The social responsible developing investor

Graduation research
Rowie Huijbregts
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The social responsible developing investor

The use of Corporate Social Responsibility (CSR)
to develop sustainable urban areas
Graduation research

- Graduation laboratory
  - Sustainable Private Sector-led Urban development

- Graduation committee
  - Dr. ir. E.W.T.M. (Erwin) Heurkens – 1st mentor
  - Mr. dr. F.A.M. (Fred) Hobma – 2nd mentor
  - Dr. R.J. (Reinout) Kleinhans – external examiner

- Graduation company Amvest
  - Drs. H. (Heleen) Aarts MRE
  - A. (Armand) Schuurman MRE
Content

- Motivation for research
- Research question
- Research design
  - Part 1 – Concepts
  - Part 2 – Practices
  - Part 3 – Synthesis
Motivation for research
### The urban age

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The urban age
The urban age
The urban age
The urban age
New responsibilities

- Destabilise unsustainable regimes
- New types of governance
- New responsibilities
Private sector-led urban development

- State-market relationship has changed
- Focus on development planning
- Public-Private Partnerships
  - Shift towards private sector-led
Traditionally, through urban development projects:
- Public sector: safeguarding societal values
- Private sector: obtaining decent profit
Safeguarding societal values, cont’d
Safeguarding societal values, cont’d

Collectivism
Collective service access
Equality

Societal values

Individualism
Selective service access
Inequality

Power

Motivation for research | Research question | Research design | Concepts | Practices | Synthesis
Call for responsible market behaviour

- During and after 2008 World Financial Crisis
  - No longer “hit and run”
  - Focus on
    - Long-term revenues
    - End user
    - Juxtaposed value chains
The developing investor

Motivation for research | Research question | Research design | Concepts | Practices | Synthesis
The rise of CSR

- Socially Responsible Investment (SRI)
  - Policies
  - Reports

Motivation for research | Research question | Research design | Concepts | Practices | Synthesis
The rise of CSR, cont’d

• Good governance
  • Environmental, Social and Governance (ESG)
  • Global Reporting Initiative (GRI)
  • International Integrated Reporting Council (IIRC)
  • Global Real Estate Sustainability Benchmark (GRESB)
    • “Green Star” real estate portfolio
  • Leadership in Energy and Environmental Design (LEED)
  • Building Research Establishment Assessment Method (BREEAM)
  • WELL Building Standard
  • ISO 26000 Guidance on Social Responsibility
  • United Nations Global Compact
  • United Nations Sustainable Development Goals
The rise of CSR, cont’d

- What is CSR?
- Where did it originate?
- What does it imply in the Dutch urban planning context?
Research question
Main research question

- Within Dutch urban development, how can developing investors use CSR to develop sustainable urban areas?
Research design
Research design

Concepts
- Theory
- Methodology

Practices
- Anglo-Saxon cases
- Dutch case

Synthesis
- Lessons from Anglo-Saxon practice
- CSR maturity model for Dutch developing investor
- Conclusion

Motivation for research | Research question | Research design | Concepts | Practices | Synthesis
Concepts

Theory
Definition of sustainable development

Social dimension
PEOPLE

Economic dimension
PROFIT

Environmental dimension
PLANET
Definition of CSR

- Responsibility for business impact
- Voluntary
- Beyond government regulation
- Beyond shareholder concern
- Active stakeholder engagement
- Optimise effects of products and/or services
- Good governance
- Tool or a way of doing business
  - towards sustainable (urban) development
Background of CSR

• Anglo-Saxon model of capitalism
  • UK, USA, Canada (and others)
  • Liberal market economy

• Rhineland model of capitalism
  • Northern & Continental Europe
  • Social market economy
Background of CSR, cont’d

- Anglo-Saxon model of capitalism
  - Rise of CSR: >1980

- Rhineland model of capitalism
  - Rise of CSR: >2000
Concepts

Methodology
Research dimensions

Conceptual analytical model

Research methods

Case studies
Lesson drawing

Research techniques

Literature review
Interview
Observation
Conceptual analytical model

- Structuring device for case study research
- To analyse the use of CSR by a developing investor

CONTEXT
Business environment & stakeholders

NORMS AND VALUES
Corporate vision, mission, values & social responsibility

STRATEGY
Sustainability goals & strategies

STRATEGY IMPLEMENTATION
Operationalisation & institutionalisation

PRODUCT
Sustainable urban area

Motivation for research | Research question | Research design | Concepts | Practices | Synthesis
Practices

Anglo-Saxon practice

The case studies of Forest City and Wheelock
Research techniques

- Forest City
  - Interview J. Ziegler
  - Document analysis 2014 CSR Report
  - Document review Pier 70 project

- Wheelock
  - Interview S. Au Yeung
  - Document analysis 2015 CSR Report
  - Document review Kai Tak project
Context

- Forest City
  - USA
  - Real Estate Investment Trust
  - (Urban) development department
  - Voluntary and proactive setup of CSR
  - Call for CSR: cities and investors

- Wheelock
  - Hong Kong
  - Investment Holding Company
  - (Urban) development department
  - Voluntary and proactive setup of CSR
  - Call for CSR: Sustainable Development Goals, COP
Norms and values

- Forest City
  - “Commitment to proactive environmental responsibility,
  - enhancement of economic vitality in the communities in which we operate,
  - and continued investment in the growth, development and well-being of our associates.”

