



CORPORATE SOCIAL RESPONSIBILITY



Non-Financial Accountability of Real Estate Investments in Singapore

Sustainability Reporting among Real Estate Investment Trusts (REITs)
listed on Singapore Exchange 2013

17 October 2014

Background to research study

- Real Estate Investment Trusts (REITs) – first introduced on SGX in 2002
- Substantial presence on SGX
 - 32 REITs – market capitalisation of nearly US\$70 billion (as of August 2014)
- Some questions:
 - Long term sustainability of such investment vehicle?
 - Non-financial disclosure and accountability?
 - Environmental impact?

Regulatory Milestones in Sustainability



Policy Statement and Guide to
Sustainability Reporting
published June 2011

A guide for listed companies to formulate their **sustainability reporting frameworks**, in hopes of allowing stakeholders to better understand the overall corporate performance of companies.



2012 Code of Corporate Governance
issued May 2012

The responsibility of the boards of listed companies had been broadened to **incorporate sustainability and ethical guidance**, as well as to ensure efforts by management to integrate them within company processes and management systems.



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2013 study on state of sustainability reporting in Singapore



2013 study on state of sustainability reporting in Singapore

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Methodology

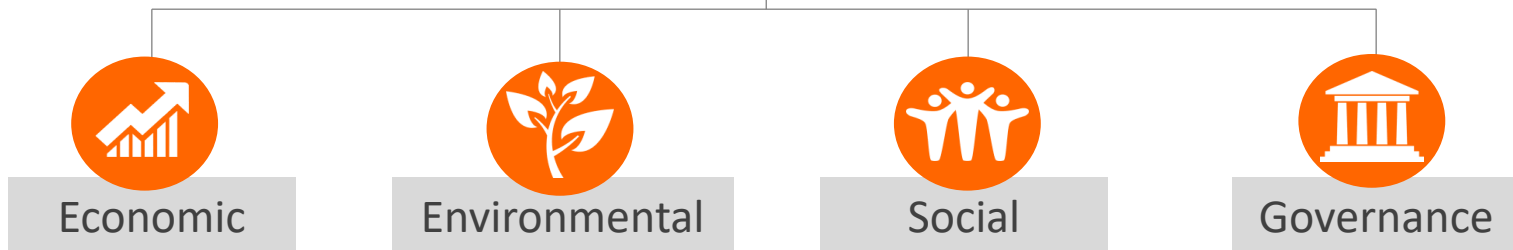


GRI Sustainability Reporting Guidelines 3.1
launched 2011

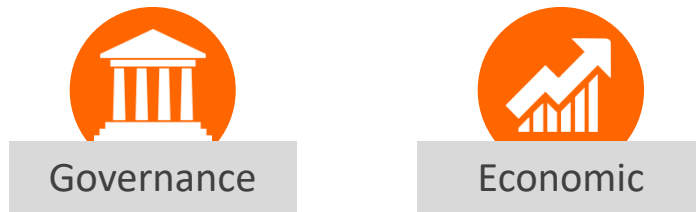
SGX Guide to Sustainability Reporting
published June 2011

GRI G3.1-derived coding manual
(globally recognised assessment framework)

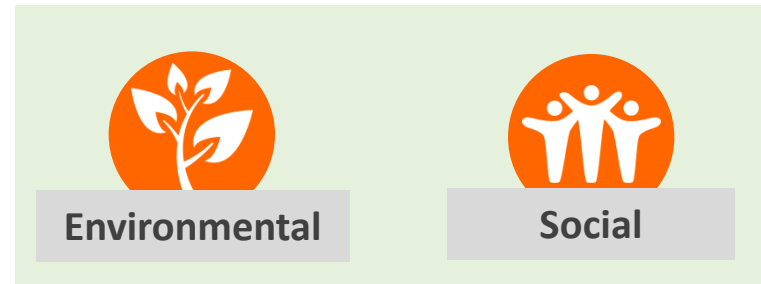
SGX-derived coding manual
(local baseline assessment)



Sustainability Indicators



Mandated to provide these disclosures under the SGX listing rules



These disclosures must be provided to constitute as having communicated sustainability

