

DFM reinforces its leading role in promoting best practices of ESG integration amongst market participants

- **Workshop sheds light on the findings of the 2019 Global Report on ESG
Integration in Europe, Middle East and Africa**
- **The DFM's contribution in the report focused on integration of ESG
principles within its Sharia'a Standards**

Dubai, 30 April 2019: As part of its leading role amongst regional exchanges promoting international best practices in capital market sector, the Dubai Financial Market (DFM) has organized a workshop about businesses' reporting on Environmental, Social and Governance (ESG) practices in cooperation with the CFA Society Emirates.

The workshop aimed at updating DFM-licensed brokerage firms and investors as well as CFA Society Emirates members on the findings of the latest report on ESG Integration in Europe, The Middle East, and Africa issued by the UN-supported

Principles for Responsible Investment (PRI) and the CFA Institute in March 2019, with a contribution from DFM.

ESG practices are gaining further significance amongst investors globally as they are increasingly incorporating ESG factors in their investment analysis and processes, and value listed companies' commitment towards ESG reporting, with many international funds taking this commitment into consideration when making their investment decisions.

The DFM's contribution in the report focused on the integration of ESG principles within its Sharia'a Standards, considering its status as the first Sharia'a-compliant exchange globally since 2007 and its active role in strengthening Dubai's leading position as the capital of Islamic economy globally.

Through this global report, the DFM has highlighted its most recent initiative related to updating its Sharia Standards to address Green investments reinforcing the linkage between ESG and Sharia'a. The DFM's Fatwa and Sharia'a Supervisory Board has updated the Sharia Standards focusing on green investments such as Sukuk and investment funds in 2018.

Moderated by Steve Wallace, Director of Outreach MENA, CFA Institute, the workshop attracted senior panelists including; Dr Mabid Ali Al-Jarhi, DFM Fatwa and Sharia'a Supervisory Board Member, Dr Ashraf Gamal ElDin, CEO of Hawkamah Institute of Corporate Governance and Damian Regan, Director of Insurance and Investment Management at PwC.

Hassan Al Serkal, Chief Operating Officer (COO) and Head of Operations Division of DFM said: "Since its inception in the year 2000, the DFM has been a key driver of change and an active promoter of best practices amongst its participants and the broader public. We are pleased to host this workshop for the second time, as part of our concerted efforts to raise awareness of the ESG emerging trends. We continuously encourage issuers' extensive implementation of the ESG reporting considering its growing significance amongst factors affecting investment decisions. We deeply believe that the ESG reporting is crucial element whether for listed companies and Sharia'a-driven investors as both sustainability and environment protection are amongst the key objectives of Islamic Sharia'a."

According to the key findings of the new PRI and CFA Institute Report, portfolio managers and analysts are more frequently integrating ESG into the investment process with governance being the ESG top factor, while environmental and social factors are gaining acceptance, but from a low base. The main drivers of ESG integration are risk management and client demand, while the main barriers to ESG integration are a limited understanding of ESG issues and a lack of comparable ESG data.

William Tohmé, CFA, Regional Head of MENA for CFA Institute, said: “As companies in the Middle East increase their exposure to international investors in global markets, demand for ESG data will likely contribute to both their valuation and reputation. Hence, local stock exchanges like the DFM are playing an important role in driving better reporting on the part of listed companies, with their Sharia’a Standards serving the growing investor interest in sustainability and a green economy. The UAE is also in a unique position given that it is a global hub of Islamic Finance. Islamic finance and ESG analysis are complementary capital-raising and investment approaches with many shared principles, primarily the aim of good stewardship towards society and the environment.”

- Ends-



About Dubai Financial Market: Dubai Financial Market (DFM) was established as a public institution with its own independent corporate body. DFM operates as a secondary market for the trading of securities issued by public shareholding companies, bonds issued by the Federal Government or any of the local Governments and public institutions in the country, units of investment funds and any other financial instruments, local or foreign, which are accepted by the market. The DFM commenced operations on March 26, 2000 and became the first Islamic Shari'a-compliant exchange globally since 2007. Following its initial public offering in November 2006, when DFM offered 1.6 billion shares, representing 20 per cent of its paid-up capital of AED 8 billion, DFM became a public joint stock company and its shares were listed on 7 March 2007 with the trading symbol (DFM). . Following the IPO, the Government of Dubai retained the remaining 80 per cent of DFM Company through Borse Dubai Limited. www.dfm.ae

For media inquiries, please contact:

Atef Fathy

Vice President - Media & Public Relations

Dubai Financial Market

Tel: 04-3055334

Email: afathy@dfm.ae