2025

ESG REPORTING

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GUIDE

TABLE OF CONTENTS

CHAIRMAN'S MESSAGE

On behalf of the Board of Directors, it is my privilege to present the updated Dubai Financial Market's (DFM) ESG Reporting Guide. This guide underscores our commitment to advancing sustainability practices within the financial markets, aligning with the UAE's vision, the United Nation's Sustainable Development Goals (UN SDGs), and DFM's Sustainability Strategy 2025. This update also reflects the latest global sustainability trends and introduces enhanced frameworks and metrics to support our listed companies in their environmental, social, and governance (ESG) disclosure journey.

As a key player in regional development and sustainable transition, DFM operates at the nexus of issuers, investors, market participants, and government efforts. Established as a public institution in 2000 through Decree 14/2000 issued by the Government of Dubai, DFM was the first financial market in the Middle East to offer its shares through an IPO. This pioneering move bolstered DFM's own management of ESG factors, including increased transparency and enhanced corporate governance.

In recent years, demand for ESG bonds and sustainability Sukuk in the GCC region has risen to a new level, reflecting a growing appetite for sustainable investment opportunities. These instruments align financial growth with environmental and social goals and enable investors to contribute to sustainable development while achieving returns. The UAE has led this trend alongside other GCC countries, with multiple issuances targeting renewable energy projects and green infrastructure.

DFM has been at the forefront of the sustainable finance trajectory in the UAE. Operating in accordance with Shari'a principles, DFM embodies the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President of the UAE, Prime Minister, and Ruler of Dubai to accelerate promote sustainable investment and enhance transparency in capital markets. In keeping with this vision, DFM is a Partner Exchange member of the United Nations' Sustainable Stock Exchange (SSE) initiative, and it continues to lead regional efforts to promote the best practices that enable listed companies to attract sustainable investment and strengthen their market position.

By the end of 2024, Nasdaq Dubai, a subsidiary of DFM, solidified its position as the leading regional exchange in ESG debt listings with a record total value of over USD 29 billion. This surge, a 9% increase from 2023, reflects the growing interest in responsible investment opportunities across sectors such as renewable energy and green infrastructure.

To further enhance its ESG capabilities, DFM has also collaborated with global organizations, including the World Federation of Exchanges (WFE) and SSE. These partnerships enable DFM to align its practices with international standards while contributing to reports and frameworks that advance ESG integration globally.

The 2025 update to the ESG Reporting Guide introduces significant enhancements, including the adoption of the double materiality concept, a focus on sustainability and climate-related risks and opportunities, and the development of corporate strategies to address these challenges. It also emphasizes operationalizing governance structures and establishing targets to effectively manage these risks, all in alignment with ISSB standards.

DFM remains committed to fostering gender balance and inclusivity within capital markets, in alignment with the UAE's vision and the UAE Gender Balance Council initiatives. To support this commitment, the ESG Reporting Guide now encourages listed companies to adopt the SSE's updated gender guide and best practice document that aligns and incorporates Women's Empowerment Principles (WEPs) by UN Women. These metrics provide a structured approach to reporting key gender-related indicators, including workforce diversity, leadership representation, non-discrimination and equal pay.

These advancements ensure DFM-listed companies remain competitive, attract international investment, and contribute meaningfully to sustainable growth. Furthermore, the introduction of tools such as self-assessment for ESG maturity and new reporting principles underscores DFM's commitment to supporting listed companies through this transformative journey.
As we move forward, DFM will continue to lead by example, fostering a sustainable ecosystem and advocating for best practices in ESG reporting. I am confident that these initiatives will not only strengthen Dubai's position as a global financial hub but also contribute significantly to the UAE's sustainability aspirations and economic prosperity.

Best regards,

Helal Al Marri
Chairman of Dubai Financial Market (PJSC)

ABOUT THIS GUIDE

Investors and other stakeholders are demanding increasing transparency and accountability for companies' ESG performance. As part of their valuation, risk assessment, and investment decision processes, investors analyze a company's ESG performance across a broad range of topics, including climate action and the environment, talent management, health and safety, corruption and transparency, and human rights. As a result, integrating ESG principles into strategy and management approaches, and integrating data into mainstream corporate reporting and communications is fast becoming standard practice.

DFM has developed this ESG reporting guidance to familiarize report issuers with global ESG reporting frameworks and to help them navigate the reporting landscape.

This voluntary guide promotes transparency and disclosure among listed companies by emphasizing the value and benefits of sustainability reporting as a tool for meeting increasing demand from institutional investors for high quality ESG disclosures. It intends to inform listed companies about ESG and sustainability-related issues, the Securities and Commodities Authority (SCA)-mandated ESG data reporting for DFM and Abu Dhabi Securities Exchange (ADX) listed companies in 2022.

The guide also encourages listed companies to evaluate and disclose their performance against 32 ESG metrics and indicators aligned with the recommendations of the SSE initiative, and the WFE, while referencing key global reporting frameworks.

DFM strongly encourages companies to utilize this guide as a strategic tool in their sustainability reporting journey, ensuring alignment with evolving market expectations and regulatory requirements.

2050

the UAE's 2050 Net Zero Strategy[1]

ALIGNING WITH THE UAE NATIONAL AGENDA

DFM plays a pivotal role within the capital markets ecosystem in driving economic development and mobilizing investments to achieve sustainable growth in the UAE. By embedding ESG principles into its strategy, DFM actively supports the UAE's national ambitions for creating a productive, innovative economy while simultaneously addressing environmental preservation and social development goals.

As a Partner Exchange Member of SSE initiative, DFM is part of a global effort to promote sustainable investment and enhance transparency in capital markets. Through its commitment to advancing sustainability in financial markets, DFM aligns with key national strategies, including the UAE Green Agenda and the 2050 Net Zero Carbon Target. These initiatives guide DFM's efforts to create an investment environment that attracts international investors while encouraging sustainable practices and fostering transparency and disclosure.

DFM's sustainability initiatives, including the publication of this ESG Guide, support the UAE's long-term vision by driving innovation, encouraging sustainable investments, and contributing to a thriving, future-ready economy. This guide reflects DFM's alignment with the UAE's strategic goals and commitment to helping deliver transformative public policy ambitions through enhanced capital market practices, including:

2017–2050[2]

Demand from institutional investors has been the main driver behind the growth of ESG. As of 2021, more

- The UAE Green Agenda[3]
- Green Economy for Sustainable Development[4]

DFM also supports the UAE's global commitments to:

- The United Nations Sustainable Development Goals
- The Paris Agreement on climate change[5] and Dubai Clean Energy Strategy 2050[6]

ESG: A FRAMEWORK FOR SUSTAINABILITY MANAGEMENT

Today's companies face growing pressure from investors to transparently demonstrate the steps they are taking to balance economic growth, environmental stewardship, and social equity by meeting the current needs of their stakeholders without compromising the ability of future generations to meet theirs.

As a result, integrating sustainability into core operations has become a business imperative: more than ever, companies must openly address their approach to managing sustainability, including the material risks and opportunities arising from their environmental, social, and governance impacts, while continuing to generate value for stakeholders.

Modern sustainability management integrates ESG principles into corporate strategy and operations, creating a framework that interlinks sustainability with corporate performance.

Tailored the corporate and investment sectors, ESG factors provided a measurable framework for evaluating, managing, disclosing and communicating a company's performance and risks across environmental, social, and governance domains:

Environmental factors

include a company's energy consumption, water usage, waste generation, pollution levels, and resource efficiency, as well as its ability to mitigate climate risks and implement effective environmental management systems.

Social factors

nclude relationships with employees, suppliers, and communities, covering areas such as diversity, equity and inclusion, human rights, customer protection, employee well-being, and ethical supply chain management.

Governance factors

include corporate governance practices such as board composition and independence, shareholder relations, transparency, internal controls, and anti-corruption measures. These factors are essential for long-term corporate success and reputation.

ESG and SustainabilityTerminology

The term ESG is a distinct but complementary term used primarily by the investment community to evaluate a company's performance on specific sustainability-related factors that influence financial outcomes.

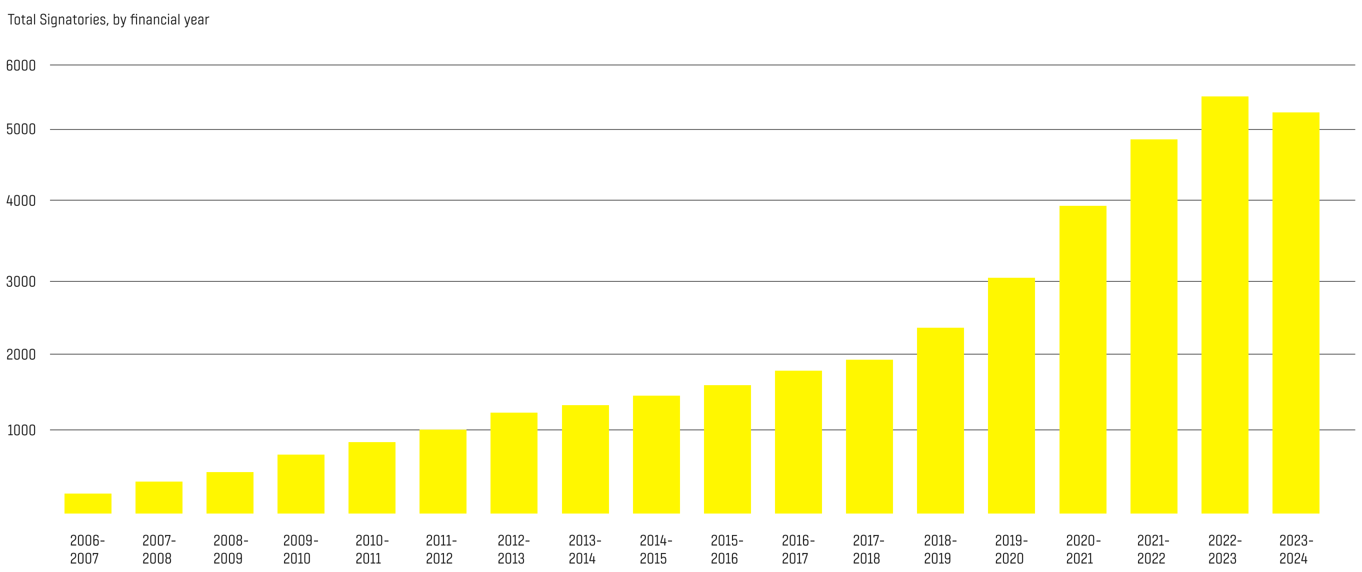
By embedding sustainability into business operations and aligning ESG practices with measurable key performance indicators, companies not only enhance resilience and value creation but also position themselves to meet the expectations of investors, stakeholders, and global frameworks.

HOW GLOBAL CAPITAL MARKETS ARE DRIVING DEMAND FOR ESG DISCLOSURE

Demand from institutional investors for transparency around ESG performance is transforming capital markets around the world. By integrating ESG considerations into their investment practices, investors are increasingly placing ESG performance at the center of their investment decisions, pushing for greater transparency of alignment between corporate strategies and ESG risks, impacts, and opportunities.

