Capital markets play a pivotal role in shaping the future of the global economy, and efforts to drive sustainability are at the heart of this.

In the UAE, the national visions and plans are well aligned to the global sustainable development plans. According to the global Sustainable Development Goals (SDGs) Index report for 2019, the UAE overall SDG’s performance ranked 65 out of 162 countries globally, and is the first in the GCC ranking. The rating indicates that the UAE outperformed the Arab region¹.

At DFM, we understand that informed investment decisions based on non-financial information are becoming increasingly important in today’s investment landscape. To ensure we maximize our contribution to sustainable development locally and globally, DFM’s sustainability approach is aligned with the SDGs, the UAE Green Agenda 2015-2030, the country’s commitment to the Paris Agreement, and Dubai’s Vision 2021 to create a smart and sustainable city. We have prioritized the following six SDGs for which DFM has been focusing its long-established corporate social responsibility (CSR) activities along with where we can have the most impact, and mapped these against our strategic corporate goals:

SDGs Global 2019 Ranking¹

United Arab Emirates 65
Bahrain 76
Jordan 81
Oman 83
Saudi Arabia 98
Kuwait 106

ESG Highlights of 2019

We believe that during 2019 we have achieved great milestones in our Sustainability journey as a Company and as an influencer, the most important of which are listed as follows:

After satisfying the requirements of an independent assessment during June 2019 index review, the DFM PJSC was named a constituent of the FTSE4Good Emerging Market Index making it one of only four UAE constituent companies. The index, created by FTSE Russell being a global index provider, measures the performance of companies in the Emerging Market space demonstrating strong Environmental, Social and Governance (ESG) practices.

We have also issued our inaugural stand-alone Sustainability Report covering 2018 expanded with exciting and informative details following the international standards of the Global Reporting Initiative (GRI): Core Option. The report included a new release of DFM PJSC Sustainability Strategy 2025, Framework and Policy showing materiality assessment and emerging ESG issues important to DFM and all our stakeholders.

As part of the UAE’s Sustainable Development Goals 2030 and Dubai’s Strategic Plan 2021 and in collaboration with the Dubai International Financial Centre (DIFC), the DFM launched the “Dubai Sustainable Finance Working Group” which aims to co-ordinate efforts to create the most sustainable financial hub in the region.

DFM launched its Shari’a Index, the DFMSI during the second half of 2019, making it the first-of-its-kind in the UAE. Aimed to meet the requirements of investors seeking Shari’a-compliant investment opportunities, the accelerating pace of demand for ethical investments by investors in the Islamic world, and to further attract Islamic investments, the Index provides investors with a comprehensive benchmark to measure the performance of Shari’a-compliant listed securities.

During 2019, DFM launched a comprehensive ESG Reporting Guide to provide listed companies with invaluable insight to instil best practices of Environmental, Social and Governance (ESG) within their reporting processes through the implementation of 32 ESG metrics. The Guide was launched during an ESG Reporting Workshop for DFM-listed companies. While sustainability reporting is voluntary, DFM strongly encourages listed companies to further commit to ESG reporting.

In collaboration with the Dubai Women Establishment, DFM launched the first-of-its-kind eBoard, an online application platform, aimed to increase awareness of Board positions available on DFM-listed companies and to encourage female board representation on DFM-listed companies’ Boards. The DFM eBoard was launched on International Women’s Day in March 2019, during DFM’s annual Gender Equality Bell-Ringing Ceremony in the presence of Her Excellency Mona Ghanem Al Marri, Vice President of the UAE Gender Balance Council.
**Sustainability Strategy 2025**

As the capital markets’ business model encompasses a broad spectrum of relationships with stakeholders, it requires implementing a diligent approach to cultivate those relationships to be able to create long-term value across each stakeholder group. With this end in mind, DFM’s Sustainability Strategy articulates our commitment to lead as the region’s sustainable marketplace by creating long-term shared value for DFM stakeholders by 2025. The four pillars of the DFM Sustainability Strategy are; Sustainability Reporting & Disclosures, Sustainable Investment Education, Green Products & Listings, and Gender Balance & Empowering People. DFM prioritizes sustainability in every aspect of its corporate strategy and organizational operations to create this value.