Scope of Study – Mainboard study

Released in July 2014

	Mainboard-listed Companies as at 31 Dec 2013	610
EXCLUDED	Business Trusts	11
	Secondary Listings	30
	Suspended	23
	Secondary Listings & Suspended	2
	Funds	7
	Companies included for assessment	537



Singapore Exchange Mainboard Listings



Cut-off Date: 31 Dec 2013

Scope of Study – REITs study

	Mainboard-listed Trusts as at 31 December 2013	42
EXCLUDED	Shipping Trusts & Non-Real Estate Business Trusts	6
	Newly Listed Trusts in 2013 (<i>with no annual report available as of 31 December 2013</i>)	7
	Trusts included for assessment	29



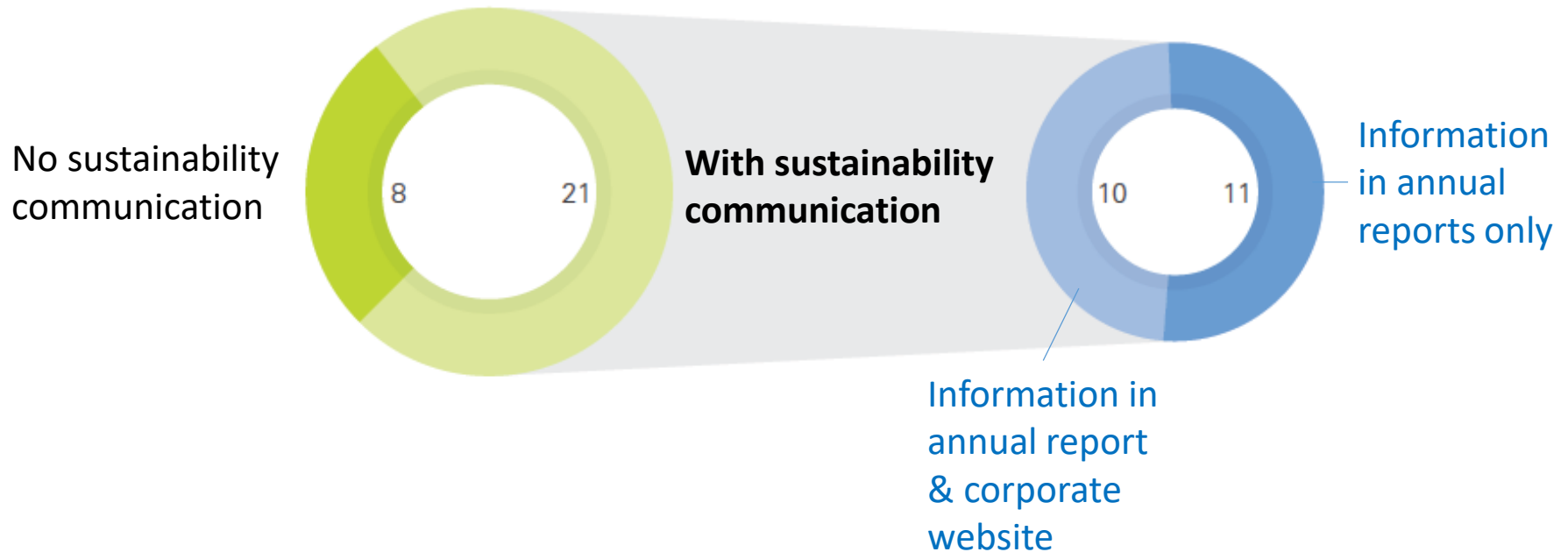
Singapore Exchange Mainboard Listings



Cut-off Date: 31 Dec 2013

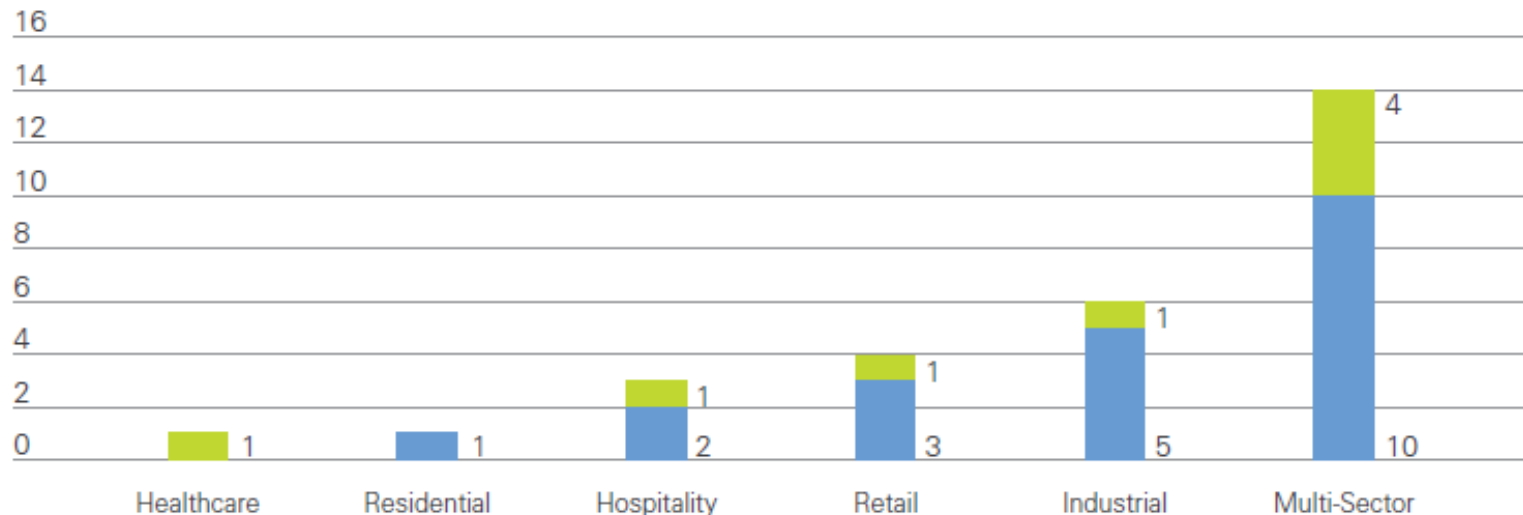
Key findings of REITs sustainability communication study