The demand for measurability, accountability and transparency around ESG performance spans the global financial sector: **In 2024, more than 5,345 signatories to the United Nations-supported Principles for Responsible Investment (PRI) (including 736 asset owners managing more than $121 trillion in assets) committed to integrating ESG considerations into their investment decisions.**[7]

SIGNATORY GROWTH IN 2006-2024

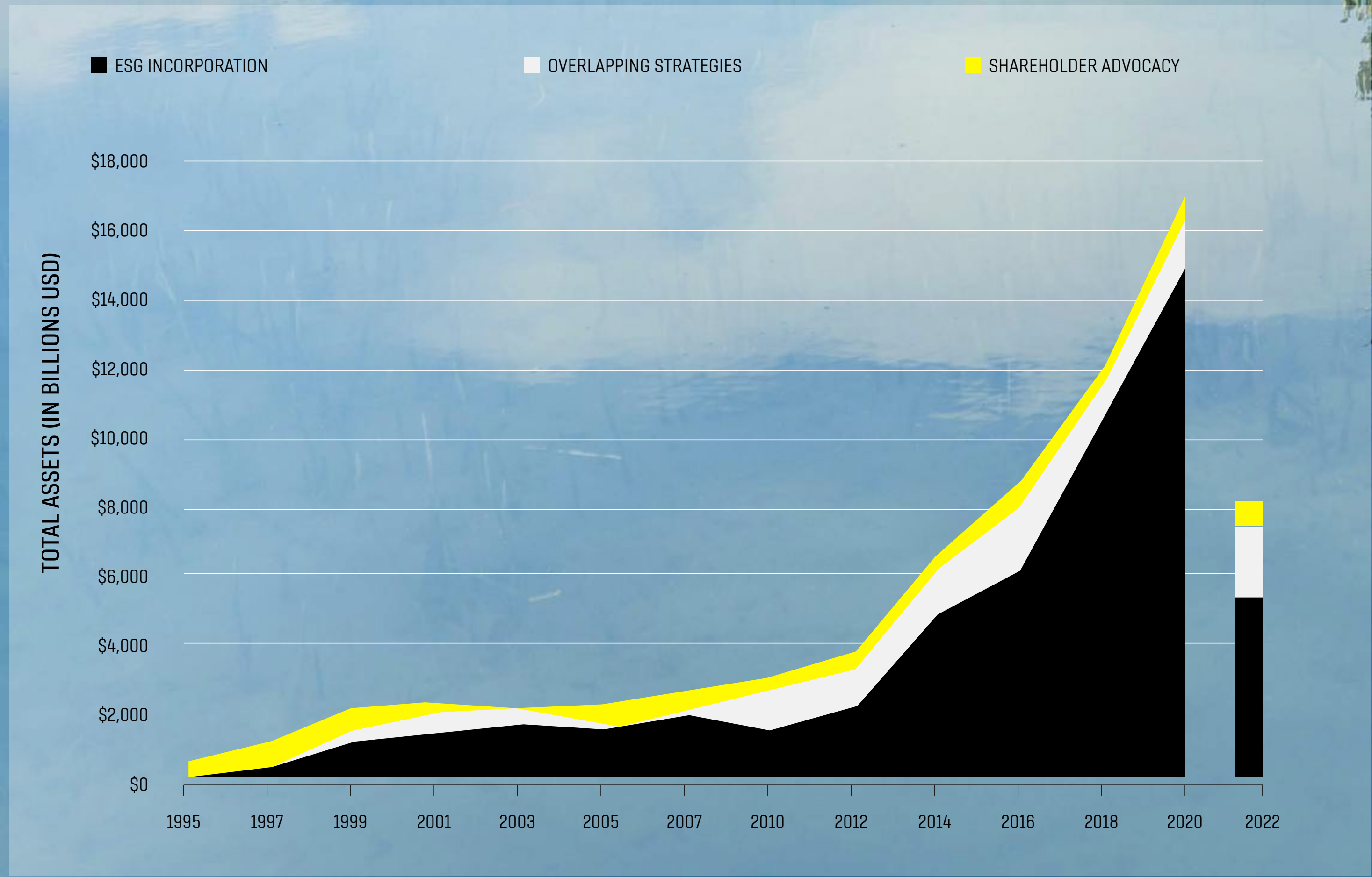


GROWTH IN IMPACT INVESTING

The impact investing market is also experiencing significant growth in recent years. According to the Global Impact Investing Network (GIIN), as of October 2024, over 3,907 organizations manage approximately USD 1.571 trillion in impact investing assets under management (AUM). This represents a compound annual growth rate (CAGR) of 21% since 2019, when the market size was estimated at USD 502 billion.

This expansion reflects both asset growth and an increase in the number of organizations participating in impact investing.[8]

SUSTAINABLE INVESTING IN THE UNITED STATES 1995-2022



THE RISE OF CLIMATE-RELATED REPORTING STANDARDS

Today's regulatory authorities and leading investors are demanding enhanced transparency and clarity on how companies are managing the impacts of their operations on climate, as well as how companies are managing the specific risks to their businesses posed by climate change. Inadequately addressing these impacts and risks can create further regulatory, financial, and reputational risk for a company.

Several key initiatives within the global financial markets are addressing these risks by setting forth clear standards and frameworks for reporting and disclosing climate-related risks and impacts as part of a comprehensive ESG reporting practice:

Task Force on Climate-related Financial Disclosures

The Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD) provides a consistent framework the disclosure of climate-related financial risks, enhancing transparency for stakeholders.

As of October 2023, over 4,800 organizations worldwide have pledged support for the TCFD recommendations, spanning almost all economic sectors and regions, reflecting a substantial increase in adoption.[11]

International Sustainability Standards Board

In addition, the International Sustainability Standards Board (ISSB) released its inaugural sustainability-related disclosure standards in June 2023, leveraging the TCFD framework to establish a global baseline for sustainability reporting.

These ISSB standards have been widely embraced and have been endorsed by the International Organization of Securities Commissions (IOSCO). As of December 2024, more than 20 jurisdictions, including the European Union, China, the United Kingdom, Australia, Japan, and Canada, have adopted or are in the process of adopting the ISSB standards, enhancing the consistency and comparability of climate-related disclosures worldwide.[12]

Corporate Sustainability Reporting Directive (CSRD)

Adopted by the EU in April 2021, the CSRD applies to all large companies, all companies listed on EU-regulated markets (excluding listed micro-enterprises), and non-EU companies with substantial operations in the EU.

Under the CSRD, companies are required to disclose comprehensive environmental, social, and governance (ESG) information in alignment with the EU's sustainable finance taxonomy, ensuring consistency with the broader goals of the EU Green Deal, including anti-bribery measures, corruption controls, and human rights performance. The CSRD also mandates limited assurance of sustainability information by auditors or independent assurance providers, with a future goal of transitioning to reasonable assurance to align sustainability reporting with financial reporting standards.

Implementation of the CSRD began in January 2024 for companies previously subject to the NFRD, with deadlines for compliance extending through 2026 for other entities, including small and medium-sized enterprises (SMEs) .[13]

US Securities and Exchange Commission (SEC)

In March 2024, the U.S. Securities and Exchange Commission (SEC) adopted final rules to enhance and standardize climate-related disclosures for investors. These rules require public companies to include specific climate-related information in their registration statements and annual reports, such as governance and risk management of climate-related risks, material impacts on business and financial statements, and certain greenhouse gas (GHG) emissions data.

The rules mandate disclosures about climate-related risks that are reasonably likely to have a material impact on a company's business, results of operations, or financial condition. This includes information on the oversight and governance of climate-related risks by the company's board and management, how identified risks have impacted or are likely to impact the company's strategy, business model, and outlook, and the company's processes for identifying, assessing, and managing climate-related risks.

Companies are also required to disclose their direct (Scope 1) and indirect (Scope 2) GHG emissions, and, if material, certain indirect emissions from upstream and downstream activities in their value chain (Scope 3). The rules also necessitate the inclusion of climate-related financial statement metrics and related disclosures in a note to the company's audited financial statements.[14]

Addressing Climate with Finance: Sovereign Wealth Funds

One example of the rise in impact investing is Sovereign Wealth Funds (SWFs). One of the world's largest institutional investors, SWFs are increasingly allocating capital to companies positioned to benefit from the transition to a green economy. By focusing on long-term investment horizons and sustainability, SWFs aim to protect their portfolios from ESG-related risks while promoting financial, social, and environmental value creation.

The **One Planet Sovereign Wealth Fund (OPSWF) Group** is one such initiative. Established in December 2017 as an outcome of the Paris Agreement, the group was created to address climate-related risks affecting the management of large, diverse, long-term asset pools. Initially founded by six major SWF: Abu Dhabi Investment Authority, Kuwait Investment Authority, New Zealand Superannuation Fund, Norges Bank Investment Management (Norway), Public Investment Fund (Saudi Arabia), and Qatar Investment Authority.

The Group has since expanded to include **18 SWFs, 17 asset managers, and 8 private investment firms.**[9] A 2022 survey revealed that 65.7% of SWFs are now engaging with portfolio companies on environmental issues, up from 50% in 2021.[10]

GLOBAL TRENDS IN SUSTAINABILITY REPORTING

Corporate reporting is a vital communications tool for contextualizing a company's contributions to global sustainability ambitions alongside its strategies and future goals within its broader operating environment. Reporting provides critical insight into company operations, impacts, and efforts to drive sustainable transformation.

As global trends and regulations evolve, the reporting ecosystem is also adapting to meet growing demands for transparency, incorporating more comprehensive information that aligns with evolving stakeholder expectations and the drive towards a sustainable economy.

All number links are listed in page 58

The 2024/25 Reporting Landscape

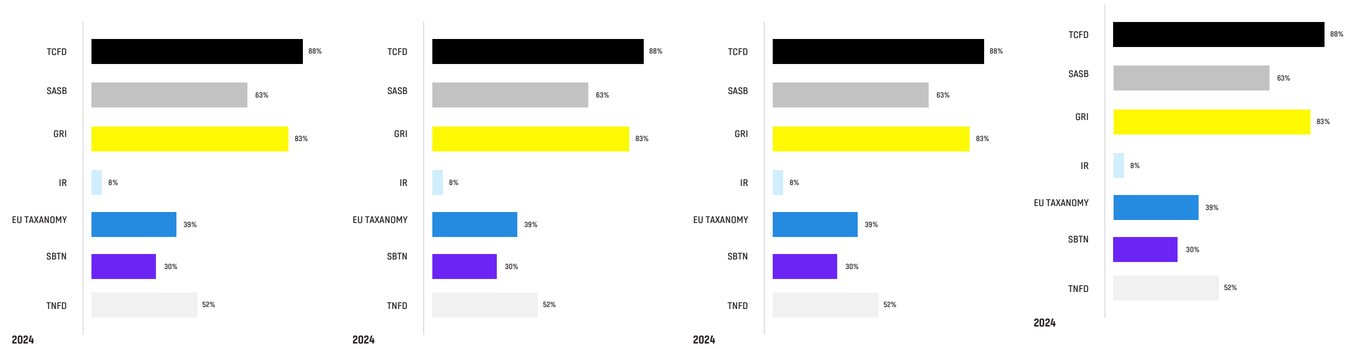
The ESG reporting landscape is becoming increasingly interconnected and complex as new regulations and updated frameworks bring sustainability reporting and financial reporting into even closer alignment.

As the first year of CSRD compliance approaches and the ISSB continues to gain prominence, companies are under urgent pressure to embed sustainability and ESG across all business functions, with greater emphasis on materiality as a critical tool for identifying the most pressing risks, areas of focus, business opportunities and impacts on society and the environment.

A recent edition of Reporting Matters from the World Business Council for Sustainable Development (WBCSD) notes an increase in the adoption of most sustainability reporting frameworks and standards, including the Sustainability Accounting Standards Board (SASB) standards, the Task Force on Climate-Related Financial Disclosures, CSRD, and European Sustainability Reporting Standards (ESRS). While companies previously had ample time to adapt and align with these evolving standards, the current pace of change leaves little room for prolonged preparation, making compliance-driven sustainability reporting more urgent than ever.

Key Findings from Reporting Matters 2021-2024

Figure: Reference to reporting standards and frameworks by year (% of reports):



The Role of Financial Exchanges in Reporting

Over the past decade, there has been significant growth in ESG-related initiatives among stock exchanges, with the proportion of exchanges offering ESG-related products increasing by 156% from 2014 to 2023. Investor demand for ESG products surged by 53% during the same period, and the number of exchanges offering green bonds grew by 325%. In addition, exchanges encouraging or mandating ESG disclosures from issuers saw a dramatic increase of 158%, and the implementation of sustainability initiatives linked to the UN SDGs rose by 125%, and the proportion of exchanges publishing their own sustainability reports increased by 187%.

However, one of the key issues concerning the exchanges' sustainability disclosure effort remains the lack of amalgamation in reporting standards. As a result, one of the biggest challenges faced by the financial exchanges finding a way to ensure that reporting is consistent, of high quality, and contains comparable ESG information which meets the needs of all stakeholders involved.[15]

To track development of reporting approaches, WFE has collated information on global exchanges from its 2023 Sustainability Survey lvii on reporting standards and formats. The exchanges' investment in developing sustainability capabilities indicates the increasing level of attention on ESG issues and signals the ongoing growth in investor demand for ESG products.

All exchanges surveyed maintained participation in at least one WFE Sustainability Principle or ESG initiative, and the growing number of ESG initiatives being implemented highlights a deepening commitment to ESG transparency within the industry.

All number links are listed in page 71

WHY REPORT?

As responsible, impact-focused investment gathers momentum, pressure on companies to disclose accurate, timely, and transparent ESG information is rapidly rising.