**Engaging with our Stakeholders**

At DFM, we recognize that our continued success relies on delivering value to our diverse stakeholders. We consult and listen to each of our stakeholder groups, so that we understand their evolving needs and incorporate their perspectives into our strategies and actions. This is essential to ensuring DFM remains relevant, responsive and creates long-term value and happiness for our stakeholders.

For further details on DFM engagement with its stakeholders, please refer to page 20-23 in the DFM PJSC Sustainability Report 2018.
Focusing on ESG Materiality

To ensure that DFM operations and sustainability management approach remain relevant and inclusive to allow us to manage and mitigate any potential material Environmental, Social and Governance (ESG) issues identified in a changing operational environment, we continue to engage our stakeholders and maintain a consistent and strategic dialogue with them.

During this past year, we have conducted an assessment on the materiality of ESG issues among internal and external stakeholders; individual investors made up the majority of survey participants (54%), followed by DFM employees (23%) and DFM-listed companies (12%).

As a result, this assessment allowed us to capture and prioritize 20 material ESG issues that matter most to our stakeholders and influence DFM’s strategy and operational activities; where the issue of anti-corruption and anti-bribery earned first priority, followed by financial stability issue, and data privacy came third. For further insight on the materiality matrix, please refer to page 25 of the DFM PJSC Sustainability Report 2018.

Leveraging these important results to steer our approach to sustainability, we have formed the DFM PJSC Sustainability Framework to ensure we remain abreast of these findings and integrate them into our strategy, operations and risk management framework.

Sustainability Framework

Our understanding of the current sustainability context and emerging trends shapes the foundation of DFM’s sustainability framework. Through this framework, we aspire to create long-term shared value for our stakeholders, position DFM as the region’s leading sustainable financial market by 2025 and contribute to the broader sustainability aspirations of national, sectoral and international agendas. For further details on the DFM Sustainability Framework, please refer to page 18 in the DFM PJSC Sustainability Report 2018.
To become the region’s sustainable capital market, it is essential that DFM leads by example. We continue to embed leading sustainability practices into our operations and identify opportunities to continuously improve. As a responsible exchange, we are committed to:

- Good governance and transparency
- Financial stability
- Digital innovation
- Developing our people
- Protecting the environment
- Enriching our communities

We are shifting the marketplace towards sustainability by focusing on four main pillars for DFM and its stakeholders:

- Sustainability Reporting and Disclosures
- Sustainable Investment Education
- Green Products and Listings
- Gender Balance and Empowering People.

We aim to be a prominent player in the global exchange industry. Through effective partnerships and collaboration, we advocate for and contribute to the growth of responsible investing and sustainable market practices, while driving regional action towards the same outcomes.

DFM Sustainability Policy

Vital to our success, we prioritize sustainability in every aspect of our corporate strategy and operations, so that we create long-term shared value for all stakeholders. Our Sustainability Policy outlines our commitment to model responsible practices and do business in a way that contributes to an environmentally, socially and economically sustainable future. The policy focuses on areas, including:

1. Sustainable risks management
2. Supply chain management
3. Stakeholder happiness
4. Employee training and engagement
5. Women and youth empowerment
6. Water and energy conservation
7. Recycling Program
8. Develop sustainable products and services
9. Sustainability work policies and procedures
10. Sustainable data collection and reporting
We have fulfilled our promise in producing our inaugural stand-alone, detailed 2018 Sustainability Report, which can be viewed at www.dfm.ae. In the following pages we provide the reader with a summary of our 2019 sustainability achievements in line with our framework and Sustainability Strategy 2025:

- **Responsible exchange;** we highlight the importance of our governance role and how we develop our people and impact our society.

- **Accelerating sustainable capital markets;** shifting focus towards sustainability we will be highlighting sustainability and report disclosures along with our efforts in gender balance and empowering people.