About 72% of REITs publish information on sustainability



Key findings of REITs sustainability communication study

Majority are REITs with properties across multiple sectors

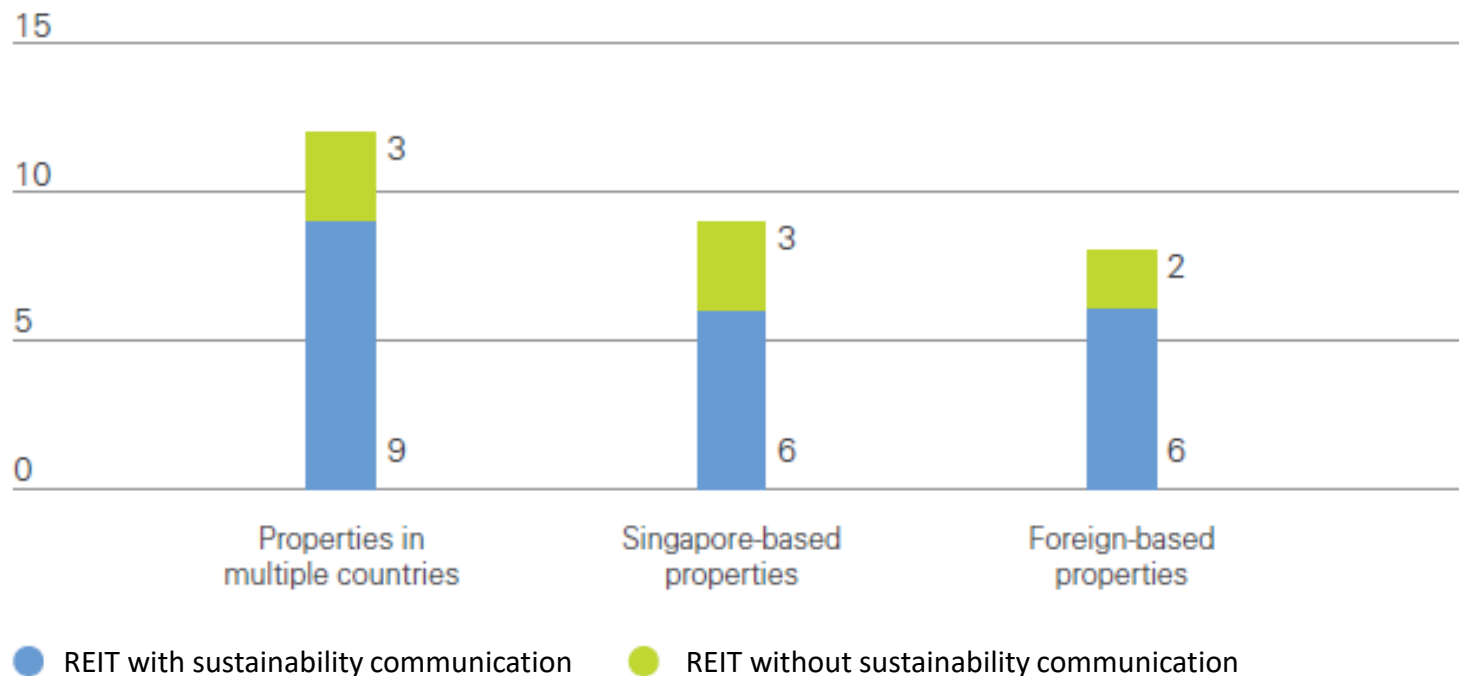


● REIT without sustainability communication

● REIT with sustainability communication

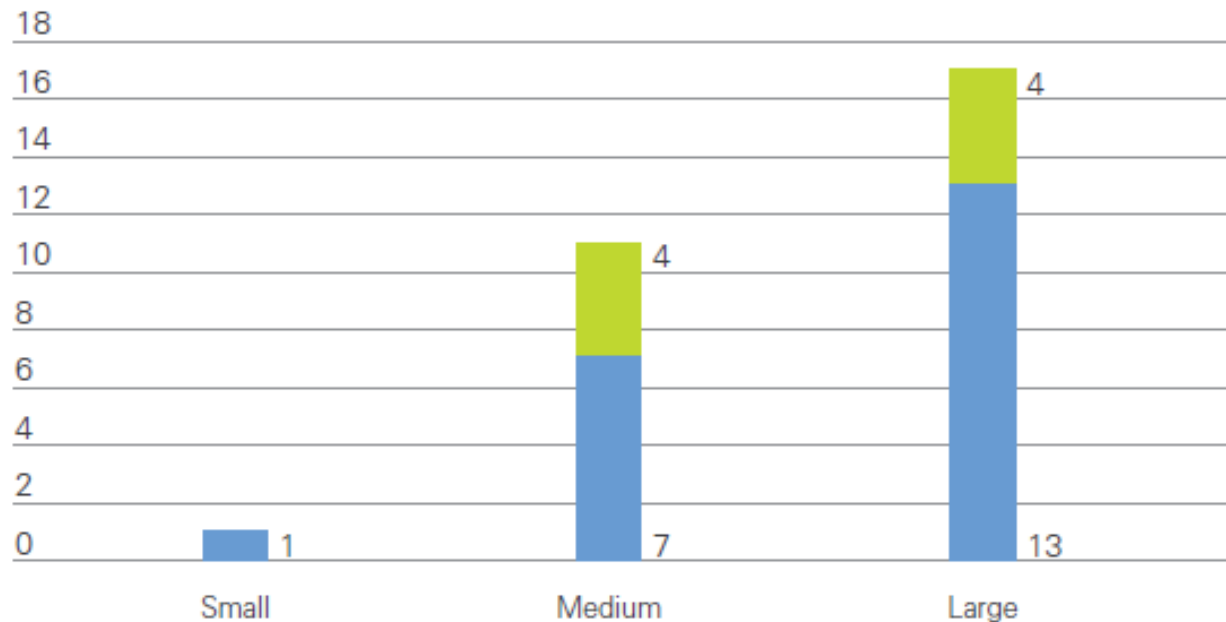
Key findings of REITs sustainability communication study