Investors are increasingly factoring ESG information into their research, analysis, and investment decision processes to help ensure the companies they invest in are robust, resilient, and actively working to manage their environmental and social impacts. In addition, ESG ratings agencies, and sustainability indices are also leveraging ESG performance information to ensure companies are properly responding to climate change, demographic shifts, technological changes and political developments.

This convergence of investor expectations with global regulatory demands and societal priorities has made the integration of ESG principles into corporate strategy and business operations critical to long-term value creation, resilience, and competitive advantage.

As a result, sound disclosure of environmental, social, and governance performance is a critical indicator of effective management. To keep pace with the escalating demand for transparency around ESG performance, ESG disclosure for listed companies is now a strategic imperative.

Timely, accurate ESG reporting is a powerful tool for mitigating risk, aligning corporate strategy with global sustainability ambitions, and ensuring organizations are positioned to capitalize on emerging opportunities. Regular disclosure of ESG performance information builds investor confidence and cultivates trust and reputational credibility with a broad range of stakeholders, including investors, regulators, and customers.

An ESG reporting practice also enables companies to benchmark their performance against peers and industry standards to ensure competitiveness and facilitates a better understanding of a company's environmental and social impacts. In turn, these insights enable companies to recognize areas of material significance and to evolve and align them with corporate strategy and objectives.

The Benefits of ESG Disclosure

The iterative process of ESG reporting and disclosure enables companies to use data-driven insights to refine and evolve their strategies, address emerging risks, and capitalize on new opportunities. In addition, a robust ESG reporting practice generates an array of other benefits, including:

Stronger Risk Management

Through structured reporting frameworks, ESG disclosure serves as a long-term risk management tool for companies to systematically identify, assess, and address risks and opportunities associated with environmental regulations, social dynamics, and governance challenges. In turn, the process of gathering ESG data, integrating it into management practices, and improving ESG performance also offers companies a more complete view of the risks and opportunities that may affect their performance.

By disclosing material information, companies can reassure investors that ESG-related risks are effectively managed and mitigated. Companies with good ESG performance experience a lower frequency of risk incidents such as major drawdowns and have shown lower systematic risk exposure and less systematic volatility.[16]

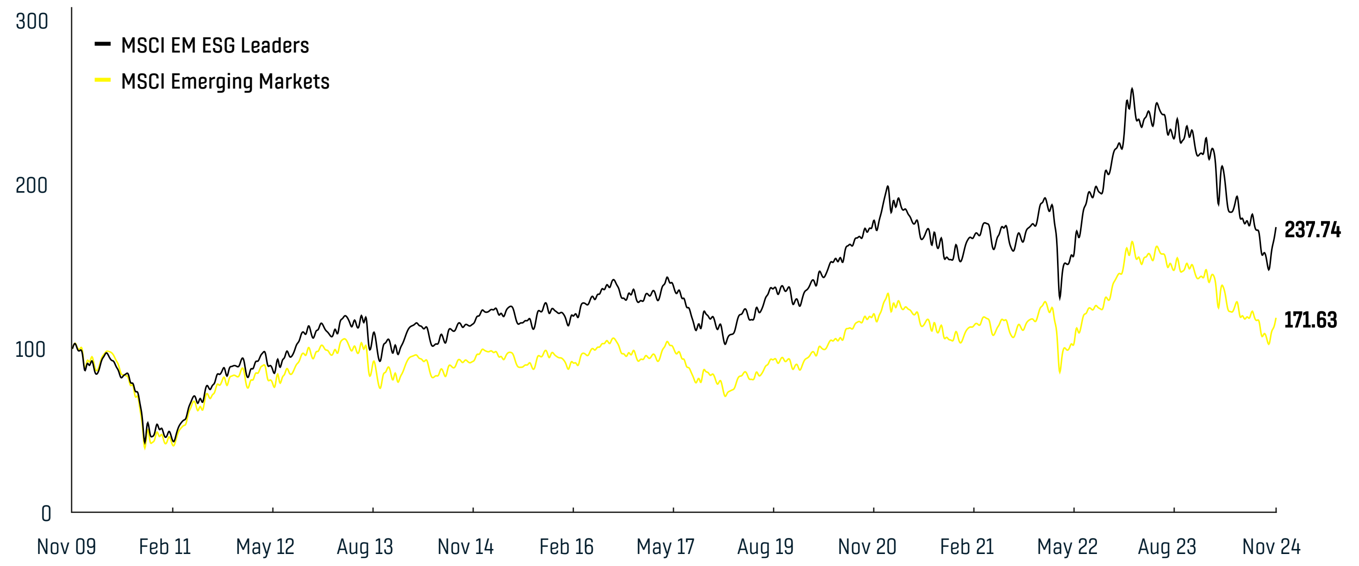
Transparent reporting also equips companies to mitigate potential disruptions, anticipate regulatory changes, and strengthen operational resilience.

Better Profitability, Growth and Access to Capital

Comprehensive ESG reporting enhances a company's appeal to a growing pool of investors focused on sustainable and responsible investment strategies. Transparent ESG disclosures enable investors to assess long-term risks and opportunities, resulting in improved access to capital and favorable financing terms.

Furthermore, companies with strong sustainability performance tend to outperform their industry peers. Companies that have integrated ESG principles into corporate strategy, performance targets, and disclosure practices operate in a lower-risk environment than their peers, positioning them to fully capitalize on opportunities and drive superior returns.

Cumulative Index Performance – Gross Returns (USD) (Nov 2009 – Nov 2024)



Recent data from MSCI's Emerging Markets ESG Leaders Index shows that companies with high ESG performance relative to their sector peers outperform those peers in the Emerging Markets Index in gross returns.[17]

Enhanced Competitive Advantage

Robust ESG reporting is a mechanism for connecting strategic goals, business models, risks, opportunities, operational indicators, and financial performance. This holistic approach enables the development and adoption of sustainability strategies that can help companies drive cost-savings and operational efficiencies. In addition, the alignment of ESG principles into corporate strategy creates competitive advantage by positioning companies to attract, motivate, and retain employees, boost customer loyalty, access new markets, and capitalize on new revenue streams.

Strengthened ESG Ratings

With growing interest in ESG impacts and performance as part of investment research and decision-making, there is demand from global investors for objective assessments of the ESG performance of a company.

ESG rating agencies evaluate publicly disclosed qualitative and quantitative non-financial data and transpose this information into ESG scores, ratings, and insights that are used by investors to inform their investment decisions. Strong ESG performance ratings increase a company's credibility, enhancing a company's capacity to attract long-term capital and institutional investors.

ESG Rating Agencies

Current ESG rating agencies include MSCI, Standard and Poor's Global Corporate Sustainability Assessment, FTSE Russell ESG, Sustainalytics, Fitch Ratings, Refinitiv, Institutional Shareholder Services ESG, and Moody's Vigeo Eiris. These agencies assess companies on their ESG performance and make this data available to their clients.

ESG rating agencies, both equity and debt, vary widely in their approaches to scoping, measuring, and weighting collected data and assigning ESG performance ratings. Whilst recognizing the important and growing role of ESG rating agencies in the ecosystems of financial markets, IOSCO (International Organization of Securities Commissions) has issued recommendations to these agencies to work towards a more transparent, centralized rating approach.

This indicates that regulators focus greater attention on the use of ESG ratings and data products in their jurisdictions to help increase trust in ESG ratings and data going forward.

ESG Indices

ESG indices have become essential tools for guiding capital allocation and risk assessment for investors seeking to build sustainable portfolios. The inclusion of ESG indices increases the profile of a company for stakeholders and investors and provides public recognition for a company in its ESG practices.

In the MENA region, Hawkamah, in collaboration with S&P and the International Finance Corporation (IFC), has developed the S&P/Hawkamah ESG Pan Arab Index. This index evaluates the top 50 Pan Arab companies based on approximately 200 ESG metrics, employing an ESG score-weighting system to highlight leading performers in sustainability.[18]

In 2020, the Dubai Financial Market (DFM), in partnership with S&P Dow Jones Indices and Hawkamah, introduced the S&P/Hawkamah ESG UAE Index. This pioneering index comprises 20 companies and aims to enhance the competitiveness of UAE markets by encouraging listed companies to adopt ESG best practices.

Regulatory Compliance and Readiness

Governments worldwide are embedding ESG principles into their national investment and development strategies. These government strategies are setting the tone for private sector involvement, encouraging businesses to align with broader societal goals. ESG reporting ensures alignment with a company's corporate strategy and global/national visions, which in turn emphasize sustainable and inclusive economic development.

Companies that proactively adopt ESG reporting practices are better positioned to comply with mandatory disclosures and leverage regulatory changes as a competitive advantage. Proactive disclosure enables companies to stay a step ahead of evolving regulatory requirements and mandates for ESG and reporting across global and regional jurisdictions, helping mitigate compliance risks and costs related to financial reporting regulations.

As of December 2024, 74 stock exchanges have issued ESG reporting guidance for their listed companies, reflecting growing global emphasis on corporate sustainability.[19]

All number links are listed in page 58

Regulations and Governmental Initiatives in the UAE

According to the Federal Decree No. 26 of 2020 and SCA Board of Directors' Decision No. (3 /R.M) of 2020 concerning the annual general meetings, in the UAE it is required that companies disclose their sustainability report as part of the integrated annual report and prior to assigning the annual general meeting date.

The 2024 updates emphasize alignment with global ESG and sustainability reporting standards, encouraging greater transparency and accountability in corporate practices. These measures aim to strengthen investor confidence and advance the UAE's sustainability and governance objectives.

A notable development is the issuance of Resolution No. 20/ Chairman of 2023, which establishes a regulatory framework for green and sustainability-linked bonds and sukuk. This framework aligns with international best practices, particularly the International Capital Market Association (ICMA) principles, and aims to facilitate the funding of sustainable projects within the UAE.[20]

In August 2023, SCA partnered with the National Corporate Social Responsibility (CSR) Fund to promote sustainability and corporate social responsibility within the capital markets. This collaboration focuses on implementing mandatory CSR disclosure policies and linking approved projects to listed companies for financing, thereby enhancing transparency and accountability.

The UAE SCA has issued a Master Plan for Sustainable Capital Markets to support and drive progress on the achievement of the UAE's sustainability agenda.

The plan is part of the SCA's role in regulating national financial markets, introducing initiatives aimed at stimulating markets, and supporting the national sustainability agenda and the SDGs.

01.

provide channels for funding of sustainable projects

including those that support the environment, society, and economy; and reallocate available capital to more sustainable projects.

02.

encourage corporates

and their management to shift towards more effective sustainable practices.

03.

provide investment opportunities

and information to investors to invest in sustainable projects and allow them to make better decisions in this regard.

04.

create awareness

with all market stakeholders on the importance of sustainability and their respective role in supporting it through their actions.

United Nations' Sustainable Development Goals (UN SDGs)

In 2015 the United Nations adopted 17 Sustainable Development Goals (SDGs) to provide a framework for addressing critical global sustainability challenges by 2030.

Achieving these goals requires an estimated USD 90 trillion, necessitating active participation from governments, investors, and companies. By integrating ESG performance into their reporting, companies are not only transparently communicating the efforts they are making to support UN SDGs; they are helping investors identify organizations making positive environmental and social impact.

Target 6 of SDG 12, which focuses on sustainable consumption and production, urges companies (particularly large and transnational organizations) to adopt sustainable practices and integrate sustainability information into their reporting. The Global Reporting Initiative (GRI) further supports this effort by collaborating with governments to monitor and accelerate corporate progress on SDG reporting and implementation.

Within this context, the UAE government has established several short-term and long-term sustainability-related goals, along with national frameworks and guidelines for public and private institutions aimed at encouraging better sustainability performance.

Adopting the SDGs as a framework allows companies to develop strategies and implement key performance indicators that align their operations with the UAE's national agenda and the UN's 2030 Agenda. By incorporating ESG performance indicators into their reporting, companies can create a roadmap of measures and commitments, facilitating alignment with and achievement of the SDGs while enhancing their operational and production processes.

How the UAE is Supporting UN SDGs

In January 2017, the UAE government also formed the UAE National Committee on Sustainable Development Goals focused on the national implementation of these goals. Since its establishment the committee has actively advanced the national implementation of the UN's 2030 Agenda.

TARGET 12.6

Encourage companies to adopt sustainable practices and sustainability reporting

In 2024, the committee adopted the UAE National Data Action Plan for the SDGs, aiming to enhance data analysis and accuracy at the national level to monitor progress effectively. The committee also developed the 'XDGs 2045: Navigating the Future of our World' report, unveiled at the UN High-Level Political Forum on Sustainable Development in July 2024. This report outlines a sustainability roadmap extending 21 years beyond the UN's 2030 Agenda, reflecting the UAE's commitment to long-term sustainable development.