- **Key player in the global exchange industry;** we highlight our effective partnerships and collaborations to advocate for the growth of responsible investing.

- **Going forward;** we discuss our general direction, plans and aspirations within the ESG sphere.
1. Promoting Good Governance & Transparency

Cultivating trust and confidence through good Corporate Governance (CG) has been an ongoing focus of our strategy. DFM's CG framework is supported by the UAE Securities and Commodities Authority (SCA), which clearly defines relevant matters and applicable limits. These parameters include those reserved for the Board's approval, and those which the Board may delegate to the Board Committees and Management. Building upon our 2017 Board-approved risk management framework, the DFM continued to update its risk appetite across the business to mitigate risk exposure of strategic, operational, compliance and financial risks and integrated ESG issues into the framework. For further details on DFM's risk management framework please turn to pages 72-74 in the governance report.

In recent years, DFM issued a resolution that sees listed companies obligated to enroll board members and board secretaries in governance programs, and to ensure that any board secretaries are DFM certified. DFM continued to collaborate with Hawkamah Institute for Corporate Governance (Hawkamah) in offering a Board Secretary Accreditation Program which is mandatory for all DFM-listed companies and is strongly recommended for non-listed companies. During 2019, the fourth workshop for board secretaries was concluded, bringing the total number of those who attended the course since initiation to 98, while those who passed the accreditation were 75.

Since inception, DFM has demonstrated pioneering sustainability leadership. Our journey began from a strong sense of ethical and social responsibility. We were the first market globally to comply with Islamic Shari’a principles, which are well aligned to the principles of sustainable development and ethical practices. In line with international best practices and accounting standards, and to meet the needs of ethical and belief-based investing, our Board Committees include the Fatwa & Shari’a Supervisory Board and Audit Committee, which all demonstrate the transparency of the market.

Moreover, DFM shareholders appointed one female Board Member to its seven-member Board, an enhancement to our female Board Member representation.

During 2019, we have successfully renewed our ISO 9001 Quality Management certificate, which is a key standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements and the ability for continuous improvement. This achievement underlines DFM's commitment to adopt international business excellence and quality standards as well as its constant endeavor to further enhance its services.

Responsible Exchange

DFM Shari’a-compliant Listed Companies

- Shari’a-compliant companies
- Percentage of Shari’a-compliant companies

<table>
<thead>
<tr>
<th>Year</th>
<th>Shari’a-compliant companies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>37</td>
<td>51%</td>
</tr>
<tr>
<td>2017</td>
<td>39</td>
<td>60%</td>
</tr>
<tr>
<td>2018</td>
<td>41</td>
<td>61%</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>41</td>
<td>62%</td>
</tr>
</tbody>
</table>
in line with international best practices. Furthermore, initiatives from the Audit Committee and subsequent Internal Control procedures allowed us to gain the following ISO accreditations:

- ISO 9001 Quality Management
- ISO 27001 Security Management
- ISO 20000 IT Service Management Practices
- ISO 22301: 2012 Business Continuity Management System

In this Annual Report, we have dedicated a fully-fledged governance report, showcasing our best practices in governance with additional information on our Shari’a-compliant practices, our internal audit achievements, and our Board of Directors. To read further on our CG practices and framework please turn to pages 54-79 in this report.
2. Financial Stability

As part of our strategy to “sustain a stable financial performance and diversify our sources of income”, maximize profits and enhance the added value offered to shareholders, we continually focus on diversifying investments and increasing market depth. We diligently work to achieve this by creating a culture and environment that encourages companies to list, while fostering a swift and seamless listing process. In order to increase traded values, we focus on diversifying our products and services, launching quality and innovative solutions, which cater to our stakeholders’ needs, and enhancing operational efficiency for the benefit of the Clearing, Settlement, and Depository (CSD) functions and brokers.

