



FOR IMMEDIATE RELEASE

Singapore, 26 February 2021 - IRPAS plans series of talks on Green Finance and Sustainability for listed companies' investor relations professionals

Green finance is the future fund-raising options for Singapore listed companies. Green finance has grown significantly. “The Climate Bonds Initiative, which sets standards for green issuers, expects a tenth consecutive year of growth in 2021, with global issuance between US\$400 billion to US\$450 billion for the year¹.” This current positive growth and the potential opportunities for financing is made possible primarily because of the establishment of green investment standards such as the regional (ASEAN Green Bond Principles) and global level (Green Bond Principles, Climate Bond Standard). These standards have created a platform and clarity (to prevent greenwashing, falsely presenting an environmentally friendly image) for issuers, financiers and investors to increase their exposure to green finance.

To date, several leading Singapore property groups, including CapitaLand Group, Frasers Property and City Development Limited have taken advantage of the new and growing phenomenon of green / sustainable-linked financing. CapitaLand Group is targeting to triple its sustainable finance portfolio to S\$6 billion by 2030²; Frasers Property has secured 12 green and sustainability-linked loans amounting to about S\$4 billion since 2018³; and City Development Limited, a leading company in green and sustainability-linked financing, has most recently obtained green finance of S\$470 million in December 2020⁴. Looking ahead, it is an opportunity for more listed companies on the Singapore Exchange to raise funds through this avenue. Questions arise among these firms on how they ought to effectively leverage on this platform and benefit from this new financial instruments, and what changes must they make to fund projects that promise to deliver sustainable solutions to the many challenges posed by climate change in the region. They need to appreciate the green investment standards, development of new climate-resilient infrastructure, and the recent Singapore Green Plan 2030 announced in Budget 2021.

IRPAS' Series of talks for IR professionals

Investor Relations Professionals Association (Singapore) (“IRPAS”) will pursue a series of talks for its members this year on Green Finance and related issues on Sustainability, Environmental, Social, and Corporate Governance (“ESG”). To kick off the initiative, IRPAS will feature a presentation by the Sustainability Accounting Standards Board (“SASB”) in March 2021 on the subject of “ESG Reporting Frameworks: New Tools for Investor Relations”. The SASB, founded in 2011, is an independent non-profit organisation whose mission is to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors. Apart from the first talk in March with SASB, IRPAS is in discussion to collaborate with likeminded organisations to further pursue green finance, sustainability and resilience, and how the investor relations professionals have a role to play in connecting businesses and investors on the financial impacts of sustainability.

¹ “Here's how green bonds will take Singapore's reputation as a finance hub to the next level”. ChannelNewsAsia, 23 February 2021. Available at <https://www.channelnewsasia.com/news/commentary/budget-2021-green-bond-infrastructure-finance-invest-sustainable-14255978>

² “CapitaLand launches 2030 Sustainability Master Plan to elevate its commitment to global sustainability”. CapitaLand Limited, 1 October 2020. Press release.

³ “Frasers Property commits to net-zero carbon by 2050”. Frasers Property Limited, 22 January 2021. Press release.

⁴ “CDL obtains S\$470m green revolving credit facility”. The Business Times, 30 December 2020.



SASB Standards identify the subset of ESG issues most relevant to financial performance in each of 77 industries. It also provides education and other resources that advance the use and understanding of its Standards. The SASB has strong investor support with global asset owners and asset management institutions including Allianz Global Investors, BlackRock, Fidelity, Schroders and Temasek International being members of the SASB Investor Advisory Group.

Mr. Harold Woo, President of IRPAS said, “IRPAS is a strong advocate of good ESG practices. The COVID-19 pandemic has sharpened the focus on a number of different aspects of corporate performance, including business contributions to climate change, biodiversity loss, the potential increase for disease outbreaks; and the need for more resilient supply chains, especially for vital goods such as food and medicine. At the same time, green financing has opened up another avenue for corporates to raise funds and thus further diversifying their funding sources.”

For decades, financial accounting standards have provided a common language for companies and investors to gauge financial performance. However, traditional accounting was developed in a world where tangible assets comprised most of the market valuation of companies. Fast forward to today’s economy, sustainability issues are global business issues that impact the financial condition, operating performance, and enterprise value of companies. To illustrate, consider data security – a social issue – is important to companies in the software industry; water management – an environmental issue - is essential to a beverage producer; managing conflicts of interest – a governance issue – is critical for an investment bank. Effectively managing these issues over the long term is likely to improve business performance in the form of reduced operating costs, enhanced reputation, greater resilience to risks, the potential for competitive advantage, and drive long-term enterprise value.

The COVID-19 pandemic has highlighted the significance of non-financial disclosure and its impact from a global financial standpoint, and that the concept of what is financially material and what is considered not financially material is a very dynamic matter. If financial and non-financial stakeholders have access to information and can compare company performance on issues, then it is likely that companies will compete to improve performance, and this will ultimately lead to improved sustainability outcomes.

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About IRPAS

Run by IROs for IROs, IRPAS is a voluntary commitment by a team of IR veterans united by the same dedication to build a community for fellow IR practitioners. It aims to empower members through education, professional development and networking initiatives, and to promote the sharing of IR knowledge and practices through internal research and partnerships with leading institutions and IR societies around the world.

IRPAS was established in 2006 by leading IROs, supported by SGX, with the primary objectives of championing IR best practice, enhancing professional competencies and elevating the overall standard of the IR profession in Singapore.

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