In addition, the committee has been instrumental in aligning national policies with the SDGs, building national capacities through strategic partnerships, and preparing reports on national progress. The Prime Minister's Office provides support to ensure the alignment of member ministries' initiatives with these goals, while the Federal Competitiveness and Statistics Centre monitors progress, ensures data availability, and issues relevant annual report.[21]

The UAE government has also developed the UAE's UN Global Compact network aims to root the 10 principles of the Global

United Nations' Sustainable Development Goals (UN SDGs)

Figure 1: UN Sustainable Development Goals

Compact, as well as the SDGs, into the national context, thus creating a platform for development of sustainable practices for businesses, academic institutions, and the public sector.

As a result of these efforts, the global SDGs Index Report for 2024 ranked the UAE's overall SDGs performance at 70th place out of 193 nations worldwide. Notably, UAE has either achieved or on track to achieve 53.5% of the SDGs.[22]

PRINCIPLES OF ESG DATA AND DISCLOSURE

To meet the expectations of investors and other stakeholders, companies need to disclose ESG performance information in a manner that is compatible with global reporting standards and frameworks, ensuring consistency and enabling comparability with peer organizations. Aligning annual ESG disclosures with the annual reporting cycle further ensures relevance and value to stakeholders.

To achieve these aims, companies should leverage global reporting standards such as GRI, IFRS (SASB and TCFD), and ensure data boundaries, balance, and external assurance. Aligning ESG disclosures with the annual reporting cycle, even if not integrated into the annual report, ensures timeliness and relevance in meeting stakeholder needs.

Dubai Financial Markets has established the following principles for ESG performance data disclosure and communication. These principles are designed to enable high quality ESG performance reporting by listed companies:

Accuracy

Providing accurate, high-quality data is the central aim of ESG reporting. To accomplish this, ESG data collection systems should be integrated into existing internal processes to ensure all ESG data is subject to the oversight of the reporting company's internal audit function. To achieve this aim, reporting companies should deploy rigorous data collection systems to ensure all information is correctly reported with sufficient detail to allow a full assessment of the organization's impacts.

Detailed information should be provided regarding data collection procedures, and any assumptions, limitations or uncertainties with the data should be disclosed.

In accordance with GRI reporting principles, key considerations for report accuracy also include:

- Reporting qualitative information consistent with available evidence and other reported information.
- Adequately describing data measurements and the basis for calculations, ensuring it is possible to replicate measurements and calculations with similar results.
- Ensuring the margin of error for data measurements does not inappropriately influence the conclusions or assessments of information users.
- Indicating which data has been measured.

Balance

Reporting companies shall report ESG performance information in an unbiased manner, providing an objective view through fair representation of both negative and positive impacts and favorable and unfavorable information. The reporting company should avoid omitting negative information, recognizing that such action could inevitably lead to a loss of reputation and mistrust.

Key considerations for balanced reporting include:

- Clearly and objectively distinguishing between facts and the organization's interpretation of the facts.
- Not over-emphasizing positive news, data, or impacts.
- Not presenting information in ways that are likely to inappropriately bias or influence conclusions or assessments made by users of this information.

PRINCIPLES OF ESG DATA AND DISCLOSURE

Comparability and consistency

Using global standards and reporting frameworks to facilitate comparability, the reporting company shall consistently select and report information that enables an analysis of changes in the organization's impact over time, as well as analysis relevant to other organizations.

The use of global frameworks also enables companies to align reporting practices with sector-wide indicators and metrics, ensuring consistency of data collected and reported over consecutive years.

In the case of any revision or change to previously published ESG data, the company should disclose the reason for such changes.

Other key considerations for comparability include:

- Provide contextual information (e.g., the organization's size, geographic location) to help information users
- Understand the factors that contribute to differences between the organization's impacts and the impacts of other organizations
- Present information for the current reporting period and at least two previous periods, as well as any goals and targets that have been set
- Use accepted international metrics (e.g., kilograms, liters), and standard conversion factors and protocols, where applicable, for compiling and reporting information
- Maintain consistency in the methods used to measure and calculate data and in explaining the methods and assumptions used
- Maintain consistency in the manner of presenting the information
- Report total numbers or absolute data (e.g., metric tons of CO2 equivalent) as well as ratios or normalized data

Boundaries and scoping

Reporting companies should consider two distinct sets of boundaries for the ESG information and data provided their reports: timeframes and operations aligned to the company's fiscal year, and the company's business ownership model. Furthermore, ESG data provided in sustainability reports should cover all operations, subsidiaries, and portfolio companies, and reports should share the same principles as financial data shared in annual reports.

If there is a change in scope, the reporting company should clearly indicate the percentage of operations covered, and the subsidiaries / portfolio companies included in the report. This information should preferably be included in the report's "About the Report" section.

External assurance

In 2023, IOSCO took significant steps to enhance sustainability-related corporate reporting. In March, IOSCO published a report emphasizing the need for a robust global assurance framework for sustainability disclosures, advocating for high-quality, profession-agnostic standards to ensure the reliability and comparability of data. Building on this, IOSCO endorsed the ISSB sustainability-related financial disclosure standards in July 2023, marking a milestone toward global standardization. This endorsement encourages member jurisdictions to adopt these standards, reinforcing consistency, transparency, and investor confidence in sustainability reporting across markets.[23]

Listed companies are also encouraged to strengthen the credibility of their ESG report by seeking external assurance for their ESG data using a third-party verifier. External assurance or verification provides investors and ESG rating agencies with a higher level of confidence in the quality of sustainability performance data, making it more likely that the data will be relied on and used for decision making.

Other key considerations of assurance include:

- Being able to provide representation from the original sources of the reported information attesting to the accuracy of the information within acceptable margins of error.
- Being able to identify the original sources of the reported information and provide reliable evidence to support assumptions or calculations.[24]

All number links are listed in page 71

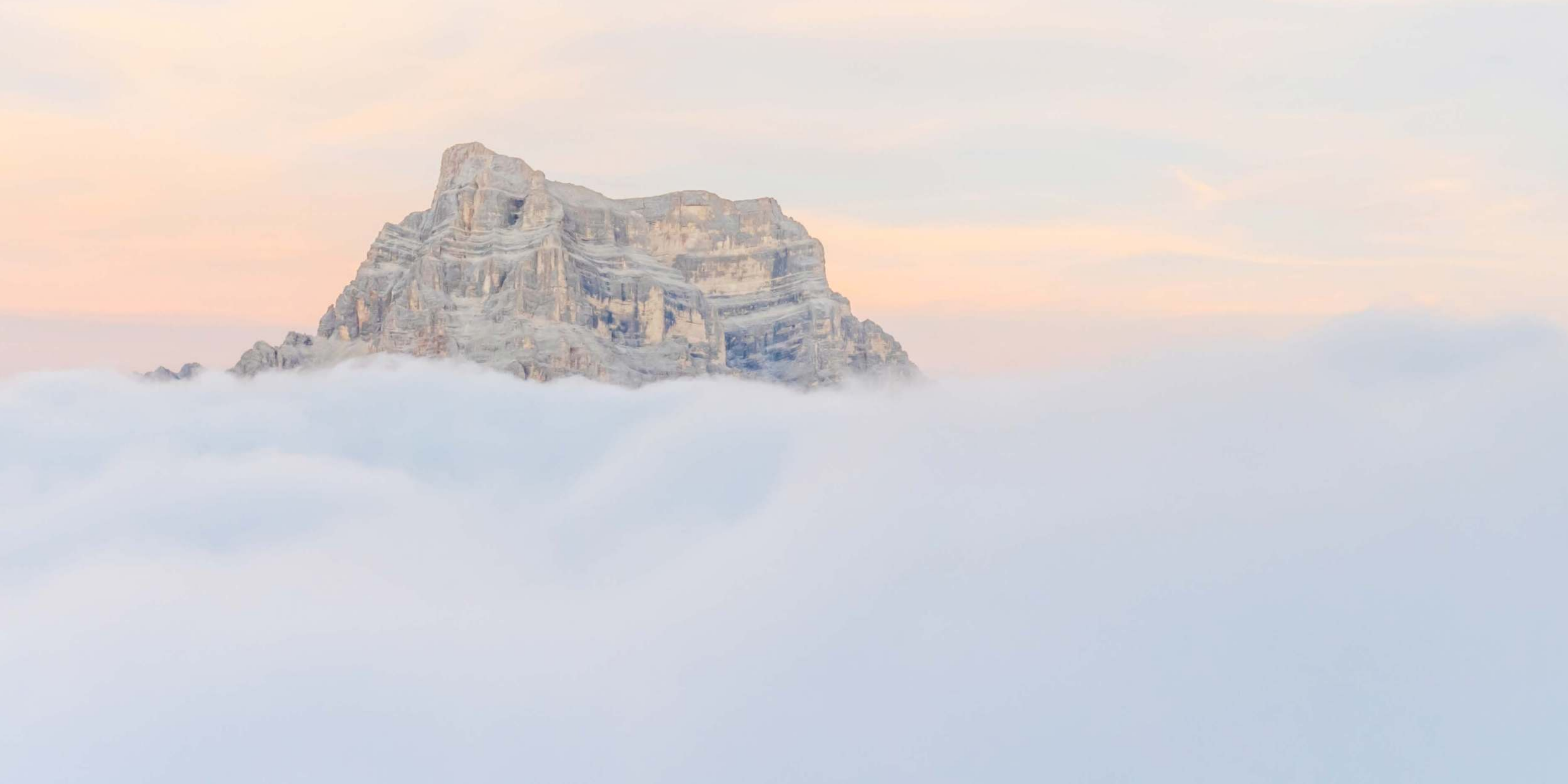
PRINCIPLES OF ESG DATA AND DISCLOSURE

Timeliness

The value ESG data to investors and other stakeholders is closely tied to whether the information is made available in time to integrate it into investment analysis and decision-making. Companies should report on a regular schedule, possibly aligning their reporting cycle to annual reporting.

Other key considerations for timeliness include:

- Balancing the need to make information available in a timely manner with ensuring all disclosed information is of high quality and meets the requirements of other reporting principles
- Ensuring and maintaining consistency in the length of reporting periods
- Indicating the period covered by the reported information



SUSTAINABILITY REPORTING ROADMAP

Taking a structured approach to ESG reporting ensures development of a transparent, credible, and impactful report. The ESG reporting process typically encompasses five key stages: planning, stakeholder engagement and materiality analysis, data collection, content development and design, and finally, optional third-party assurance.

MATERIALITY ASSESSMENT	COLLECT ESG DATA	SELECT A REPORTING FORMAT
Identify material issues Assess importance of each issue according to stakeholders Start preparing for data collection, minding high importance material issues	Adopt a reporting framework Collect qualitative and quantitative data within the organization that highlights last reporting cycles Assure the data via third-party	Publish all qualitative and quantitative information in a public report, in the annual report or as a standalone sustainability/ESG report

Step 1: Planning

Select a globally recognized sustainability reporting framework to ensure consistency and comparability. Clearly explain the choice of framework and maintain its use annually to enhance understanding among stakeholders. Define the reporting boundary to establish the scope of the report.

Step 2: Stakeholder Engagement & Materiality Analysis

Identify key stakeholders such as customers, employees, suppliers, and shareholders, and conduct a materiality analysis to determine the ESG issues most relevant to the business and stakeholders. This analysis guides ESG strategy, performance management, and report structuring by focusing on value creation and stakeholder expectations.