During 2019, our efforts to sustain a stable financial performance and to diversify our sources of income included the following achievements:

Reinforcing the culture of becoming public
As part of its approach to promote listing, and the continued efforts to encourage family and private entities to benefit from capital markets and listing opportunities, the DFM organized a roundtable taking place along the sidelines of the Sharjah FDI Forum, addressing details of the key stages of going public from company readiness and valuation, developing the equity investment story, to choosing the right time for going public and listing on the market.

Accelerating efforts to launch the Free Zone Securities Platform
In cooperation with a leading group of strategic partners, the Dubai Financial Market is progressing well to launch a securities trading platform for free zone companies.

This platform will allow free zone companies active in various economic sectors in the country (the UAE includes 45 free zones, of which 22 free zones are Dubai-based with 31,000 companies) to unlock capital market opportunities offered by listing on the DFM.

Launching the DFM Shari’a Index “DFMSI”
The Index is a significant initiative that caters to investors’ growing appetite towards ethical investments in the Islamic countries and beyond and is a step forward to attract more Islamic investments. Consisting of 40 listed securities, the Index provides market participants with a benchmark to measure the performance of Shari’a-compliant listed securities and to take investment decisions accordingly.

The inclusion of DFM PJSC in the FTSE4Good Index
After satisfying the requirements of an independent assessment during June 2019 index review, the DFM PJSC was named a constituent of the FTSE4Good Emerging Market Index. Not only does the selection highlight DFM’s strong ESG performance and continued sustainability leadership, it also drives the diversification of investment opportunities to increase the total traded value, as this classification attracts investors interested in responsible investing and environmental protection.

Strong momentum for the “Allocation Account” service
To meet the evolving needs of the international funds of providing seamless access to trading, the DFM launched the Allocation Account service early last year. Due to the importance of this service to brokerage firms serving international funds, the service has gained a growing momentum as three DFM members were licensed to provide the service with the total value of implemented trades reaching AED 364 million during 2019.
Strong foreign investors’ presence

DFM continued to encourage listed companies to be more open and communicative with existing and potential investors alike, regularly updating them about business developments and growth strategies. To this end, the DFM organized two annual International Investor Roadshows in London and New York, during which meetings were conducted between senior executives, representing the DFM-listed companies, and representatives of global investment funds.

Enhancing Margin Trading rules to a greater flexibility

During the year, the DFM modified the margin trading rules to maximize efficiency, provide greater flexibility and increase trading safety. During 2019, the value of margin trading on the Dubai Financial Market reached AED 15.3 billion representing 14% of the total traded value.

During 2019, the performance of most of the financial markets was positive, indicating their adaptability to the ever-changing global economic and political landscape as well as the resulting uncertainty.

According to the available information from the World Federation of Exchanges, the main index in 62 out of the 76 exchanges showed an increase, while the indexes of 14 exchanges showed a decrease¹. Due to its flexibility and adaptability, also benefiting from the improvement in economic activity represented by a slight rise in economic growth, the Dubai Financial Market General Index (DFMGI) exhibited a 9.3% year on year increase.

With regards to the financial performance during 2019, the DFM PJSC consolidated net profit reached AED 122.1 million compared with AED 125.5 million in 2018. Total consolidated revenue for 2019 was AED 327.1 million compared with AED 334.4 million in 2018. The 2019 revenue included AED 187 million of operational revenue and AED 140.1 million from investments and others.

Direct Economic Value Generated and Distributed (AED million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Consolidated Revenues</th>
<th>Net Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>449.0*</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>430.9</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>334.4</td>
<td>125.5</td>
</tr>
<tr>
<td>2019</td>
<td>327.1</td>
<td>122.1</td>
</tr>
</tbody>
</table>

* Excludes an extraordinary income from gifted land income and expense provision for Wakala deposit in the amount of AED 5.3 million.

