



**Global Sustainability & Impact Investing  
Forum  
ASEAN CAP10 Sustainability Series**

**Special Address for Nandini Sukumar  
Chief Executive Officer, World Federation  
of Exchanges**

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Lumpur**

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Good morning

**Introduction:**

1. It's a great pleasure for all of us at the World Federation of Exchanges to be here in KL and participate in the ASEAN Sustainability Series with Bursa Malaysia.
2. Bursa Malaysia, who are an active and greatly respected member of the World Federation of Exchanges, yesterday also hosted the WFE Working Committee where Sustainability cropped up as an issue time and again.
3. And why do we care so much?

4. World Exchanges (WFE members) represent a total global market capitalisation of USD64.7 trillion and a total trading value of USD 60 trillion.
5. WFE members, who operate public markets globally - Bursa Malaysia is an example - live on a daily diet of transparency, accountability and sustainable development. Exchanges strive for order and fairness every waking minute of their working day.
6. Yesterday at the WFE Working Committee there was great interest in a panel on Islamic Finance. Many of the principles of Responsible Investing and Islamic Finance have many common characteristics as well as a shared interest in the well-being of the wider community.
7. So WFE members have a vital role in helping their listed companies and issuers discover and adopt best practice in the important field of impact investment. And WFE members globally are working hard to do their part to ensure there is a

globally consistent approach for investors.

8. And why do investors and exchanges care so much about Sustainability?
9. This trend has been driven by climate change, the rising awareness of economic instability and widespread concerns over poverty, gender and opportunity issues. Such issues have become part of the common currency in the wider political discourse in recent years and has led to an increasing focus in the investment community on sustainability issues.
10. It is not surprising then that companies are taking sustainability increasingly seriously and that many see it as an issue which has the potential to hurt their bottom line if not carefully managed.
11. WFE has a Sustainability Working Group and we have just released the results of a survey of the members. The headline that jumps at you: Thirty nine percent -- 22 exchanges out of 56 -- of the respondents said they had been approached by investors regarding sustainability and ESG issues.

12. And this is reflected in the demand by investors for sustainability-themed financial products, such as ESG indices.
13. Our survey showed that at least 22 different sustainability and ESG-related indices have been created by members of the WFE. WFE members also launched four new indices in 2014 while 5 exchanges in the survey mentioned they are working on launching an ESG Index
14. As an industry -- Exchanges are not waiting to be prodded into action by investor pressure however - 66% of exchanges surveyed said that they had taken part in, hosted or launched a sustainability event or initiative. Today is a great example of an exchange taking a leadership role in this effort.
15. The Global Compact Joint Initiative, the UN's Sustainable Stock Exchanges initiative as well as our own Sustainability Working Group, which was set up in March 2014 -are the most frequently cited initiatives in which exchanges are likely to have participated.

16. Over the past year the WFE's SWG has sought to forge an industry-wide consensus on the ESG role exchanges should play and is continuing to do so. The WFE's SWG has - among many other achievements - has provided a forum for private and frank discussions between senior exchange officials on the ESG topic and its challenges
17. In Conclusion: there is still much to be done and accomplished but as an industry we have come a long way in just a few short years. WFE and its members will continue to strive to move the needle in a positive direction on ESG issues.
18. Let me thank Tajuddin and Bursa Malaysia for taking the lead today. We are all looking forward to a fascinating session.