

# CATALYST >>

19<sup>th</sup> February 2014

Catalyst feels compelled to respond to an article by Shopping Centre Council of Australia (SCCA), regarding the [\*Building Sustainability: A Review of Company Performance in the Commercial Real Estate and Property Sector report\*](#). In the article, SCCA questioned the motivation of Catalyst in undertaking this research and made a number of criticisms of the research approach.

The article can be accessed here:

[http://www.scca.org.au/HTML%20Pages/ShopTalk\\_newsletter2010.htm](http://www.scca.org.au/HTML%20Pages/ShopTalk_newsletter2010.htm)

## Our motivation

- Catalyst has an interest in promoting improved standards of corporate social responsibility and transparency about social and environmental issues. Catalyst has built a credible body of research and published reports on these topics over many years. The *Building Sustainability* report is the latest piece in this research portfolio.
- The *Building Sustainability* report makes a useful addition to the state of play in the sector. It highlights how leading organisations are responding to several sustainability challenges and draws attention to good practice.
- It is open to leading and peak organisations like SCCA to focus on some of the important findings of this work. SCCA could use its significant relationships and resources to develop a cross-sector response to particular risks that were identified in the research and benchmark good practice from within the sector. Chief among these is the urgent need for the sector to develop clear guidance and reporting standards on worker health and safety. Catalyst is not alone in raising this issue, but our research attests to its importance: the report outlines that, with a few exceptions, the sector is well behind other sectors in managing associated worker health and safety risks.
- Catalyst has experience working with companies and benchmarking organisations to give practical effect to our research and advance our recommendations. Such organisations share our commitment to improve sustainability reporting and performance. Catalyst could conceivably do the same with the commercial real estate and property sector, including SCCA.
- The value of Catalyst was noted by Dr Simon Longstaff from St James Ethics Centre when launching one of our major reports in 2012 on community investment. Dr Longstaff stated

**“I want to congratulate the unions and other organisations that have come together for the establishment of Catalyst and for its support of this work. It is really essential that all parts of society engage with the world of business and make an investment in doing so. It is not always the case that it is done in a way which is entirely constructive by all parties ... The good news is that I think that is changing now ....”**

- The infantile response to our research suggests that such change is yet to find its way into the corporate culture at SCCA, although Catalyst is encouraged that such views appear to be in the minority.

## **Response to specific claims by SCA**

### **Methodology and approach**

- The approach to rate public information is declared in the report, and the limitations of this approach are clearly outlined on page 9. Catalyst has found that approaches to companies to engage with them, at best, results in an ad hoc response with some companies choosing to respond and others not. This means data being compared is incomparable. As well, Catalyst has an interest in drawing attention to the importance of public disclosures. Thus, our approach to look at how comprehensively companies are reporting about non-financial performance is helpful in highlighting which companies are open in disclosing information.
- Catalyst stands firmly by its methodology which has been developed and applied to companies other than the commercial property and real estate sector without critique. It evolved through a rigorous process drawing on internal and external expertise, and includes testing, peer review and evaluation. We are prepared to discuss and explain the methodology fully with SCCA or other interested parties.

### **Funding and relationships with trade unions**

- SCCA implies that Catalyst's union funding results in an inbuilt research bias, although it does not provide any evidence to support such a claim. In any event, this suggestion is strenuously refuted. Catalyst works with a range of NGOs, academics and other interested stakeholders as well as unions. All such collaborations and relationships are declared in our annual reports and available on the website.
- The partnership with United Voice in the preparation of this research was acknowledged. United Voice saw the value of applying our independently developed research methodology, while Catalyst saw the value of undertaking a review of this sector. Reasons are outlined in the report. As well, we were intrigued by the findings of our 2012 CSR Dashboard research which showed an unusual disparity between company performance in this sector compared with others.

### **Governance**

- The Catalyst board is comprised equally of donor unions and independent members. The chairperson is independent. This governance structure is balanced and diverse and the constitution is publicly available. Independent members are elected each year from the membership.
- Catalyst is transparent about its funders, reporting annually every year. Indeed, Catalyst is one of the few such organisations to disclose funders.
- The past employment experience of its Executive Director is also declared. As SCCA notes this included a period at United Voice. It also included a number of years in senior positions in government undertaking high level published research. Perhaps there was no media or other interest in this relationship and related matters because to most sensible people, it is uncontroversial.

### **Omission to rate based on *Code of Conduct for Fair Service Provision in Shopping Centres***

- The Code is not picked up in our metrics because there were no substantial references to it on any company website or in any publicly available report. This possibly says more about the limited operational impact of the Code than it does about the Catalyst methodology.