Boursa Kuwait raises awareness on the importance and benefits of robust ESG reporting

Seminar sheds light on MSCI ESG Ratings assessment metrics and benchmarks

Kuwait, January 22, 2020: Reaffirming its commitment to building a sustainable capital market for both issuers and investors, Boursa Kuwait recently hosted a seminar in collaboration with MSCI Inc. to raise awareness of the assessment metrics and benchmarks of MSCI ESG Ratings. Senior officials of the Capital Markets Authority (CMA) and nearly 250 key executives of listed as well as major companies in Kuwait participated in the workshop held at JW Marriott Hotel -Kuwait City, on 22 January.

The seminar shed light on various factors companies should take into consideration when integrating environmental, social and governance (ESG) information into their sustainability reporting. MSCI ESG Ratings evaluates ESG risks and opportunities for investors based on 10 different themes across the three ESG pillars, such as climate change, natural resources, pollution and waste, human capital, product liability, and corporate governance.

Commenting on the seminar, Mohammad Al-Osaimi, CEO of Boursa Kuwait, said, “Companies that have excelled in ESG pillars have consistently outperformed their peers with no established ESG metrics. Over the years, the Kuwaiti capital market has evolved into an attractive investment destination for both local and foreign investors. With the country’s inclusion in the emerging market indices of MSCI, S&P Dow Jones Indices and FTSE Russell, issuers are promised large capital investment inflows. In order to capitalize on these prospects, however, companies are naturally required to comply with their ESG policies and meet the increasing demand for transparent and effective sustainability reporting from
investors. Sound disclosure on ESG requirements will help businesses to enhance their performance and increase competitiveness, thereby improving their appeal to long-term institutional investors.”

Robert Ansari, Head of the Middle East for MSCI, adds, “Institutional investors in the Middle East are increasingly demanding high-quality ESG ratings, metrics and insight to inform their investment decisions. Driving this trend is investors’ need to identify ESG risks and opportunities as they start to integrate ESG into their portfolio construction and asset allocation process.”

Boursa Kuwait has rolled out a number of initiatives as part of its Corporate Sustainability strategy. The “Education” pillar envisions a robust capital market ecosystem, where all stakeholders are fully equipped with the knowledge and skills required to be an active player in the national exchange and capital market, while the Community pillar embodies the company’s commitment to giving back to the community including its own employees. Although Boursa Kuwait does not operate in an environmentally sensitive business, it is still committed, through its “Environment” pillar, to minimizing the adverse effect of its operations and collaborating with environmentally conscious organizations to contribute to the environmental well-being of Kuwait.

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