

# Qatar Stock Exchange launches ESG tradable index in collaboration with MSCI

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*MSCI's ESG Ratings provide key input for the Tradable Index.*

Doha – November 15<sup>th</sup>, 2021 – Qatar Stock Exchange (QSE) today announced the launch of the MSCI QSE 20 ESG Index (MQ 20 ESG Index) in collaboration with MSCI Inc. (NYSE: MSCI), a leading provider of critical decision support tools and services for the global investment community.

The joint index is designed to identify the top 20 securities within the MSCI Qatar IMI Index that demonstrate the best Environmental, Social and Governance (ESG) profile. Responding to the growing demand for sustainable investment tools from investors, the MQ 20 ESG Index is the first ESG index on the Qatar equity market and marks the first co-operation between QSE and MSCI in equity indices.

The MSCI QSE 20 ESG Index methodology uses a 'tilt' approach to index weightings based on MSCI ESG Ratings (AAA through CCC) and MSCI ESG Rating Trend (i.e., is a company improving its rating). A company's weight is capped according to its weight in the MSCI Qatar IMI Index.

QSE intends for this tradable index to serve as a basis for index linked financial products, particularly exchange traded funds.

“We are responding to investor demand with the launch of this index. The market has been quite vocal – sustainable investing is now a critical part of the decision-making process,” said Rashid Al Mansoori, CEO of Qatar Stock Exchange. “We expect the index to act as a barometer for local companies in terms of ESG performance. Promotion in the index based on improving ESG scores should and will be an aspiration of all of our listed companies”

Henry Fernandez, Chairman and Chief Executive Officer of MSCI, said, “Institutional investors increasingly want tradable indexes that incorporate sustainability into liquid instruments to provide access to specific equity markets. We are pleased to work with the Qatar Stock Exchange to make such products more widely available.”

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