¹ Source: The World Federation of Exchanges (WFE).
3. Digital Innovation

DFM’s strategy of becoming a Smart Borse continues to pay dividends, this is obvious in DFM’s transformation to a Smart Trading Floor, deploying eServices and eForms that enable investors to view portfolio information and submit requests directly to DFM through our mobile apps and website platforms. These digital initiatives also provide seamless operations to brokers and help provide digital services to their clients; during the year, DFM honored three of its licensed brokerage firms for providing their customers with trading via smart phone applications. Furthermore, the eIPO platform provides investors, issuers and receiving banks with a digital advantage during the IPO process, whereas our Customer Relationship Management (CRM) system manages relationships online with the supply chain. To automate dividend distribution, DFM continued to provide an electronic alternative to checks through iVESTOR Card and bank transfers, successfully distributing dividends on behalf of listed companies and utilizing the newly launched “myAccount” service; an electronic account that enables investors to seamlessly transfer dividends to their iVESTOR Card accounts, bank accounts as well as to pay for IPOs and Right Issues subscription.

During the year, DFM also launched the Multiple Investors Numbers (NINs) service for its investors, enabling certain investors to operate more than one investor number to facilitate management of their portfolios.

Power consumption and data center
DFM has continued to adopt a number of steps towards greener Information Technology operations. Operating Vblock technology in our data center has allowed for lower power consumption and higher utilization of space and network resources. DFM has also carried out several other initiatives to lower power consumption, including using power-saving LED lights, and implementing lights-off rules after office hours.

Data Center Vblock Power Consumption Savings

<table>
<thead>
<tr>
<th>Year</th>
<th>Power Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>53%</td>
</tr>
<tr>
<td>2015</td>
<td>66%</td>
</tr>
<tr>
<td>2016</td>
<td>73%</td>
</tr>
<tr>
<td>2017</td>
<td>78%</td>
</tr>
<tr>
<td>2018</td>
<td>83%</td>
</tr>
<tr>
<td>2019</td>
<td>86%</td>
</tr>
</tbody>
</table>

New headquarters; environmentally friendly

The new Dubai Financial Market headquarters will be located in the Business Bay area. Planning for the new headquarters commenced back in 2016 and the project is currently at the schematic design phase. For this new building, DFM seeks to develop a smart, sustainable facility with state-of-the-art technology and energy-efficient features aligned with the Dubai Municipality ‘Green Building Regulations & Specifications for Buildings’ in the Emirate of Dubai, which will ultimately help DFM enhance its environmental performance. Our goal is to meet world-class standards in health, safety and environmental building codes.

4. Developing our People

Our people are our greatest asset; the Dubai Financial Market is proud to have a total of 161 employees as of the end of 2019.

Recruiting talents
Recognizing that DFM’s employees are fundamental to its operations and that the strength of the organization is directly linked to its ability to attract and retain the most capable people, DFM focuses on recruiting and retaining top talent. By the end of 2019, those who hold Bachelor’s degrees and higher represent 74% of our employees, with a diverse range of age groups.
Gender diversity

DFM is a great believer in the pioneering role women play at the workplace. With a 57% female workforce by the end of 2019, we are a proud standard-bearer for gender diversity. Over the past few years, we have achieved positive progress in this area, and our new DFM Women’s Council has set targets and action plans to further enhance our efforts going forward. Beyond our organization, DFM is leading efforts in the UAE to champion women’s advancement in the broader business community – refer to the Gender Balance and Empowering People section of DFM Sustainability Report. In 2019, the DFM Women Council continued to carry out several initiatives aimed at enhancing the professional and managerial proficiency of DFM female employees.

Gender Diversity

Retention program

We offer a wide spectrum of incentives to our employees, from a well-honed career path, to promotions and bonuses, and performance-based pay. In addition to these incentives, we provide a challenging environment in order to stimulate growth. Besides a hierarchy that features a management span of control of 1:5 (Manager: Direct Report), that encourages personal development, growth, and advancement opportunities, DFM incorporates a performance-based incentive system. This structure sees incentives directly linked to employees’ performance and in line with the “management by objectives” scheme. Our successful retention policy led to a lower employee turnover ratio of 4% by the end of 2019. Understanding that positive employee engagement drives up margins, DFM gains insight into employees’ feedback, motivation, and satisfaction by running annual satisfaction surveys.

