costs on the tenant. | Listing specific activities that constitute interference may be more acceptable to a tenant then a blanket statement. |

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| NOTES | CLAUSE | CONCERN/RISK | MITIGATION |
| none noted | 1.3 Action  Without limiting the general commitments in clause 1.1 and clause 1.2, the Landlord and Tenant will:   1. [not / use reasonable endeavours not to] do anything which decreases or adversely affects the energy efficiency and environmental performance of the Building or the Premises; 2. co-operate in all audits conducted or initiated by the other party or independent auditors and allow reasonable access to the Premises and Building to enable the gathering of information relating to the energy efficiency and environmental performance of the Building or the Premises, such information to be maintained as confidential unless the other party consents to its disclosure or disclosure is required by Law; 3. if the Building has a Sustainability Management Committee in place, nominate a representative to participate in the Sustainability Management Committee; 4. if the Building or Premises has a Sustainability Management Plan in place [comply with / use reasonable endeavours to comply with] the Sustainability Management Plan; 5. use reasonable endeavours to incorporate energy and water use performance criteria into fitout design and equipment selection wherever practicable; and 6. [require /use reasonable endeavours to ensure] that cleaners engaged to service the Building or Premises, as the case may be:    1. use materials which release the lowest levels of volatile or toxic chemicals;    2. comply with any recycling programs in place. | none noted | none noted |