

# SUSTAINABILITY UPDATE



Kuala Lumpur, 22 December 2014, Monday

## **MISC INCLUDED IN THE FTSE4GOOD BURSA MALAYSIA ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) INDEX**

On 22 December 2014, MISC was notified by Bursa Malaysia that it will be included in the new FTSE4Good Bursa Malaysia Index (also known as the Environmental, Social, and Governance (ESG) Index, for Malaysian Public Listed Companies. The new ESG Index is designed to measure the performance of companies demonstrating good ESG practices and is aligned with other leading global ESG frameworks such as the Global Reporting Initiative (GRI) and the Carbon Disclosure Project. As a constituent of the FTSE4Good Bursa Malaysia Index, it is clear that MISC is demonstrating a leading approach within the Malaysian market to address relevant corporate responsibility risks.

The selection process began in mid-2014 where the top 200 companies listed on Bursa Malaysia were assessed for their sustainability performance based on globally recognized standards that looks into indicators within the three main themes - environment, social and governance. Amongst the 200, only a total of 24 listed companies qualified to be included in the index. The growing interest by investors on the management of ESG in their portfolios are increasing, and companies that become members of the FTSE4Good Bursa Malaysia Index sends a clear message about the company's commitment to responsible business practices.

### **Background**

Socially responsible investing (SRI) or also known as sustainable, socially-conscious, or ethical investing, describes an investment strategy which seeks to maximize both financial return and social good. Socially responsible investors favour corporate practices that promote good governance, environmental stewardship, consumer protection, human rights and diversity, amongst others. The areas of concern recognised by the SRI Industry can be summarised as Environment, Social and Governance (ESG).

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As announced by the Prime Minister on 8 June 2014 at Invest Malaysia 2014, Bursa Malaysia will partner with the Financial Times and the London Stock Exchange (FTSE) to derive and launch a Malaysian ESG index by the end of 2014. The introduction of the ESG index will encourage and support enhanced ESG disclosure and practices for the Malaysian capital market, thus facilitating greater international investment inflows. Companies included in the index will achieve visibility within the investment community for demonstrating good ESG practices and disclosure.

The ESG index will be included in the FTSE Bursa Malaysia Index Family and it will become an additional avenue for investors who are looking to invest in companies that are not only performing well financially but are also demonstrating good ESG practices and ESG disclosure.

The objectives of the index are to (as specified by Bursa):

- Support investors in making ESG investments in Malaysian listed companies.
- Increase profile and exposure for corporates with leading ESG practices.
- Encourage best practice disclosure.
- Support the transition to a lower carbon and more sustainable economy.
- Further building and strengthening the FTSE Bursa Malaysia Index Family.

It was timely for MISC to have launched its inaugural Sustainability Report in May 2014, as Sustainability Reporting and other publically available disclosures (i.e. Sustainability Report, Annual Report and others) become an essential element used for the research and assessment by FTSE to identify relevant ESG information.

MISC is very pleased with this recognition and inclusion into the FTSE4Good Bursa Malaysia Index. Well done to those who have put in their efforts and contributed towards achieving this milestone. MISC will continuously enhance its sustainable development efforts and review its sustainability performance in striving towards greater sustainability.

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To read the full list of constituents, please click on the link below:

[http://www.bursamalaysia.com/misc/system/assets/11885/FAGBM\\_List.pdf](http://www.bursamalaysia.com/misc/system/assets/11885/FAGBM_List.pdf)

To learn more about FTSE4Good, please visit <http://www.ftse.com/products/indices/FTSE4Good>

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