Employee Turnover Radio
Overall Employee Satisfaction Survey

Emiratization Program
As part of its endeavors to support the UAE Government’s plans to attract local Emirati talent in the financial sector, DFM pursues initiatives aimed at attracting Emiratis such as utilizing relations with universities and colleges to attract local talents, engaging in career fairs and posting job openings in government job portals. Proudly, DFM maintained an Emiratization rate above 50% over the past four years and 58% of the workforce were Emiratis as of the end of 2019. Despite the decrease in the percentage over the past couple of years due to hiring specialized technical talents, the Emiratization percentage at DFM is still considered one of the highest in the financial services industry.

Ongoing learning and training supports identifying emerging talents
As one of its strategic goals, DFM has long subscribed to the policy of continuous learning, to encourage employees to further their potential. The organization achieves this by equipping its employees with skills and knowledge that go beyond the required expertise of their current roles. To achieve this, we provide employees with a variety of training, workshops, conferences, benchmarking and field visits, educational scholarships, continuing education schemes, and internal job rotation opportunities. With these holistic initiatives in mind, in 2019, we trained 125 employees (78% of total employees), with a total of 3,556 hours. Below is a breakdown of the main categories that training has focused on:

5. Protecting the Environment
The Dubai Financial Market (DFM) is keen to protect the environment and minimize its environmental footprint, both as a market influencer and as a publicly-listed company, and has continued to undertake a number of initiatives to promote these aims. DFM has sought to share data on its
environmental footprint across several simple metrics. For further details on environmental issues, please refer to pages 45-47 of the DFM Sustainability Report 2018.

In line with the drive towards a paperless and sustainable workplace, DFM has subscribed to the GreenBox service since 2015. Aimed at contributing towards a sustainable ecosystem through paper recycling, the GreenBox service raises awareness about paper waste and its negative impact, changes paper consumption habits, and reduces DFM’s carbon footprint.

According to the GreenBox report, DFM’s results show a decrease in the amount of recycled paper in 2019 y-o-y. The drop comes after an increase in recycled paper last year due to the disposal of previously archived documents over the past years (where archiving in previous years was paper-based) and due to the increase in the number of free newspapers received by the market during the year. However, DFM is always able to ensure recycling of these papers for the benefit of the environment. Interesting information can be found on our DFM Sustainability Report 2018, regarding employee’s awareness of the environment, on pages 45-47.
6. Enriching our Communities

In line with our corporate social responsibility policy and as part of the Sustainability Strategy, DFM continued to organize society-oriented activities, with the understanding that creating value for society will inevitably benefit the organization. The following are some of the key activities that DFM has undertaken during 2019:

Further engagement with our stakeholders; an ongoing priority
As part of a global dialogue discussing regional ESG integration, in 2019 and in collaboration with Sustainability Excellence and Hawkamah, DFM hosted an issuers workshop explaining the details of its ESG Reporting Guide; highlighting the increasing importance of ESG investing and strongly encouraging voluntary sustainability reporting, and referring to the recommended ESG metrics as well as international reporting standards within the guide.

In addition to the several awareness workshops aimed at educating brokers and issuers about new services or technologies, DFM continued to educate and familiarize the wider spectrum of investors of the advantages of listing on DFM through jointly organizing a roundtable to promote awareness within private and family businesses in Sharjah on the prospects of aligning their growth strategies with DFM’s various listing platforms, including the Main Listing, the Second Market platform for private companies, as well as the upcoming platform for free zone companies. In cooperation with Shurooq, the discussions focused on how private companies can unlock capital market opportunities through listing on DFM.

DFM is keen to listen to its stakeholders as part of its engagement with both external and internal stakeholders, it carried out several satisfaction surveys that measure customer satisfaction and happiness in addition to employee surveys. For detailed customer satisfaction survey results, please refer to page 23 of the DFM Sustainability Report 2018.