Majority are REITs with properties across multiple countries



Key findings of REITs sustainability communication study

Size of company not necessarily a factor influencing communication



● REIT without sustainability communication

● REIT with sustainability communication

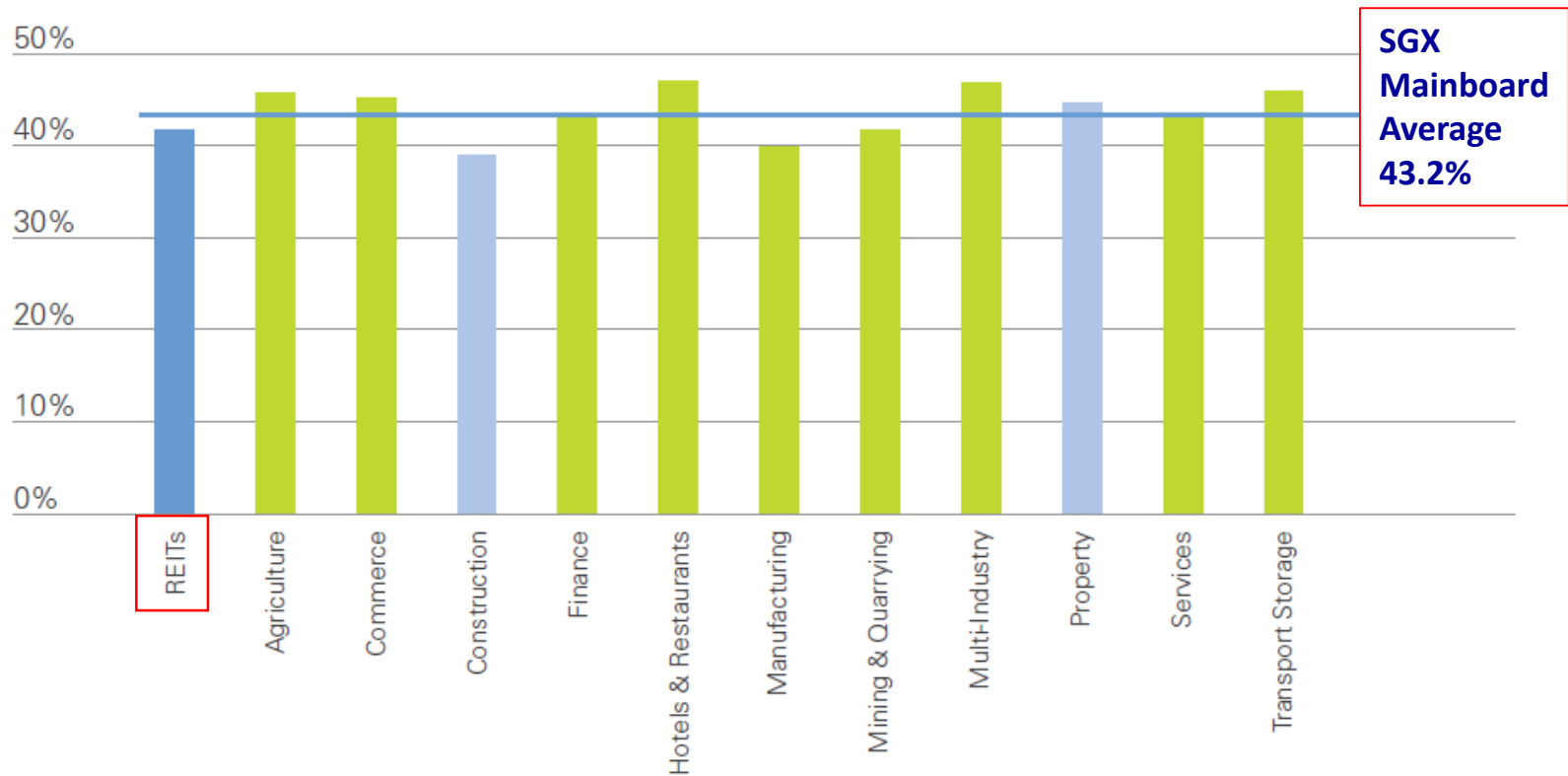


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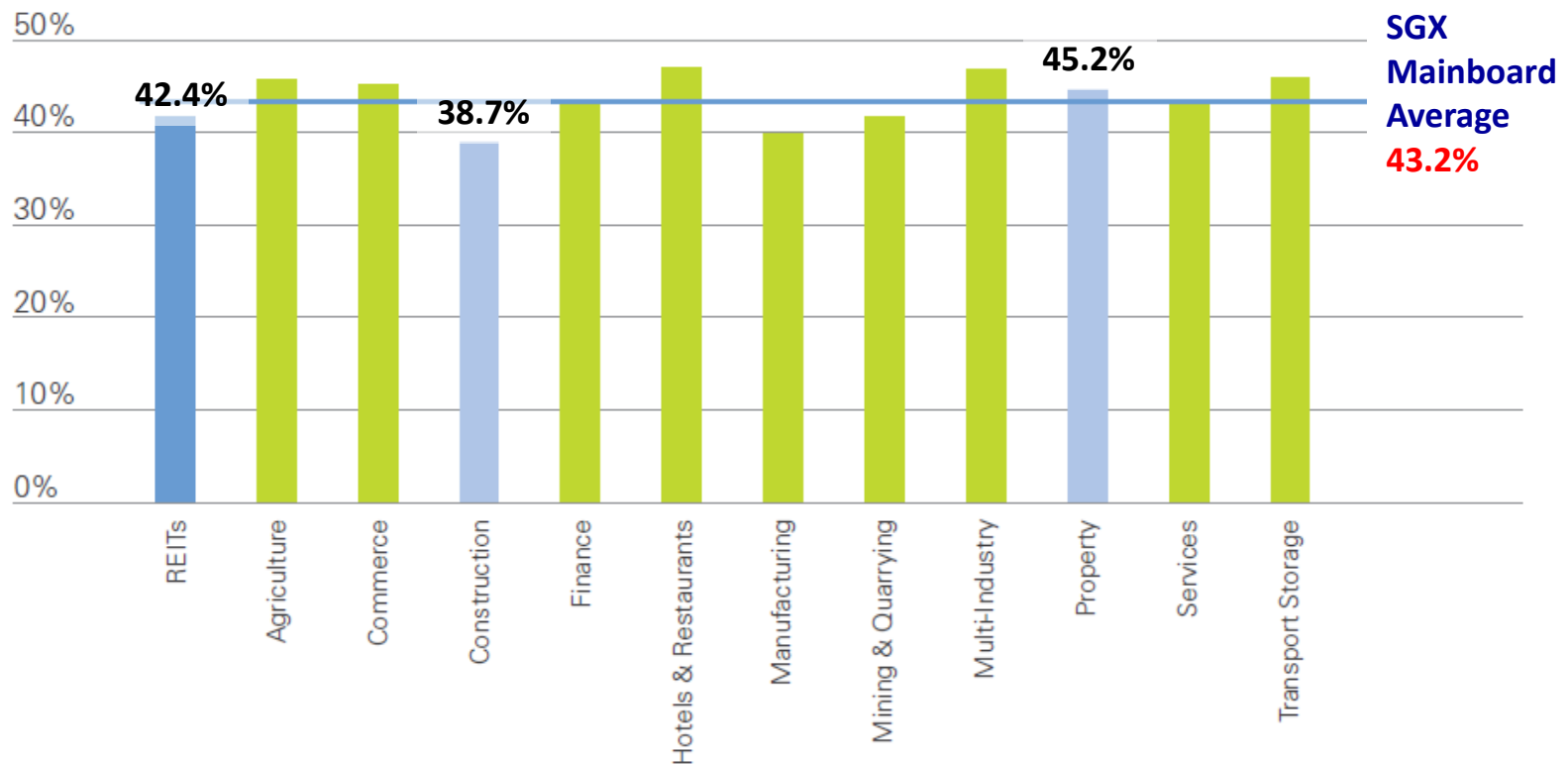
Key findings of REITs sustainability communication study

