

PetDag, Sime Darby, Public Bank, Maxis among new additions to F4GBM index

By Supriya Surendran / theedgemarkets.com | December 14, 2015 : 7:45 PM MYT

KUALA LUMPUR (Dec 14): Petronas Dagangan Bhd (PetDag), Sime Darby Bhd, Public Bank Bhd and Maxis Bhd are four of the 10 new additions to the FTSE4Good Bursa Malaysia Index (F4GBM), effective Dec 21.

The other six new additions are KLCC Property Holdings Bhd and KLCC Real Estate Investment Trust (KLCC Stapled Group), Aeon Credit Service (M) Bhd, Malaysia Marine and Heavy Engineering Holdings Bhd, Salcon Bhd, Top Glove Corp Bhd and Unisem (M) Bhd.

The F4GBM index measures the performance of public listed companies (PLCs) demonstrating strong environmental, social and governance (ESG) practices, and was launched in December 2014, with a total of 24 constituents comprising PLCs from across the small, medium and large market capitalisation segments.

Index constituents are drawn from the 200 shortlisted companies on the FTSE Bursa Malaysia EMAS Index and reviewed in June and December, against international benchmarks developed in collaboration with FTSE.

Bursa Malaysia's chief executive officer Datuk Tajuddin Atan said it has been a year since the launch of the F4GBM index, in which Bursa Malaysia became the first exchange in Asia, with a globally benchmarked ESG index.

"We have since continued to engage the market, specifically our PLCs, investment banks, brokers and investors, to deepen the understanding of the requirements and propositions of being on the index, and the feedback has been positive," he said in a statement today.

"Our new ESG constituents represent a diverse group of companies from different sectors and from the three market cap segments, which is positive, as this indicates that market quality extends beyond our large cap companies," he added.

FTSE Russell ESG's head David Harris said the achievement of these companies on the F4GBM index is welcomed by institutional investors.

"We are delighted that so many Malaysian companies have improved their ESG performance and transparency, reflected in their inclusion in the FTSE4Good Bursa Malaysia Index Series.

"This is a significant achievement and will be welcomed by institutional investors, both locally and abroad, as investors increasingly seek to integrate ESG considerations into their portfolio," said Harris.

Bursa Malaysia has been one of the key drivers of sustainability in Malaysia. In 2015, the local bourse became a partner exchange on the Sustainable Stock Exchanges Initiative and also by developing the CAP

10 ASEAN Sustainability Series, which included playing host to the World Federation of Exchanges Sustainability Working Group and the Global Sustainability & Impact Investing Forum in July, and launching the Sustainability Guide and Toolkits at the Sustainability Symposium in October.

Over the past decade, Bursa's sustainability journey has included the introduction of the Bursa Malaysia Corporate Responsibility framework in 2006, followed by the Shariah-based indices and corporate governance guidelines for listed companies in 2007 and the launch of the F4GBM Index in 2014.