

Press Release

VIS Credit Rating Company, in cooperation with a consortium of International Rating Agencies, assigns First ISG-ES Grading

Karachi, December 23 2019: International Industries Limited ('IIL' or 'the Company'), in a global first, has been assigned an Investment Strength, Governance, Environment and Social (ISG-ES) Grading of ISG-ES 2, signifying 'Strong Investment Prospects'.

ISG-ES Grading is aimed at promoting cross-border investments amongst the countries along the Belt & Road Initiative. The ISG-ES Grading is an assessment of the Company's performance in 4 key areas, providing an aggregate evaluation of Investment Strength (IS), Corporate Governance (G), Environmental Accountability (E) and Social Responsibility (S) of an institution.

IIL's IS Grading has been assessed at 'Strong'. The IS Grading is built on a 'Strong' assessment on 'Corporate Positioning' and 'Financial Performance' and 'Moderate' assessment on 'Economic/Business Risk' and 'Industry Risk'. The IS Grading is particularly supported by IIL's Corporate Positioning, which takes into account the Company's dominant market positioning and prominent brand recall, relative to other domestic producers. Furthermore, IIL's strong financial performance, over the years, has translated in relatively higher wealth generation for investors vis-à-vis other companies in the industry. Conversely, the IS Grading is subdued by the overall assessment of economic risk in Pakistan and business & industry risk factors.

IIL's G grading has been assessed as 'Strong', which is supported by a well-defined regulatory framework for governance and overall Board operations that are broadly aligned with best practices. Room for higher level achievement is available in Board & Board Committee compositions.

IIL's E grading has been assessed as 'High'. This takes into account numerous initiatives taken by the Company to limit greenhouse gas emissions, optimize water usage and streamline waste management. The E score is limited by the general dynamics of steel pipe production and non-standardized disclosures of carbon emissions.

IIL's S grading has been assessed as 'Strong'. This takes into account the inclusion of social contribution as a policy measure, superior employee remuneration practices, vis-à-vis market norms, favorable health & safety record, in addition to being compliant with several internationally recognized accreditations.

The ISG-ES Grading is a joint assessment conducted by four credit rating agencies. VIS Credit Rating Company Limited, Pakistan, China Chengxin International Credit Rating Company Limited (CCXI), China, Rating-Agentur Expert RA GmbH (RAEX), Germany serving the European Union and Islamic International Rating Agency (IIRA), Bahrain serving the OIC, under an agreement to facilitate flow of investment related information across borders. ISG-ES Gradings so assigned are recommended to be read in conjunction with the 'Country Risk Report', a joint publication of the above mentioned rating agencies, delineating the relative risk profile of countries and regions along the Belt and Road.

For full report of this announcement please visit website: www.br-iris.com or contact Mr. Mohammad Arsal Ayub, CFA (Ext: 214) and/or the undersigned (Ext: 306) at 021-35311861-71 or email at info@vis.com.pk.

Faryal Ahmed
Deputy CEO

Applicable Rating Criteria: ISG-ES Methodology
<http://www.br-iris.com/docs/ISGESBrochure.pdf>