



FEDERATION OF EURO-ASIAN
STOCK EXCHANGES

ESG in Capital Markets Infrastructures

Dr. Konstantin Saroyan
FEAS Secretary General

About FEAS

The Federation of Euro-Asian Stock Exchanges (FEAS) was established on 16 May 1995 with 12 founding members.

The purpose of the Federation is to contribute to the cooperation, development, support and promotion of capital markets in the Euro-Asian Region (i.e. Europe, Asia and the Mediterranean Basin).

FEAS Secretariat is located in Yerevan, Armenia.



What is ESG

UN member States agreed on 17 Sustainable Development Goals (SDGs) to be accomplished by 2030.



Environmental

- Renewable fuels
- Greenhouse gas (GHG) emissions
- Energy efficiency
- Climate risk
- Water management
- Recycling processes
- Emergency preparedness



Social

- Health and safety
- Working conditions
- Employee benefits
- Diversity and inclusion
- Human rights
- Impact on local communities



Governance

- Ethical standards
- Board diversity and governance
- Stakeholder engagement
- Shareholder rights
- Pay for performance



Why we need ESG





What are the benefits for companies

- According to the most recent report from US SIF Foundation, investors held \$17.1 trillion in assets chosen according to ESG criteria at the beginning of 2020, up from \$12 trillion just two years earlier.
- UNCTAD estimates that the annual investment gap between existing and required levels of investment to meet the SDGs in developing countries alone is in the order of \$2.5 trillion per year.

Reputation

Visibility

**Risks
management**

**Financial
resources**





The role of Stock Exchanges in ESG

112 Stock Exchanges joined SSE initiative

Outward-facing activities

Exchanges can facilitate the information flow, enhance the level of ESG disclosure and performance and contribute to more sustainable capital markets that are oriented towards long-term value creation by leveraging their unique positioning as a central point of reference for companies, investors and regulators.

Inward-facing activities

As an influencers and role models exchanges are increasingly focusing on 'inward-facing activities' in their own internal operations and how they can better embed ESG issues into those operations.





What FEAS Members do

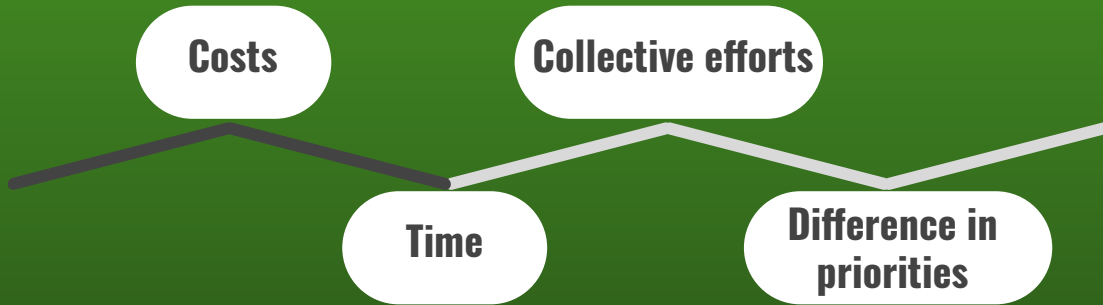
FEAS Member Name	Environment		Social		Governance	
	Inward	Outward	Inward	Outward	Inward	Outward
Amman Stock Exchange		ASE has entered the Refintive and AFE index for low carbon companies.	Training and workshops for employees	Training and workshops for brokerage companies	In cooperation with the Jordan Securities Commission (JSC) launched the electronic disclosure system (XBRL)	Published ESG reporting guide
				Cooperation with university		
				Donation to special fund for Covid	Implemented Sustainability report	Amendment of listing rules
				Ring the Bell for Financial Literacy		
Astana International Exchange		Green bonds issuance				
Athens Stock Exchange				ESG related trainings	Improved ESG reporting as an issuer	Published ESG reporting guide
				Cooperation with university	Implemented Sustainability report	Join the working group of reform of the corresponding legislative framework and the adoption of a new Corporate Governance law in Greece
				Cooperation with Hellenic Fund and Asset Management Association		Seminars on corporate governance
				SME Platform		ESG Executive course
Bucharest Stock Exchange		Involvement in workgroups on development of the green financing solutions in Romania.		Education and promotional events	Cooperation with Sustanalytics	Development of ESG guidelines
Damascus Securities Exchange			Establishing special committee for social responsibility	Cooperation with Ministry of Education		Special units in HR and development departments of listed companies to carry social responsibility
			Introductory trainings	Restoration and rehabilitation for School Saqba II for boys		
				Donations to BASMA supporting children with cancer		Listed companies published Sustainability, Social Responsibility, Corporate Governance and its implementation, Ethics Code of Conduct in their annual reports.



What FEAS Members do

FEAS Member Name	Environment		Social		Governance	
	Inward	Outward	Inward	Outward	Inward	Outward
Egyptian Exchange		Sustainability related indices		Donation for orphanages SME Platform Cooperation with Ministry of Social Solidarity	Implemented Sustainability report	Published ESG reporting guide
Iran Fara Bourse			Employees compensation system designed Training courses for employees	Donation to support corona crisis	Launched 'Talent Search' website Promoted women grades and women empowerment in senior and junior levels.	
Iraq Stock Exchange	Reducing paper usage and move to electronic documenting		Workshops and trainings	Cooperation with universities Donation to support corona crisis	Enhanced reporting	
Kazakhstan Stock Exchange				Events and meetings for issuers	Developed Sustainable Development Policy	Mandatory ESG disclosure Published ESG reporting guide
Sydney Stock Exchange				ESG training course	Setup an ESG board Joined SSE Initiative	
Tehran Stock Exchange	Dematerialization procedures New environmentally friendly building	Dematerialization procedures with partners				Requirements of corporate governance for listed companies
RSE Tashkent					Implemented Gender Equality Policy	

ESG challenges



Future Actions

1

Accepting

2

Following

3

Setting Goals and Priorities

4

Performing

5

Reporting

6

Convincing



THANK YOU



www.feas.org

