

## The Stock Exchange of Thailand Partners with FTSE Russell to Elevate Sustainability Assessment for Thai Listed Companies to International Standards

**BANGKOK, July 30, 2024** - The *Stock Exchange of Thailand* (“SET”) today announces a partnership with *FTSE Russell*, a leading global provider of benchmarks and index solutions, to provide a sustainability scoring framework that will enhance standards among listed corporates in Thailand. FTSE Russell is a subsidiary of *LSEG*, a global financial markets infrastructure and data provider.

Through the partnership, SET will adopt a new scoring framework for environmental, social and governance (“ESG”) standards, using *FTSE Russell’s ESG Data Model*, which will replace the presently used *SET ESG Ratings* from 2026. To ensure all stakeholders’ readiness for the new framework, the adoption will be initially implemented through a pilot phase in 2024-2025. The move will help to align the Thai capital market with international best practices for sustainability disclosure and investing.

The SET ESG Ratings are currently voluntary for listed companies, and they must meet rating criteria evaluated through questionnaire responses and the qualification requirements. The criteria and assessment process of the SET ESG Ratings are approved by SET’s Sustainable Investment Committee, which comprises various corporate governance and sustainability development experts.

Through FTSE Russell's ESG Data Model, eligible companies will have their sustainability efforts assessed through publicly available data. This methodology is already used to evaluate more than 8,000 companies in 47 countries, helping them to build credibility, enhance transparency, and reduce the sustainability questionnaire fatigue for companies. Investors can also benchmark their results against both domestic and international peers using the same standards. The FTSE ESG Data Model is overseen by an independent advisory committee which includes the corporate sector, investors, non-governmental organisations, academia and beyond, with its assessment methodology reflecting the views of a diverse stakeholder base.

**Dr Pakorn Peetathawatchai, President, SET**, said the SET has prioritised developing the Thai capital market to excel in sustainability and gain international recognition. To uplift the SET ESG Ratings and better align with international standards, SET has been exploring global ESG assessment approaches since 2022 and has recently agreed to partner with FTSE Russell.

FTSE Russell products are used extensively by investors to comprehensively and transparently assess listed companies and their ESG operations, against globally recognised standards. Approximately \$15.9 trillion is benchmarked to FTSE Russell indexes<sup>1</sup>.

**Dr Pakorn Peetathawatchai, President, SET**, said: “This partnership between SET and FTSE Russell marks a significant milestone for the Thai capital market. It will encourage Thai listed companies to raise their sustainability practices to international levels and support investors in integrating ESG into their investment decisions, in line with sustainable investment trends. The SET has planned and established a roadmap with relevant agencies to ensure a

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<sup>1</sup> Assets under management through passive and active investment funds using FTSE Russell indexes as their benchmarks.

smooth transition to international ESG assessment standards, benefiting all parties.”

**Helena Fung, Head of Sustainable Finance and Investment APAC, LSEG**, said: “We are proud to partner with the Stock Exchange of Thailand in strengthening local capital markets ecosystems and helping stakeholders to operate more sustainably. This partnership underscores our ongoing commitment to transforming markets and creating value for stakeholders globally. Through this collaboration, Thai listed companies will be empowered to benchmark their ESG practices against international standards. It will also significantly elevate the profile of Thai companies in the international ESG discourse, making them more relevant to discerning global investors.”

To assist listed companies and investors in better understanding FTSE Russell’s ESG Data Model, SET and FTSE Russell will undertake a series of capacity building workshops, intended to generate awareness, improve education, and generally keep market participants informed of changes to be expected when moving from the SET ESG Ratings to FTSE Russell’s ESG Data Model, ensuring a smooth transition. These include a seminar, titled *The Next Step for SET ESG Ratings: Preparing for FTSE Russell ESG Assessment*.

SET and FTSE Russell will also commit to creating a knowledge base of guidelines on FTSE Russell’s ESG Data Model scoring methodology, in both Thai and English.

**ENDS**

### **About The Stock Exchange of Thailand**

The Stock Exchange of Thailand (SET) is among the most liquid exchanges in Asia, providing a full range of investment products including equities, derivatives, as well as world-class trading, post-trade infrastructure/technology services. Going forward, SET’s vision “To Make the Capital Market ‘Work’ for Everyone” is aligned with the aim to support strong economic growth and competitiveness. Globally and regionally, SET has also actively coordinated with other exchanges to boost investment opportunities and capital market growth potential. Moreover, SET puts strong emphasis on sustainable growth by promoting listed companies’ business models that care for environmental, social and governance (ESG) practices.

### **About FTSE Russell, an LSEG business:**

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$15.9 trillion is benchmarked to FTSE Russell indexes. Leading asset owners, asset managers, ETF providers and investment banks choose FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also

focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

FTSE Russell is wholly owned by London Stock Exchange Group.

For more information, visit [FTSE Russell](#).

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