GRI study: REITs fared just below the average SGX Mainboard listed companies in terms of non-financial/sustainability disclosure



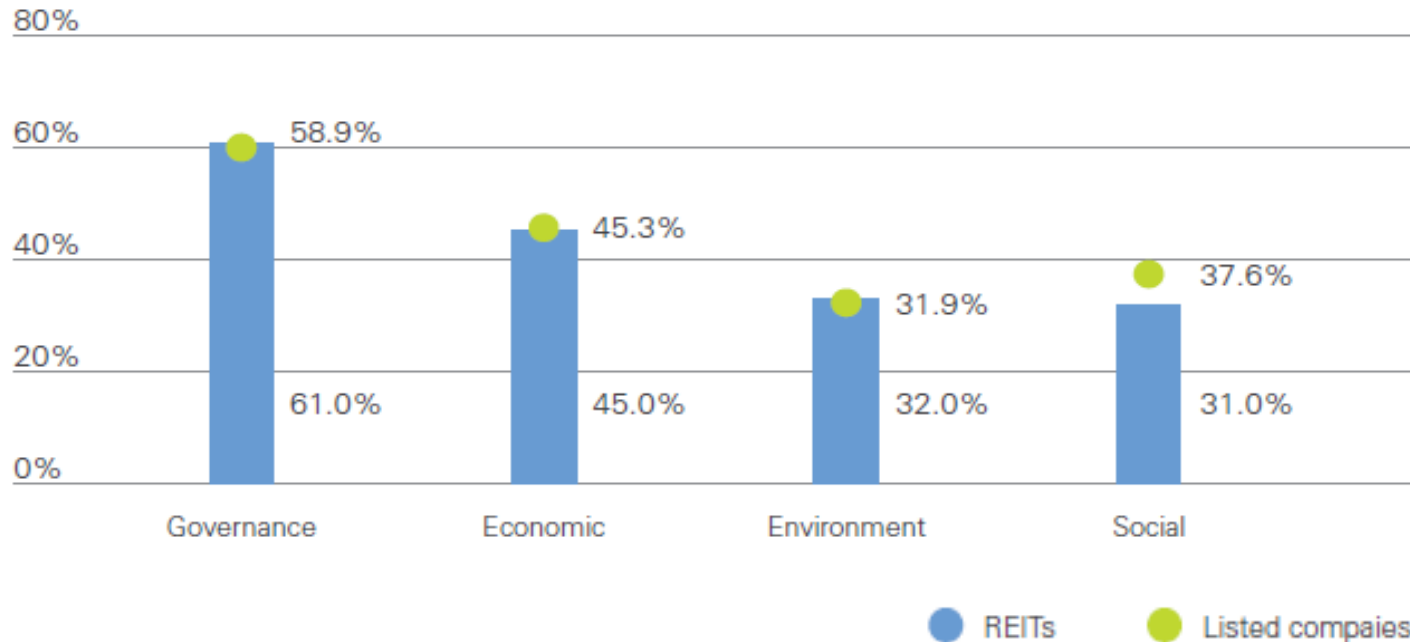
Key findings of REITs sustainability communication study – related sectors

GRI study: REITs fared slightly below property sector in terms of level of disclosure, but fared better than construction industry