Step 3: Data Collection

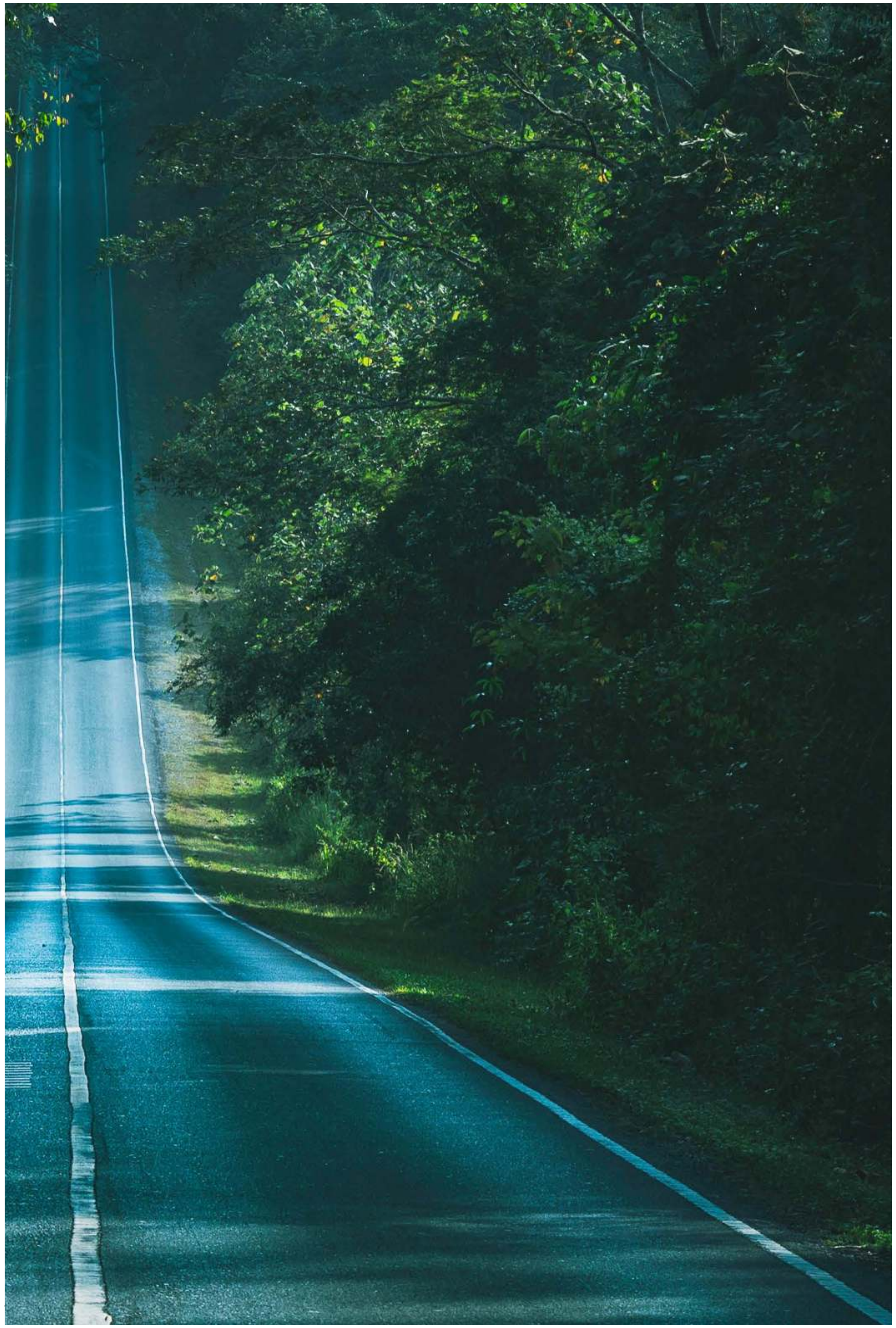
Gather qualitative and quantitative data on material ESG topics, including strategy, performance targets, policies, and related initiatives. Quantitative data supports tracking progress and setting benchmarks. Use established ESG frameworks such as GRI, SASB, or CDSB to ensure credibility and alignment with global standards.

Step 4: Report Development

Structure the report to reflect the company's ESG strategy and material topics. Provide context through narrative content, case studies, and examples to enhance transparency. Ensure the report is objective and allows stakeholders to fairly assess ESG performance.

Step 5: Third-Party Assurance (Optional)

Internal audits and third-party assurance enhance the credibility of ESG reports by ensuring data accuracy and reliability. External verification strengthens transparency and builds stakeholder trust. Assurers provide statements confirming the review, which can be included in the final report.



MATERIALITY ASSESSMENT

In the context of ESG reporting, materiality refers to the identification of issues that are significant to a company's stakeholders and have a substantial impact on the company's performance. The GRI Standards define material topics as those that reflect the organization's significant economic, environmental, and social impacts, including human rights, or that substantively influence the assessments and decisions of stakeholders.

Leading ESG reporting standards and frameworks offer different but interconnected definitions of materiality. It is important for reporting companies to understand these perspectives as part of undertaking a materiality assessment and/or aligning their disclosures with these frameworks:

GRI: From a GRI perspective, material issues are commonly defined as any factor which might have a present or future impact on a company's value drivers, competitive position, and thus on long-term shareholder value creation. Material issues reflect the company's significant economic, environmental, and social impacts on the economy, environment and people for the benefit of multiple stakeholders, such as investors, employees, customers, suppliers and local communities. Factors that have a significant impact on a company's core business value drivers such as growth, profitability, capital efficiency, reputation, and risk exposure are financially material to investors.[25]

SASB: SASB takes a more investor-focused view, defining material issues as those that are likely to affect a company's financial performance or enterprise value. SASB's materiality lens is grounded in financial materiality and emphasizes sector-specific risks and opportunities, offering guidance tailored to individual industries.[26]

ISSB: Under ISSB, material issues are viewed through the lens of enterprise value creation. The ISSB focuses on providing sustainability-related financial information that is relevant to investors and other capital market participants. Materiality is defined by its potential to influence decisions made by users of general-purpose financial reports.[27]

CSRD: CSRD adopts a comprehensive double materiality approach. It requires companies to disclose sustainability issues that are financially material (impacting the company's value) and environmentally or socially material (impacting stakeholders or society at large).[28]

For more details on materiality assessment please refer to the Appendix.

REPORTING FORMATS

ESG reports are a globally accepted means of making ESG information accessible to a broad range of stakeholders. Regularly issued reports provide an opportunity to communicate ESG performance and progress over time and are an important benchmark of sustainability performance overall. Companies can opt for one of three different approaches to ESG reporting: an annual report with ESG-focused sections; a stand-alone sustainability or ESG report, or an integrated report.

Annual Report

Annual reports give shareholders and other stakeholder groups information about the company's activities and financial performance. Some companies integrate ESG performance-related subsections into their annual reports, providing investors with ESG disclosure at the same time as wider information about the company.

Sustainability Report

Stand-alone sustainability reports share a company's consolidated ESG performance data and information in one discrete report. Sustainability reports address relevant ESG information needs of investors and other stakeholders, such as consumers and civil society, and provide complete context around the company's ESG performance.

Integrated Report

An Integrated Report is a concise communication that outlines how an organization's strategy, governance, performance, and prospects (in the context of its external environment) contribute to value creation. By presenting ESG information and data in an integrated manner within the annual report, an integrated report provides insights into the interconnectivity of capital (such as financial, manufactured, intellectual, human, social and relationship, and natural) within the organization.[29]

REPORTING **FRAMEWORKS**

ESG reporting frameworks provide best-in-class standards and guidance for how a company should communicate its ESG performance. These frameworks offer principles and metrics tailored to diverse industries, enabling businesses to align their reporting with international best practices, ensure comparability, and meet the expectations of global stakeholders.

Globally recognized frameworks include:

The Global Reporting Initiative (GRI)
is a leading international not-for-profit organization that promotes sustainable global development by enabling companies to understand and report their economic, environmental, social, and governance impacts. In addition to the GRI Universal Standards, which offer a standardized reporting framework, GRI also offers approximately 40 sector-specific standards, including the Oil and Gas Sector Standard (GRI 11), the Coal Sector Standard (GRI 12), the Agriculture, Aquaculture, and Fishing Sector Standard (GRI 13), and the Mining Sector Standard, which will be applicable as of 2026. GRI is also developing standards for financial services, including banking, insurance, and capital markets.[30]

SASB
SASB offers industry-specific standards focused on financially material ESG issues, enabling organizations to provide investors with decision-useful information. These standards bridge sustainability performance with financial outcomes.[31]

TCFD
TCFD focuses on climate-related risks and opportunities, encouraging companies to disclose how climate change impacts their financial performance. It emphasizes governance, strategy, risk management, and metrics.[32]

ISSB
ISSB, established by the IFRS Foundation, has integrated and built upon the frameworks of the **SASB** and the **TCFD** to develop a comprehensive global baseline for sustainability-related financial disclosures. These global standards for sustainability-related financial disclosures are designed to meet the increasing demand from investors for transparent and comparable ESG information. These standards aim to provide a consistent framework for companies worldwide, enhancing the quality and comparability of sustainability reporting.

As of December 2024, jurisdictions representing over half of the global economy by GDP have announced steps to adopt or align with the ISSB standards. Notable adopters include the European Union, the United Kingdom, Japan, China, Canada, and Australia. These jurisdictions are integrating the ISSB standards into their regulatory frameworks to ensure consistent and comparable sustainability disclosures across markets.

IFRS S1/S2: Established by the International Sustainability Standards Board to create a unified global baseline for sustainability reporting,
IFRS S1/S2 builds upon SASB and TCFD to standardize disclosures, ensuring consistency and comparability across markets.[33 34]

CSRD
Issued by the European Commission, the Corporate Sustainability Reporting Directive (CSRD requires all large companies to regularly publish reports on their environmental and social impact. This new legislation defines a common reporting framework for non-financial data enabling the provision of valuable information to investors, consumers, policymakers, and other stakeholders and encouraging companies to develop a more responsible approach to their business.

Non-EU companies are required to comply with CSRD reporting obligations if they meet certain criteria. This includes companies with securities listed on EU-regulated markets, and those generating a net turnover exceeding €150 million in the EU over two consecutive financial years. Companies with either a large or listed subsidiary in the EU, or an EU branch with net revenues over €40 million, are also subject to these requirements.

Large EU subsidiaries of non-EU companies are required to start reporting in the financial year 2025, with reports due in 2026. For non-EU parent companies meeting the significant EU presence criteria, data collection must begin in the financial year 2028, with the first reports due in 2029.[35]

CDP (formerly the Carbon Disclosure Project)
CDP is a global not-for-profit organization, founded in 2000 and headquartered in London. CDP requests standardized climate change, water and forest information from some of the world's largest listed companies through annual questionnaires sent on behalf of institutional investors that endorse them as CDP signatories.[36]

The United Nations Global Compact (UNGC)
The UNGC is a strategic policy initiative for businesses committed to aligning their operations and strategies with ten universally accepted principles in human rights, labor, environment, and anti-corruption. As of December 2024, the UNGC comprises over 20,000 participating businesses and 3,800 non-business organizations across more than 160 countries, representing nearly every sector and size. Business participants are expected to publicly report

All number links are listed in page 58

All number links are listed in page 71

REPORTING FRAMEWORKS

on their progress through an annual Communication on Progress (CoP). The enhanced CoP, which became mandatory in 2024, requires companies to submit a CEO Statement of Continued Support and complete a detailed questionnaire covering various sustainability topics.

Stakeholder Capitalism Metrics
The Stakeholder Capitalism Metrics are a universal set of metrics and disclosures identified by the World Economic Forum with Partners including Deloitte, EY, KPMG and PwC. These metrics aim to promote alignment among existing ESG Frameworks by creating a set of data points that can be compared between companies, regardless of their industry or region of operation. The metrics are centered around four pillars: people, planet, prosperity, and principles of governance and include measurements on non-financial disclosures such as greenhouse gas emissions, pay equality, and board diversity. As of May 2024, 183 global companies, collectively representing a market capitalization exceeding $6.5 trillion, have adopted these metrics into their reporting frameworks.[37]

In addition to the global reporting frameworks, there are now numerous sector and climate-specific initiatives, aiming to accelerate the sustainable transition by identifying key risks and opportunities. These include:

CLIMATE-SPECIFIC INITIATIVES

- Climate Bonds Initiative[44]
- Climate 100+[45]
- The Science Based Target Initiative (SBTi)[46]

GLOBAL SECTOR-SPECIFIC INITIATIVES

- Principles for Responsible Investment (PRI)[38]
- The One Planet Sovereign Framework[39]
- The Equator Principles (EP)[40]
- United Nations Environment Programme – Finance Initiative (UNEP FI) [41]
- Green Bond Principles (GBP)[42]
- The Glasgow Financial Alliance for Net Zero (GFANZ)[43]

To read more about these initiatives, please refer to Annex III.

