Link REIT Scored 72 On ESG Evaluation; Preparedness Adequate

HONG KONG, Jan. 26, 2021 /PRNewswire/ -- S&P Global Ratings said today thatHong Kong-based Link Real Estate Investment Trust (Link) scored 72 in its ESG Evaluation. On our scale, 100 indicates the lowest risk and 0 the highest. The company's ESG Evaluation score is the result of an ESG profile of 72 combined with an adequate preparedness.

Link's ESG Evaluation score of 72 reflects the company's robust governance structure, adequate preparedness for future disruptions, and overall good management of environmental and social risks. This management is, in our view, aligned with global best practice in the real estate sector. "We believe the board of directors demonstrates expertise and independence in line with international best practices, as well as good awareness of strategic and emerging risks", said Jensen Hui, the primary contact for the evaluation. "In our view, this will likely support Link's strategic objectives, including geographic expansion and portfolio diversification."

Link operates in an industry with relatively low exposure to environmental and social risks. Operators in property investment typically do not develop nor build properties. This limits their exposure to risks such as safety and new environmental regulation. Link has a unique position because many of its assets are located in social housing communities. The company plays an important role in those neighborhoods, by providing access to food and other necessities and contributing to local employment. On the other hand, this exposes Link to more reputational risks and political scrutiny.

Link is a Hong Kong-based, retail-focused property trust. Its asset portfolio comprises retail properties, car parks and offices. As of Nov. 30, 2020, Link has total internal floor area of 15 million square feet (sq. ft.) across 133 properties. Most of these are integrated into local public housing estates in Hong Kong; the trust was originally created from commercial properties divested by the Hong Kong Housing Authority and was listed in November 2005. Link has Hong Kong's largest retail property portfolio held by a single owner, with an internal floor area of approximately 8 million sq. ft. of retail space and approximately 57,000 parking spaces, mostly near its shopping centers. The company has also expanded into four cities in mainland China, where it has five properties and 5 million sq. ft. of retail and office space across Shanghai, Beijing, Guangzhou, and Shenzhen. In addition, Link has a 60%-owned joint-venture office project in Hong Kong and recently acquired office properties inSydney and London.

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