Key findings of REITs sustainability communication study

GRI study: REITs disclosed most information about governance



Key findings of REITs sustainability communication study

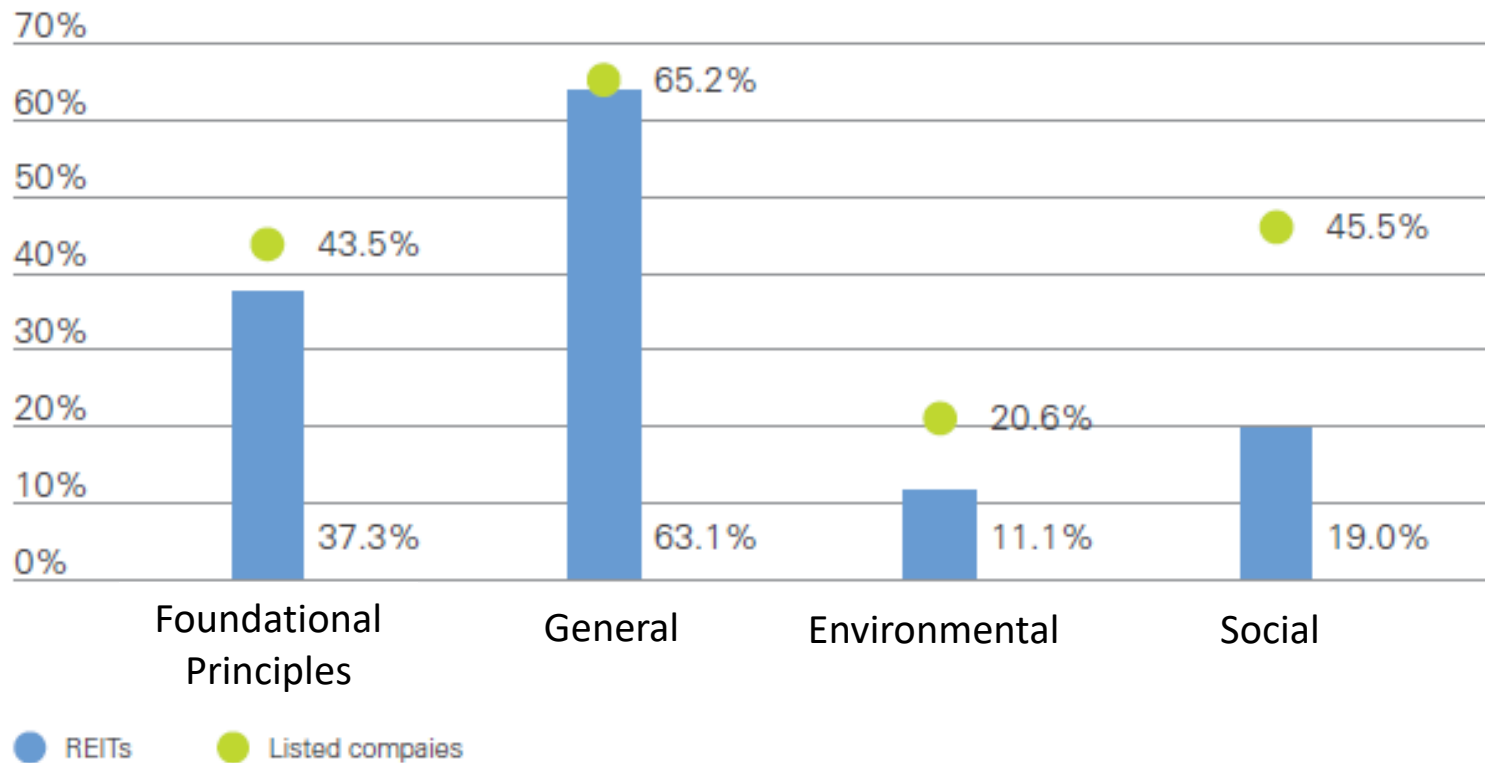
GRI study: other findings

- REITs exceed Mainboard companies average in terms of governance indicators disclosure
- REITs are almost on par with disclosures on economic and environmental indicators compared to Mainboard companies averages
- Lower level of social indicators disclosure by REITs could be a result of smaller workforce and the use of outsourced labour



Key findings of REITs sustainability communication study

SGX study: Disclosure lowest for social indicators



Key findings of REITs sustainability communication study

Future of sustainability communication

- Close links between some REITs and parent companies (property companies) – disclosures within parent companies' reports.
 - Scope to separate disclosure of sustainability performance, for greater transparency?
- Learning from Australian REITs market – regulatory push for greater disclosure?



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Sustainability Reporting among Real Estate Investment Trusts listed on
the Singapore Exchange 2013

By Lawrence Loh, Bernadette Low, Isabel Sim and Thomas Thomas
October 2014



Download full report at
www.csrsingapore.org/c/resources



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