

DFM launches guidance on Environmental, Social and Governance (ESG)

Reporting

- **H.E. Essa Kazim: “Growing demand from investors for comprehensive ESG reporting, as they are increasingly factoring such data in their decision-making process”**
- **The DFM hosted a workshop for listed companies to shed light on the guide’s 32 reporting metrics**

Dubai, 26 November 2019: Dubai Financial Market (DFM) today launched its Guide on Environmental, Social and Governance (ESG) Reporting, as part of its endeavor to promote issuers’ expansion in embracing ESG best practices. The DFM is actively engaged in the global efforts to achieve the U.N.’s Sustainable Development Goals as well as the UAE Sustainable Development Goals 2030, the Dubai’s Strategic Plan 2021 and green economy drive as well as reinforcing its position as the capital of Islamic economy globally.

The DFM is driving the change in the capital markets sector through numerous initiatives in collaboration with various institutions in the UAE and beyond such as; the UN’s Sustainable Stock Exchanges (SSE) initiative and the World Federation of Exchanges (WFE) to instill

sustainability and governance within market participants including; listed companies, investors and brokerage firms. One of the four pillars of the DFM Sustainability Strategy 2025, 'Sustainability Reporting and Disclosures', demonstrates DFM's commitment to promoting ESG reporting among listed companies.

Developed in cooperation with Sustainability Excellence, the comprehensive Guide provides listed companies with invaluable insight to instill best practices of Environmental, Social and Governance (ESG) within their reporting processes through the implementation of 32 metrics. While implementation is voluntary for the time being, listed companies are strongly encouraged to further commit to ESG reporting and refer to the guide as a starting point in their sustainability reporting journey.

His Excellency Essa Kazim, Chairman of DFM said: "As financial markets play an instrumental role to foster economic development and mobilize the necessary investments to achieve sustainable growth, the DFM has made a formal commitment to promote sustainability in capital markets, further attract international investors as well as encourage responsible



investment. The DFM is a Partner Exchange Member of the Sustainable Stock Exchanges (SSE) initiative and we are actively working since 2016 to promote best practices of sustainability amongst market participants, as we are looking to become the region's leading sustainable financial market by 2025."

"Within this context, we are delighted to launch this guide as our most recent initiative to support listed companies' sustainability reporting. The guide thoroughly explains ways to enhance ESG reporting and promote transparency and disclosure in financial markets. It is a well-timed initiative considering the growing demand from investors across the world for a broader approach of reporting on ESG matters that are increasingly factored in their decision-making process," H.E. Essa Kazim added.

It is noteworthy that institutional investors are the main driver behind the expansion of ESG reporting globally. As of April 2019, more than 2,300 investment management firms representing \$86 trillion in assets under management have pledged to integrate ESG factors in their investment decisions by becoming signatories to the UN-backed Principles for Responsible



Investment (PRI). DFM has actively collaborated with the UN PRI and Chartered Financial Analyst (CFA) Institute on ESG Integration in the Middle East.

DFM ESG Workshop for Listed Companies

To shed light on the ESG Reporting Guide, the DFM hosted a workshop for representatives of the listed companies. Attendees have gained knowledge on recent trends of ESG reporting by listening to senior experts including; Darin Rovere, Founder & CEO of Sustainability Excellence, Nick Nadal, Vice President, Company Secretary of Hawkamah, and Shyrose Osman, Vice President, Corporate Communications, and Chair of Sustainability Committee, DFM.

The experts explained the guide's 32 metrics that are typically assessed by the investment community including 10 for each of governance and social in addition to 12 environmental metrics. The DFM ESG Reporting Guide is available to download at; www.dfm.ae

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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. 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. Following the IPO, the Government of Dubai retained the remaining 80 per cent of DFM Company through Borse Dubai Limited. www.dfm.ae

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