- Wheelock
  - “Wheelock embraces the business-in-community model: we strive to do well as a business by doing well for the community.
  - We pursue environmental best practices,
  - create opportunities for (young) people,
  - and care for the community.”
Forest City

Materiality assessment
2015: 18 issues

Strategy formation

Quantifiable goal setting

Wheelock

Materiality assessment
2015: 20 issues

Strategy formation

Quantifiable goal setting
Strategy, cont’d

Materiality assessment Wheelock
Strategy, cont’d

Materiality assessment Forest City
Strategy implementation

Forest City

- Focus on institutionalisation
  - Structure: Sustainability Department, Director of CSR and sustainability, CSR Advisory Council
  - Support systems: GRI reporting guidelines, ESG reporting guidelines, GRESB benchmark, LEED (pre-) certification

Wheelock

- Focus on institutionalisation
  - Structure: CSR Committee steered by Senior Management, CSR Sub-Committees
  - Support systems: GRI reporting guidelines, ESG reporting guidelines, BREEAM (pre-) certification, LEED (pre-) certification
Product, urban area
Forest City, Pier 70, San Francisco
Product, urban area

Forest City, Pier 70, San Francisco
Product, urban area

Forest City, Pier 70, San Francisco
Product, urban area
Wheelock, Kai Tak, Hong Kong
Product, urban area
Wheelock, Kai Tak, Hong Kong
Product, urban area
Wheelock, Kai Tak, Hong Kong
Characteristics that stand out

• Material sustainability issues
• Quantifiable sustainability goals
• CSR structure and leadership style
• CSR certification, benchmarking and reporting
Practices

Dutch practice

The case of Amvest
Research techniques

- Business management
  - Interviews with Management Team and employees
  - Literature review concerning peers and shareholders

- Urban development
  - Project Kop Grasweg
    - Participatory observation
    - Interview with project manager
  - Project Cruquius
    - Participatory observation
    - Interview with project manager
Context

- Fund manager for 4 residential funds
  - Flagship fund: Amvest Residential Core Fund
- Developer of residential properties and areas
- No CSR statement, policy or report
- Attention for CSR
  - Peers go in front
  - Shareholder demands
    - ESG reporting
    - GRESB Green Star real estate portfolio
Norms and values

• “Amvest aims for sustainability in the broadest sense for the development of areas and projects.
• This implies creating attractive, lively and thus sustainable areas.
• Areas that are correct in a socio-economic sense are well-constructed in a physical-spatial sense and can be properly financially exploited.”
Amvest has a sustainability strategy for both project and area development and the management of our houses.

Core Fund
- Sustainability strategy
- Sustainability action plan
- Sustainability committee
- Improvement necessary
**Investment and fund management**
- General CSR “story”
- Green Star label
- CSR / SRI / ESG report

**Property and urban area development**
- Projects are custom-fit
- No labels
- Fear for “green washing”
• Institutionalisation: getting everybody “on board”
Product, urban area
Kop Grasweg, Amsterdam
Product, urban area

Kop Grasweg, Amsterdam
Product, urban area
Cruquius, Amsterdam
Product, urban area
Cruquius, Amsterdam
Characteristics that stand out

- CSR direction: investment vs. development
- Shareholder demands
  - ESG insight
  - Green Star label
- Questions of Amvest
  - Why CSR?
  - CSR reporting?
  - CSR management structure?
Synthesis

Lessons from Anglo-Saxon practice
International comparative research

Learning:
1. CSR status quo of Dutch developing investor
2. Similarities and differences with Anglo-Saxon developing investor
3. Support for new directions in the Dutch urban planning context

Limitations: context-dependent planning institutions
Search for practical, context-independent CSR characteristics
Lessons

- Material sustainability issues
- Quantifiable sustainability goals
- CSR structure and leadership style
- CSR certification, benchmarking and reporting
Synthesis

CSR maturity model for Dutch developing investors
CSR maturity model
CSR maturity assessment

Unaware
Exploratory
AMVEST
Defined
FOREST CITY
Adoptive
Adaptive
WHEELOCK

Motivation for research | Research question | Research design | Concepts | Practices | Synthesis
Synthesis

Conclusion
Answering the main research question

· Within Dutch urban development, how can developing investors use CSR to develop sustainable urban areas?
CSR: means to optimise business impact

- Own business management
- Property and urban area development
- Investment and fund management
Use of CSR: continuous process
Use of CSR: continuous process, cont’d
Necessary but not sufficient

Collective action and government regulation

CSR: voluntary and individual
Necessary but not sufficient

Solid and institutionalised

Symbolic and well-intentioned
Necessary but not sufficient
Thank you for your attention