Overall Customer Satisfaction

<table>
<thead>
<tr>
<th>Year</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>80%</td>
</tr>
<tr>
<td>2018</td>
<td>80%</td>
</tr>
<tr>
<td>2017</td>
<td>87%</td>
</tr>
<tr>
<td>2016</td>
<td>80%</td>
</tr>
</tbody>
</table>

In line with the Dubai Happiness Index, DFM is driving forward happiness levels amongst its market participants and has initiated happiness surveys through the Client Services Affairs desks, the index enables walk-in customers to assess the service level offered.

Happiness Meter

<table>
<thead>
<tr>
<th>Year</th>
<th>Happiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>100%</td>
</tr>
<tr>
<td>2018</td>
<td>100%</td>
</tr>
<tr>
<td>2017</td>
<td>100%</td>
</tr>
</tbody>
</table>

Supporting students
With the objective of developing students’ skill sets and putting capital markets theory into practice, DFM continues to offer its online Stock Game and host several student internships, with more than 25 students availing this opportunity. To further support students in financial difficulty, DFM paid the fees of several students at the University of Dubai.
Empowering women
In collaboration with the Dubai Women’s Establishment, DFM launched the first-of-its kind eBoard online application platform to encourage female representation on the Boards of DFM-listed companies as part of its Sustainability Strategy 2025 to support the UAE target to achieve 20% representation of females on Company Boards. The DFM eBoard was launched in March 2019 to mark the celebration of the International Women’s Day, when DFM joined 70 global exchanges honoring this occasion over a week of bell-ringing for gender equality activities in partnership with the United Nations Sustainable Stock Exchanges (SSE) initiative, the World Federation of Exchanges, IFC, UN Global Compact, UN Women and Women in ETFs.

Participation at several national and international events; good corporate citizenship
Participating at several national and international celebratory days, Dubai Financial Market sought to be an engaged corporate citizen, celebrating the UAE Flag Day, National Day and Martyrs’ Day.

Within the framework of the Smart Borse strategy, and in support of the Dubai Government’s vision, DFM participated in the “Day without Service Centres”. This event, launched by Dubai Government’s Department of Finance, encourages greater usage of smart channels when accessing services and completing transactions. Furthermore, DFM participated in the GITEX Technology Week in the “Business Services” area at the Dubai Smart Government pavilion. DFM’s participation in the exhibition showcased a diverse and integrated range of smart applications that has strengthened its regional market position in terms of DFM’s Smart Borse initiatives and innovation.

In line with the leadership’s vision and the national strategy for innovation aimed at transferring the UAE into one of the most innovative countries globally, the DFM actively participated in the “UAE Innovation Month 2019” through organizing a number of events to promote the culture of “innovation”, a key value of DFM, amongst its employees and various market participants including listed companies and brokerage firms.
DFM is committed to accelerating sustainable capital markets regionally and globally, and delivering on its Sustainability Strategy 2025 by focusing on four key pillars: sustainability reporting and disclosures, sustainable investment education and awareness, green products and listings, and gender balance and empowerment.

1. Launching DFM Sustainability Strategy 2025

As part of its leading role amongst regional exchanges as well as its status as ‘The World Class Regional Marketplace’, the DFM launched its Sustainability Strategic Plan 2025 aimed at underpinning its continuous efforts to promote ESG best practices amongst listed companies and other stakeholders.

In order to streamline the implementation of the Sustainability Strategy, the DFM has formed a Sustainability Committee that will focus on creating awareness amongst local and regional investors and other stakeholders to further solidify Dubai’s position as a regional investment hub and contribute to Dubai’s and the UAE’s sustainable development agenda, in line with the global Sustainable Development Goals (SDGs). The Committee is going to play a crucial role in embedding DFM’s Sustainability Policy and practices across DFM business operations to ensure long-term corporate survival including material risk mapping, environmental and social development initiatives.

The Committee will also launch a series of initiatives to increase awareness on the importance of ESG investing and encourage listed companies to adopt ESG reporting practices, which reinforces their ability to attract investments, access finance and enter new markets through good governance practices.