Regional Reporting Standards

In 2023, the GCC Exchanges Committee, chaired by the Saudi Exchange comprised of Abu Dhabi Securities Exchange, Bahrain Bourse, Boursa Kuwait, Qatar Stock Exchange, Muscat Stock Exchange, and Dubai Financial Market, introduced a unified set of 29 ESG Disclosure Metrics on January 9, 2023, aligned with WFE and SSEI.[47]

In addition, sustainable development policies and frameworks across the GCC are advancing significantly through the voluntary adoption of a range of corporate sustainability reporting guides, including:

- Dubai Financial Market's ESG Reporting Guide
- The Saudi National Sustainability Standards
- Qatar Stock Exchange's Guidance on ESG Reporting
- Boursa Kuwait's ESG Reporting Guide
- Bahrain Bourse's ESG Reporting Guide

The UAE Corporate Governance Code
The UAE Corporate Governance Code applies to Public Joint Stock Companies (PJSCs) listed on UAE capital markets, including the DFM. The code establishes best practices to protect shareholders, promote corporate social responsibility, and enhance the governance landscape in the UAE. In 2024, SCA introduced significant amendments to the code. These updates include stricter requirements for board composition, enhanced disclosure obligations for both financial and non-financial information, and improved mechanisms to protect minority shareholders. Additional revisions address general assembly requirements, notice periods, statutorily mandated registers, related-party transaction restrictions, and board meeting communications.

In alignment with Article (76) of the Chairman of SCA Board Decision No. (03 R.M.) of 2020 concerning the adoption of the Corporate Governance Guide for PJSCs, companies must publish a sustainability report as part of their integrated annual report. A clarification issued by SCA on January 10, 2021, provided further details on the required content of these reports. The 2024 updates emphasize alignment with global ESG and sustainability reporting standards, encouraging greater transparency and accountability in corporate practices. These measures aim to strengthen investor confidence and advance the UAE's sustainability and governance objectives.[49]

UAE Sustainable Finance Working Group (SFWG)
Since the launch of the Dubai Declaration on Sustainable Finance in 2016, the UAE has made significant strides in promoting sustainable finance and advancing its green economy agenda. One pivotal development is the UAE Sustainable Finance Working Group (SFWG). Established in 2019, the group has been instrumental in fostering regulatory cooperation and developing frameworks to support sustainable finance across the nation.

In November 2023, the SFWG launched the Principles for the Effective Management of Climate-related Financial Risks. These principles serve as a common understanding among group members on the minimum standards for managing climate-related financial risks for all financial sector entities operating in the UAE, reinforcing the nation's dedication to addressing climate change and pursuing sustainable growth.

SFWG introduced the Principles for Sustainability-Related Disclosures for Reporting Entities in June 2024, an initiative aimed at enhancing sustainability-related disclosure requirements for UAE financial institutions, ensuring alignment with international best practices and promoting transparency in the financial sector.[50]

ESG METRIC RECOMMENDATIONS
FOR REPORTING

CATEGORY	METRIC	INDICATOR	UNIT	CORRESPONDING STANDARDS	CORRESPONDING SDGS AND OTHER FRAMEWORKS/STANDARDS
ENVIRONMENTAL	E1. GHG Emissions	E1.1) Total amount of Scope 1 emissions	tonCO2eq	GRI: 1-305, IFRS S1-, UN SDG 13	13 CLIMATE ACTION; WORLD ECONOMIC FORUM; GREENHOUSE GAS PROTOCOL; VALUE REPORTING FOUNDATION SASB STANDARDS
		E1.2) Total amount of Scope 2 emissions	tonCO2eq	GRI: 305 -2, IFRS S-1, UN SDG 13	
		E1.3) Total amount of Scope 3 emissions	tonCO2eq	GRI: 3- 305, IFRS S1-, UN SDG 13	
		E1.4) Please describe investments, initiatives and projects to reduce CO2 emissions	Text	IFRS S-1, UN SDG 13	
	E2. Emissions Intensity	E2.1) GHG emissions intensity	tonCO2eq/per output scaling factor	GRI: 4- 305, IFRS S1-, UN SDG 13	
		E2.2) Non-GHG emissions intensity	tonCO2eq/per output scaling factor	GRI: 7-305, IFRS S1-, UN SDG 13	
	E3. Energy Usage	E3.1) Total amount of direct energy consumed	GJ or MWh	GRI: 1,2-302, UN SDG 12	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; VALUE REPORTING FOUNDATION SASB STANDARDS
		E3.2) Total amount of indirect energy consumed	GJ or MWh	GRI: 1,2-302, UN SDG 12	
	E4. Energy Intensity	E4.1) Direct energy use intensity	GJ or MWh/per output scaling factor	GRI: 1-302, UN SDG 12-7	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 7 AFFORDABLE AND CLEAN ENERGY; VALUE REPORTING FOUNDATION SASB STANDARDS
		E4.2) Total indirect energy usage per output scaling factor	GJ or MWh/per output scaling factor	GRI: 2-302, UN SDG 12-7	
		E4.3) Please describe investments, initiatives and projects to reduce energy consumption and to increase energy efficiency	Text	UN SDG 12-7	
	E5. Energy Mix	E5.1) Renewable energy used	GJ, MWh or %	GRI: 1-302, UN SDG 7	7 AFFORDABLE AND CLEAN ENERGY
		E5.2) Non-renewable energy used	GJ, MWh or %	GRI: 2-302, UN SDG 7	

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CATEGORY	METRIC	INDICATOR	UNIT	CORRESPONDING STANDARDS	CORRESPONDING SDGS AND OTHER FRAMEWORKS/STANDARDS
ENVIRONMENTAL	E6. Water and Effluents	E6.1) Total amount of water withdrawn	m3	GRI: 3-303, UN SDG 12-6	
		E6.2) Total amount of water discharged	m3	GRI: 4-303, UN SDG 12-6	
		E6.1) Total amount of water consumed (If possible, a breakdown by source: surface water, groundwater, seawater, etc.)	m3	GRI: 303-5, UN SDG 6-12	
		E6.4) Water intensity	m3/per output scaling factor		
		E6.5) Water recycled (If applicable)	%	UN SDG 6-12	
		E6.7) Please describe investments, initiatives and projects to reduce water consumption and to increase water recycling	Text	UN SDG 12-6	
	E7. Waste	E7.1) Total amount of waste generated (if possible, broken down by Hazardous and Non-hazardous)	Tonnes	GRI: 3-306, UN SDG 12	
		E7.2) Total amount of waste diverted from disposal (if possible, broken down by Hazardous and Non-hazardous)	Tonnes	GRI: 4-306, UN SDG 12	
		E7.3) Total amount of waste directed to disposal (if possible, broken down by Hazardous and Non-hazardous)	Tonnes	GRI: 306-5, UN SDG 12	
		E7.4) Total number and volume of oil spills (if applicable)	# and tonnes	GRI: 11 Oil and Gas Sector, UN SDG 14-15	
		E7.5) Please describe investments, initiatives and projects to reduce waste generation consumption and to increase waste recycling	Text		
	E8. Environmental Management	E8,.1) Does your company follow a formal Environmental Policy?	Yes/No	GRI: 23-2	
		E8.2) Does your company follow specific waste, water, energy, and/or recycling polices?	Yes/No	GRI: 24-2	
		E8.3) Does your company adopt a recognized environment and energy management systems such as ISO14001 and ISO50001?	Yes/No		
		E8.4) Does you company have targets in place with regards to environment, energy, water and waste?	Yes/No		
		E8.5) Please indicate if any fines received (> USD 10000) for non-compliance with laws and regulations regarding environmental management during the last reporting period	USD	GRI: 27-2	
	E9. Climate Risks, Opportunities and Governance	E9.1) Please describe the climate-related risks and opportunities that could reasonably be expected to affect your company's prospects. Also explain, for each climate-related risk your organization has identified, whether your organization considers the risk to be a climate-related physical risk or transition risk.	Text	IFRS S2-	
		E9.2) Please describe the current and anticipated impacts of climate-related risks and opportunities on your company's business model and value chain.	Text	IFRS S2-	
		E9.3) How has your company responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including the plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation?	Text	IFRS S2-	
		E9.4) What are the current effects, during the reporting period, of climate-related risks and opportunities on your company's financial position, financial performance and cash flows?	Text	IFRS S-2	
		E9.5) Please describe the processes and policies your company uses to identify, assess, prioritize, and monitor climate-related risks, and the inputs and parameters used in these processes.	Text	IFRS S-2	
		E9.6) Please indicate if and how your company uses climate-related scenario analysis to identify and assess climate-related risks.	Text	IFRS S2-	
		E9.7) Which governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) is responsible for oversight of climate-related risks and opportunities?	Text	IFRS S2-	
		E9.10) How does the body or individual consider climate-related risks and opportunities when overseeing your company's strategy?	Text	GRI 2:12, IFRS S-2	
		E9.11) Are performance metrics related to climate targets included in remuneration policies? If so, how?	Text	IFRS S-2	
		E9.12) Has your company delegated the role of overseeing climate-related risks and opportunities to a specific management-level position or committee, and how is oversight over this role or committee exercised?	Text	IFRS S-2	
		E9.13) Please disclose any quantitative and qualitative climate-related targets to monitor progress towards strategic goals, incl. any GHG emissions targets and specify the metric used to set the target.	Text	IFRS S-2	
	E10. Biodiversity	E10.1) Please share number of operational sites owned, managed and/or leased in or adjacent to protected areas and areas of high biodiversity value.	Number	GRI: 1-304, UN SDG 15	
		E10.2) Please describe significant impacts of activities, products and services on biodiversity	Text	GRI: 2-304, UN SDG 15	

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CATEGORY	METRIC	INDICATOR	UNIT	CORRESPONDING GRI STANDARDS	CORRESPONDING SDGS AND OTHER FRAMEWORKS/STANDARDS
SOCIAL	S1. CEO Pay Ratio	S1.1) Please share the ratio of CEO total compensation to median full-time employee (FTE) total compensation	Number	GRI 2: 21, UN SDG 10	
		S1.2) Does your company report this metric (above) in any regulatory filings?	Yes/No		
	S3. Breakdown with Staff	S2.1) Please share the total enterprise headcount held by full-time employees (broken down by age and seniority level)	Number and %	GRI 2:7, UN SDG 5	
		S2.2) Please share the total enterprise headcount held by part-time employees (broken down by age and seniority level)	Number and %	GRI 2: 7, UN SDG 5	
		S2.3) Please share the total enterprise headcount held by contractors and/or consultants	Number and %	GRI 2: 8, UN SDG 5	
		S2.4) Please share the total of national employees (breakdown by age and seniority level)	Number and %	GRI: 202-2, UN SDG 5	
	S4. Employee Turnover and New Hires	S3.1) Year-over-year change for full-time employees (broken down by gender, age, and seniority level)	Number and %	GRI: 401-1	
		S3.2) Year-over-year change for part-time employees	Number and %	GRI: 401-1	
		S3.3) Year-over-year change for contractors and/or consultants	Number and %	GRI 2: 8	
		S3.4) Year-over-year of new hires (broken down by age, gender and seniority level)	Number and %	GRI: 401-1	
	S5. Gender Diversity and Equality	S4.1) Total enterprise headcount held by men and women	Number and %	GRI 2: 9	
		S4.2) Total entry- and mid-level positions held by men and women	Number and %	GRI: 405-1, UN SDG 5	
		S4.3) Total senior- and executive-level positions held by men and women	Number and %	GRI 2: 9	
		S4.4) The ratio of median male employee compensation to median female employee compensation	Number	GRI: 405-1, UN SDG 5	
		S4.5) Please describe your company's initiatives or programs to support the recruitment and retention of female employees, and to support female employees to advance to management positions.	Text	GRI 2: 9	
	S5. Human Rights	S5.1) Does your company follow a harassment and/or non-discrimination policy?	Yes/No	GRI: 405-1, UN SDG 5	
		S5.2) Does your company have a formal grievance mechanism in place?	Yes/No	GRI: 405-2, UN SDG 10	
		S5.3) Does your company follow a child and/or forced labor policy?	Yes/No	GRI: 2-19	
		S5.4) Does your company follow a human rights policy?	Yes/No	GRI 2: 23	
		S5.5) Does your company provide training on human rights and related internal policies for your employees?	Yes/No	GRI: 404-1	
	S6. Health and Safety	S6.1) Does your company follow an occupational health & safety policy?	Yes/No	GRI 2: 23, UN SDG 3	
		S6.2) Does your company adopt a recognized health and safety management systems such as ISO45001?	Yes/No		
		S6.3) Please share the total employee and total contractors (if available) manhours	Hours	GRI: 403-9	
		S6.4) Please share the total employee fatalities, with a breakdown of gender	Number	GRI: 403-9	
		S6.5) Please share the employee lost-time injury (LTI), with a breakdown of gender	Number	GRI: 403-9	
		S6.6) Please share the lost time injury frequency (LTIF), with a breakdown of gender	Number	GRI: 403-9	
		S6.7) Please share the total health and safety training provided to employees	Hours	GRI: 403-5	
	S7. Training and Development	S7.1) Please share the average annual training hours allocated per employee, with a breakdown of gender and employment category	Hours	GRI: 404-1, UN SDG 5	
		S7.2) Please share the total hours of training per employee on sustainability policies and practices, including human rights.	Hours	GRI: 412-2	
	S8. Community Engagement	S8.1) Please share the total amount invested in the community, including philanthropy, donations and sponsorships	Amount invested/Yearly revenue in reporting currency	GRI: 413-1	
		S8.2) Please share the total employee volunteering completed during the reporting period	Hours	GRI: 413-1	

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CATEGORY	METRIC	INDICATOR	UNIT	CORRESPONDING STANDARDS	CORRESPONDING SDGS AND OTHER FRAMEWORKS/STANDARDS
GOVERNANCE	G1. Board Diversity	G1.1) Total board seats occupied by men and women	Number and %	GRI 405-1	10 REDUCED INEQUALITIES; VALUE REPORTING FOUNDATION SASB STANDARDS
		G1.2) Total committee chairs occupied by men and women	Number and %	GRI 405-1	
	G2. Board Independence	G2.1) Does company prohibit CEO from serving as board chair?	Yes/No	GRI 405-1	VALUE REPORTING FOUNDATION SASB STANDARDS
		G2.2) Please share the total board seats occupied by independents	%	GRI 405-1	
	G3. Collective Bargaining	"G3.1) Please share the total enterprise headcount covered by collective bargaining agreement(s) *Applicable to companies operating in countries in which collective bargaining is applicable by law "	%	GRI 2: 30	VALUE REPORTING FOUNDATION SASB STANDARDS
	G4. Supply Chain Management	G4.1) Are your vendors or suppliers required to follow a Code of Conduct?	%	GRI 23 :2, UN SDG 12	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; VALUE REPORTING FOUNDATION SASB STANDARDS
		G4.2) If yes, what percentage of your suppliers are formally certified and compliant with the Code?	Number or %		
		G4.3) Please share the suppliers that underwent a supplier's environmental audit during the reporting period	Number or %	GRI: 308-1, UN SDG 12	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
		G4.4) Please share the suppliers that underwent a supplier's social audit during the reporting period	Number	GRI: 414-1, UN SDG 12	
		G4.5) Please share the new suppliers receiving warning due to the environmental/social screening	Text	GRI: 308-1, 414-1, UN SDG 12	
	G5. Ethics and Anti-Corruption	G5.1) Does your company follow an Ethics and/or Anti- Corruption policy?	Yes/No	GRI 2: 23, UN SDG 16	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
		G5.2) Please share the workforce formally compliant with the Anti-Corruption Policy	%	GRI: 205-2	
		G5.3) Please share the confirmed incidents of corruption during the reporting period	Number	GRI: 205-3	
		G5.4) Please share the corrective measures taken corresponding to the confirmed incidents of corruption (in case of any)	Text	GRI: 205-4	
	G6. Data Security	G6.1) Does your company follow a Data Privacy policy?	Yes/No	GRI: 418-1	VALUE REPORTING FOUNDATION SASB STANDARDS
		G6.2) Has your company taken steps to comply with GDPR rules or similar standards?	Yes/No		
		G6.3) Data security breaches during the reporting period (if any)	Number	GRI: 418-1	
	G7. Sustainability Risks, Opportunities and Governance	G7.1) Describe the sustainability-related risks and opportunities that could reasonably be expected to affect your organization's prospects.	Text	IFRS S-1	
		G7.2) Describe the current and anticipated impacts of sustainability-related risks and opportunities on your organization's business model and value chain.	Text	IFRS S-1	
		G7.3) Describe how your organization responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making.	Text	IFRS S-1	
		G7.4) Describe the current and anticipated effects (during the reporting period) of sustainability-related risks and opportunities on your organization's business model, financial position, performance, and cash flows. How are these risks considered in financial planning (current financial effects)?	Text	IFRS S-1	
		G7.5) Describe the processes and policies your organization uses to identify, assess, prioritize, and monitor sustainability-related risks, and the inputs and parameters used in these processes.	Text	IFRS S-1	
		G7.6) How are the processes for identifying, assessing, prioritizing and monitoring sustainability-related risks and opportunities integrated into and informing your organization's overall enterprise risk management process?	Text	IFRS S-1	
		G7.7) Which governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) is responsible for oversight of sustainability-related risks and opportunities?	Text	GRI 2:12, IFRS S-1	
		G7.8) How does the body or individual consider sustainability-related risks and opportunities when overseeing your organization's strategy?	Text	IFRS S-1	
		G7.9) Are performance metrics related to these targets included in remuneration policies? If so, how?	Text	IFRS S-1	
		G7.10) Has your organization delegated the role of overseeing sustainability-related risks and opportunities to a specific management-level position or committee, and how is oversight over this role or committee exercised?	Text	IFRS S-1	
		G7.11) What metrics does your organization use to measure and monitor each sustainability-related risk or opportunity identified above?	Text	IFRS S-1	
	G9. External Assurance	G9.1) Are your sustainability disclosures assured or validated by a third party?	Yes/No	GRI 2: 5	

IDENTIFYING MATERIAL ISSUES

Material issues ("materiality") are defined as the critical environmental, social, and governance issues most relevant to a company and its stakeholders. Known as a materiality analysis, the process of identifying material issues, is crucial for addressing these issues through ESG strategy, performance management, and reporting.

There are three approaches to materiality to consider:

1. **Financial Materiality** focuses on how sustainability-related risks and opportunities influence a company's financial performance and prospects. The primary audience is investors, both current and potential, who rely on material information to inform their decision-making. Management determines materiality by assessing factors expected to impact financial outcomes and shareholder value.

   SASB in Materiality: According to Sustainability Accounting Standards Board (SASB) standards, material ESG issues are defined as issues that are reasonably likely to impact the financial condition or operating performance of a company and therefore are most important to investors. These material issues differ from industry to industry, company to company and from country to country. Please refer to the materiality map presented by SASB per sector breakdown.

2. **Impact Materiality** examines how a company's operations affect society and the environment. The audience includes a broad range of stakeholders, such as employees, customers, communities, and business partners. Materiality is assessed through stakeholder engagement, impact assessments, and other evaluative methods to identify significant societal and environmental impacts.

3. **Double Materiality** integrates both financial and impact materiality, considering how sustainability-related risks and opportunities affect a company's performance (financial materiality) while also addressing the societal and environmental impacts of the company's activities (impact materiality). This dual perspective recognizes the interconnection between a company's external impacts and its internal performance.

These three approaches are interlinked, and not mutually exclusive but often interlinked. For instance, financial materiality assessments can be informed by how societal and environmental impacts influence resource availability, quality, and costs, which in turn affect financial outcomes. Similarly, outward impacts on society and the environment may trigger regulatory responses or reputational shifts that feed back into a company's financial performance. Understanding these interrelationships is essential for providing comprehensive and meaningful ESG disclosures.

Conducting a Materiality Analysis Using GRI 3 Standards

The Global Reporting Initiative (GRI) outlines a widely accepted four-step process for identifying materiality issues, which includes the following steps:

1. **Identify Potential Material Issues**
   The company maps a high-level overview of its activities and business relationships including the sustainability contexts in which these occur, along with an overview of its stakeholders. This map provides critical information for identifying actual and potential impacts. As part of this step, the company should consider the activities, business relationships, stakeholders, and sustainability context of all the entities it controls or has an interest in (e.g., subsidiaries, joint ventures, affiliates), including minority interests.

2. **Identify actual and potential impacts**
   The company identifies actual and potential impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships.

   Actual impacts are those that have already occurred, while potential impacts are those that could occur. These impacts include negative and positive impacts, short-term and long-term impacts, intended and unintended impacts, and reversible and irreversible impacts.

   To identify its impacts, the company can utilize sources such as industry reports, peer analysis, stakeholder feedback, and internal assessments, along with information from its own or third-party assessments of impacts on the economy, environment, and people, including impacts on their human rights. It can also use information from legal reviews, anti-corruption compliance management systems, financial audits, occupational health and safety inspections, and shareholder filings, and any other relevant assessments of business relationships conducted by the organization or by industry or multi-stakeholder initiatives.

3. **Assess Impact Significance**
   Once actual and potential impacts are identified, the company should assess the significance of each impact using quantitative analysis (e.g. financial metrics, regulatory fines) and qualitative insights (e.g., stakeholder perceptions, media coverage).

   Impact significance will be specific to the company and influenced by the sector in which it operates as well as the company's business relationships. In some instances, assigning a degree of impact and priority may be a subjective decision. Companies should make every effort to consult with relevant stakeholders along with internal and/or external experts as necessary.

4. **Prioritize Material Issues**
   To determine material topics for reporting, the company should prioritize its impacts based on their significance, arranging its impacts from most to least significant. A cut-off point or threshold to determine which impacts will be the focus of the ESG report should be established, testing them against GRI Standards and peers to avoid overlooking a key topic. The company's highest governance body should review and validate the list of material topics. If such a body does not exist, the list should be approved by a senior executive or group of senior executives in the organization.

Finally, the company should disclose its materiality assessment process and findings in the ESG report, clearly communicating the rationale behind the selection and prioritization of material issues and outlining how these issues are being managed and addressed.

Engaging Stakeholders

Engaging stakeholders is an important tool for identifying potential and actual material issues. The term "stakeholders" encompasses customers, employees, suppliers, shareholders, affected communities and surrounding ecosystems, all of which are affected by a company's sustainability efforts.

Once a company has identified key stakeholder groups, engagement tools such as surveys, interviews, focus groups, and workshops should be used to gather input on the importance and impact of various ESG issues.

IDENTIFY AND ASSESS IMPACTS ON AN ONGOING BASIS

01. **UNDERSTAND THE ORGANIZATION'S CONTEXT**

Use the Sector Standards to understand the sectors' context

02. **IDENTIFY ACTUAL AND POTENTIAL IMPACTS**

Consider the topics and impacts described in the Sector Standards

Engage with relevant stakeholders and experts

03. **ASSESS THE SIGNIFICANCE OF THE IMPACTS**

DETERMINE MATERIAL TOPICS FOR REPORTING

04. **PRIORITIZE THE MOST SIGNIFICANT IMPACTS FOR REPORTING**

Test the material topics with experts and information users

Test the material topics against the topics in the Sector Standards

MATERIAL TOPICS

- ______
- ______
- ______
- ______
- ______

ISSB Materiality Assessment

Assessing material issues using the International Sustainability Standards Board (ISSB) as a guide requires a structured approach that integrates sustainability considerations into enterprise value creation. The process ensures companies identify and prioritize the sustainability risks and opportunities most relevant to their financial and operational performance. To begin, companies should identify relevant sustainability topics by referencing the IFRS Sustainability Disclosure Standards (IFRS S1 and S2) and sector-specific SASB Standards, which are incorporated into the ISSB framework. These resources help identify the most critical risks and opportunities specific to the company's industry. Companies should then evaluate how their operations depend on natural, social, and financial resources while assessing potential sustainability-related impacts across their value chain. Forward-looking risks, such as regulatory changes, climate impacts, and evolving societal expectations, should also be considered to ensure comprehensive coverage of material issues.

All number links are listed in page 58

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APPENDICES

APPENDIX A:
HOW DUBAI FINANCIAL MARKETS SUPPORTS ESG REPORTING & DISCLOSURE

Dubai Financial Market's sustainability efforts began in 2016 with the integration of sustainability into DFM's strategy, and its active contribution to sustainability advocacy initiatives.

DFM's memberships and contributions include participation in UN SSE Advisory Groups, the WFE Sustainability Working Group, the UAE Sustainable Investment Group, and the Dubai Sustainable Finance Working Group. Notable contributions include supporting the UN SSE and WFE reports on embedding sustainability in exchanges' operations and regional ESG trends through PRI initiatives.

DFM has also collaborated with the Dubai Islamic Economy Development Centre to advance Green Sukuk and other sustainable investment initiatives.

Dubai Sustainable Finance Working Group

The Dubai Sustainable Finance Working Group (DSFWG), established in 2019 by the Dubai Financial Market (DFM) and Dubai International Financial Centre (DIFC), continues to advance its mission of integrating Environmental, Social, and Governance (ESG) best practices across Dubai's financial sector.