2. Launching DFM ESG Reporting Guide

As financial markets play an instrumental role to foster economic development and mobilize the necessary investments to achieve sustainable growth, the DFM has made a formal commitment to promote sustainability in capital markets, further attract international investors as well as encourage responsible investment. Being a Partner Exchange and Official Supporter Member of the Sustainable Stock Exchanges (SSE) initiative, we have been actively working since 2016 to promote best practices of sustainability amongst market participants, and issuing DFM ESG Reporting Guide is our most recent initiative to support listed companies’ sustainability reporting. With its 32 metrics that are typically assessed by the investment community including 10 for each of governance and social in addition to 12 environmental metrics, the guide thoroughly explains ways to enhance ESG reporting and promote transparency and disclosure in financial markets. To shed light on the ESG Reporting Guide, the DFM hosted a comprehensive workshop for representatives of the listed companies. The DFM ESG Reporting Guide is available to download at: www.dfm.ae.

DFM will continue to enhance the reporting landscape and is committed to accelerating the uptake of sustainability reporting by listed companies.
3. Continued Sustainable Investment Education

As part of its efforts to increase understanding of the global Sustainable Development Goals, the UAE SDGs, the DFM Sustainability Strategy 2025 and policy, DFM organised two training sessions for 18 employees across the business in various functions, achieving 88% satisfaction (June 2019). Additionally, two sustainability awareness workshops for all employees in July 2019.

DFM also continued to play an active advocacy role during 2019, participating in numerous ESG industry events and conferences panel sessions highlighting the increasing importance of developing sustainable capital markets, growing sustainable finance, and encouraging sustainability reporting, including the DEWA Sustainability Week 2019 in collaboration with the University of Cambridge Institute for Sustainability Leadership (CISL), the World Green Economy Summit, and the Securities and Commodities Authority (SCA) ESG Workshop.
Key Player in the Global Exchange Industry

Through partnerships, memberships, awareness and advocacy, we aspire to play a key role in the global exchange industry. We support and contribute to leading international ESG practices, and are working to drive these practices at the regional and local levels. DFM is well positioned to make a positive difference, as we connect a diverse community of market participants, United Arab Emirates and MENA region companies, and global investors throughout the investment life cycle.

During 2019, and in line with the UAE Sustainable Development Goals 2030 and Dubai’s Strategic Plan 2021, the DFM and the Dubai International Financial Centre (DIFC) launched the "Dubai Sustainable Finance Working Group". The initiative underlines our commitment to collaborate with key stakeholders to reinforce Dubai’s position as a leading financial hub and global capital of Islamic economy.

Bringing together strong support from leading banks, financial institutions, as well as public and private companies in Dubai in order to orchestrate efforts to embed ESG into the financial services sector, the group launched with 10 founding members; Nasdaq Dubai, Hawkamah Institute of Corporate Governance, DEWA, the Dubai Islamic Economy Development Centre, Aramex, DP World, HSBC, EmiratesNBD, Dubai Islamic Bank and Société Générale.

Leading the region’s sustainable capital markets, the DFM also contributed to the United Nations Sustainable Stock Exchanges (SSE) and World Federation of Exchanges (WFE) Report on ‘How exchanges can embed Sustainability within their operations’, which includes examples of DFM’s sustainable development efforts. The Report was launched at UN SSE 10th anniversary celebrations in New York on the 26th of September 2019, alongside the UN General Assembly gathering and Climate Action Summit.

For further details on how we plan to further enhance our stand as a global player, please refer to pages 56-58 of the DFM Sustainability Report 2018.
Throughout this section of the Annual Report, we aimed to summarize DFM’s engagement with multiple stakeholders to develop a sustainable capital market. Going forward, we will continue to leverage stakeholders’ relationships to create long-term shared value as a public-listed company.

As an influencer, our Sustainability Strategy also seeks to develop an enhanced reporting landscape, so that our listed companies embark on a journey of sustainability reporting. As such, DFM will continue to derive value from sustainability reporting in order to support the increasing trend towards ESG investing, and drive awareness of ESG best practices, as well as develop good Corporate Governance.

DFM believes that it is well underway to become the region’s leading sustainable financial market by 2025.