Aligned with the UAE Sustainable Development Goals 2030 and the UAE's Net Zero by 2050 Strategic Initiative, the DSFWG has expanded its membership to include 15 key stakeholders, including:

- Nasdaq Dubai
- Hawkamah Institute of Corporate Governance
- Dubai Electricity & Water Authority (DEWA)
- Aramex
- DP World
- Majid Al Futtaim
- Emirates National Oil Company (ENOC)
- HSBC
- Emirates NBD
- Dubai Islamic Bank
- Société Générale
- Standard Chartered
- Zurich Insurance

In its ongoing efforts to promote sustainable finance, the DSFWG has introduced several initiatives:

Self-Assessment Tool for ESG Maturity: In September 2022, the DSFWG launched a self-assessment tool designed to help companies of any size measure their ESG maturity. Developed in line with the United Nations Sustainable Development Goals and Global Reporting Initiative standards, this tool enables organizations to assess their progress and align with global ESG best practices.

Principles for Sustainability-Related Disclosures: In June 2024, the UAE Sustainable Finance Working Group, which includes DSFWG members, released the 'Principles for Sustainability-Related Disclosures for Reporting Entities.' This initiative aims to enhance transparency and standardize sustainability-related disclosures among UAE financial institutions, supporting the nation's commitment to a sustainable green economy.[53]

Stakeholder Engagement
Stakeholder engagement is central to sustaining DFM's success and its capacity to create long-term value. By consulting with and listening to diverse stakeholders, DFM ensures it remains responsive to their evolving needs. Annual stakeholder surveys provide critical insights into satisfaction with DFM's products and services and help identify the ESG factors most material to the organization.

Insights from DFM's stakeholder engagement help to guide the DFM PJSC Sustainability Framework, which integrates ESG considerations into its strategy, operations, and risk management frameworks.

From a governance perspective, DFM has encouraged that listed companies enroll board members and secretaries in governance programs, with board secretaries required to obtain DFM certification through a Board Secretary Accreditation Program developed in collaboration with Hawkamah Institute for Corporate Governance.

In accordance with the WFE Sustainability Principles and the UN SSEI guidelines, DFM also aims to support the adoption of sustainability practices internally and among our listed issuers through the following key activities:

- Market education: DFM deploys group ESG engagement sessions with listed companies to promote the business case of sustainability.
- Disclosure and research: DFM has launched this voluntary ESG disclosure guidance document for listed companies and will issue further guidance as needed.
- Collaboration: DFM aims to promote the adoption of responsible investing practices and promote dialogue between investors and companies on ESG practices.
- Sustainable financial products: DFM aims to promote the development of sustainable financial products such as ESG indices.

Industry Engagement
DFM plays an active role in advocacy within the financial industry by regularly participating in ESG industry events and panels, bringing awareness to the importance of developing sustainable capital markets, expanding sustainable finance, and promoting sustainability reporting. DFM also organizes workshops and roundtables aimed at increasing market awareness and understanding of ESG and ESG reporting, underscoring DFM's commitment to fostering sustainable capital markets and enhancing ESG integration within the financial sector.

ESG-related Publications
DFM has actively contributed to advancing ESG integration and sustainable finance on a regional and global scale. As part of its commitment, DFM has contributed to several key white papers, including "How Securities Regulators Can Support the Sustainable Development Goals," and "ESG Integration in Europe, the Middle East, and Africa," which offer insights into the role of securities regulators and regional ESG practices. Additionally, DFM launched a report in joint publication with S&P Global Sustainable 1 which aims to demonstrate private sector progress on climate disclosure and emissions reductions in the region.

APPENDIX B:
GLOBAL SECTOR AND CLIMATE SPECIFIC INITIATIVES

Principles for Responsible Investment (PRI) is an international network of investors working together to put the six principles into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision-making and ownership practices. In implementing the Principles, signatories contribute to the development of a more sustainable global financial system.

The One Planet Sovereign Framework[42] was published by the OPSWF founding members on July 6, 2018. This document provides a framework for sovereign wealth funds to incorporate climate change into their decision-making processes. In addition, this framework outlines how, together, they can provide support to the ambitious global programs that aim to address the climate crisis and its impacts. The One Planet Sovereign Framework was established following the One Plant Summit on December 12, 2017. This event was followed by the Climate Finance Day which recognized the important role that this key sector plays.

The Equator Principles (EP) is a risk management framework adopted by financial institutions to determine, assess, and manage environmental and social risk in project finance. The IFC developed a set of standards and principles on social and environmental sustainability, intending to provide a minimum standard for due diligence to support responsible risk decision-making. The development of such principles has increased the attention and focus on social and environmental responsibility and has consequently promoted the integration of ESG risks into investment decisions.

United Nations Environment Programme – Finance Initiative (UNEP FI) is a partnership between the United Nations Environment Programme and the global financial sector created in the wake of the 1992 Earth Summit with a mission to promote sustainable finance. More than 230 financial institutions, including banks, insurers, and investors, work with the UN Environment to understand today's environmental, social, and governance challenges, why they matter to finance, and how to actively participate in addressing them.

Green Bond Principles (GBP) are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond. The GBP are intended for broad use by the market: they provide issuers with guidance on the key components involved in launching a credible Green Bond; they aid investors by promoting the availability of information necessary to evaluate the environmental impact of their Green Bond investments, and they assist underwriters by moving the market towards expected disclosures that will facilitate transactions.

As representatives from across the financial services sector returned home from the United Nations Climate Change Conference in Glasgow in 2021 (COP26), many felt they had witnessed a significant milestone. Finance Day put the industry at the top of a COP agenda for the first time. The message at the conference was clear: the ambition is there, the money is available, and the plumbing is being built at pace to enable the growth of net-zero carbon dioxide investments. This includes all public and private sector investments to achieve the objectives of the 2015 Paris Agreement.

The Glasgow Financial Alliance for Net Zero (GFANZ), which represents a global coalition of leading financial institutions, announced that more than 450 firms in the financial services sector across 45 countries have committed to aligning their activities to the transition to net-zero carbon dioxide emissions. The alliance announced that they will collaborate to deliver the USD 100 trillion investment needed to achieve net zero over the next 30 years. This significant commitment from these firms, which represent 40 per cent of global banking assets, will involve setting concrete, net zero-aligned goals that are backed by science for investment portfolio emissions, with plans to regularly report on progress.

Climate Bonds Initiative is an international organization working solely to mobilize the largest capital market of all, the $100 trillion bond market, for climate change solutions. The organization promotes investment in projects and assets necessary for a rapid transition to a low carbon and climate resilient economy. The strategy is to develop a large and liquid Green and Climate Bonds Market that will help drive down the cost of capital for climate projects in developed and emerging markets; grow aggregation mechanisms for fragmented sectors, and support governments seeking to tap debt capital markets. Climate Bonds Initiative is an investor-focused not-for-profit. In 2019, the DFM, Dubai Islamic Economy Development Centre, and the Dubai International Financial Centre signed a Memorandum of Understanding with Climate Bonds Initiative to collaborate on growing the green sukuk sector.

Climate Action 100+ was launched in December 2017 and gained immediate worldwide attention. It was designed by investors for investors and aims to solicit the support of the world's largest corporate greenhouse gas emitters to reduce emissions and help combat climate change. This initiative was formed following the 2015 Paris agreement which is global commitment to keeping the increase in the global average temperatures well below the threshold of two degrees Celsius above pre-industrial levels. This accord is signed by nearly 200 countries and ratified by 170. By working with the companies in which they invest, the signatories of Climate Action 100+ believe that they can achieve greater transparency in climate-related risk reporting and create robust emission reduction strategies that are essential for achieving the goals outlined in the 2015 Paris Agreement.

Climate Action 100+ has become the largest ever global investor engagement initiative on climate change, with growing influence and impact. Since its launch Climate Action 100+ has experienced 170+ per cent growth in investor participation. Investors working through the initiative are now engaged across 33 markets and represent over 50 per cent of all global assets under management.

The Science Based Target Initiative (SBTi) is a part of WRI's Center for Sustainable Business and is a collaboration between the WRI, CDP, WWF, and the UN Global Compact, which;

- Defines and promotes strategies for reducing emissions and meeting net-zero targets that are backed by climate science.
- Outlines target-setting methods and guidance to help companies set science-based targets.
- Provides a team of experts that offer an independent assessment and validation of a company's climate-related targets.
- Is the lead partner of the Business Ambition for 1.5°C campaign which is an urgent call to action by a global alliance of UN agencies, business, and industry leaders that promotes the setting of net-zero targets backed by the latest science to keep warming below 1.5°C.

Over 1,200 companies worldwide are leading the transition to a net-zero economy by setting emissions reduction targets grounded in climate science through the SBTi. As of February 2020, over 590 companies have had science-based targets approved with the SBTi. As of 2019, companies who signed up to the SBTi had operational emissions totaling over 750 million tons of carbon dioxide which is more than the annual emissions of France and Spain put together. Their combined market capitalization was over USD10.8 trillion. Given the scale of their emissions and capital, emissions reduction and climate action in these companies can lead to significant changes in global emissions.

All number links are listed in page 58

APPENDIX C:
GLOSSARY

Chartered Financial Analyst Institute (CFA)	The CFA Institute is an international organization that provides investment professionals with education, a code of ethics to follow, and several certification programs.
Climate Risks	Climate risks refers to the negative impacts of climate change on an organization.
Corporate Governance	Corporate governance refers to the methods used to govern businesses and their goals. It ensures that organizations have the proper controls and decision-making processes to protect the interests of all stakeholders.
ESG	E = environmental, S = social, G = governance – ESG refers to the three key factors when measuring the sustainability and impact of an investment in a business or company.
ESG Bonds	ESG bonds are bonds with environmental, social or governance (ESG) objectives. These bonds cover green bonds, sustainable development bonds, and social bonds.
ESG Factors	Environmental, social and governance factors that affects the issuer's performance and prospects. Also referred to as sustainability issues, or sustainability risks and opportunities.
ESG Risks	ESG risks are related to climate change impacts, environmental management practices, working and safety condition, respect for human rights, anti-bribery and corruption practices, and compliance to relevant laws and regulations.
Impact Investing	Impact investments are investments made in businesses, organizations, and funds with the goal of producing both a financial return and a social and environmental impact.
Integration of ESG issues	Consideration of ESG possibilities and risks in financial analysis and investment decisions.
International Finance Corporation (IFC)	The International Finance Corporation (IFC) provides financing of private-enterprise investment in developing countries through loans and direct investments.
Materiality	A material sustainability issue is an economic, environmental, or social issue on which an organization has an impact, or may be impacted by in short, medium and long term.
Responsible Investment	Responsible Investment is the process of incorporating environmental, social and governance factors in investment decisions to generate sustainable returns.
Sector Standard	Sector standards highlight the sustainability context for specific sectors, outline organizations' likely material topics based on the sector's most significant impacts, and list disclosures that are relevant for the sector to report on.
Sovereign Wealth Fund (SWF)	A sovereign wealth fund is a state-owned investment fund comprised of money generated by the government.
Sukuk	A sukuk is a Shari'a-compliant bond-like instruments used in Islamic finance.
Sustainability	Sustainability refers to environmental, social and economic demands. A business interpretation of the sustainability concept is the ability to create and maintain growth in the long term by considering environmental and social factors alongside economic ones.
Sustainability Management	The integrated management of economic, social, and environmental performance for the purpose of maximizing benefits to all stakeholder groups.
Sustainability Reporting	The publication of information on material ESG factors in a comprehensive and strategic manner including targets, commitments.
Third Party Assurance	Third-party assurance is a signal to the organization (and potential partners) that the company is operating in a way that protects their reputational value, ensure the data and systems are maintained in a secure and compliant manner.
UN Sustainable Stock Exchanges (SSEI)	The SSEI provides a global platform for exploring how exchanges, investors, companies, regulators, policymakers and international organizations enhance ESG (environmental, social and governance) issues and encourage sustainable investment, including the financing of the UN Sustainable Development Goals.
World Business Council for Sustainable Development (WBCSD)	The WBCSD is the premier global, CEO-led community of over 200 of the world's leading sustainable businesses working collectively to accelerate the system transformations needed for a net zero, nature positive, and more equitable future.
World Federation of Exchanges (WFE)	The Word Federation of Stock Exchanges is an international trade group that supports the interests of regulated securities exchanges around the world.

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