

# The Role of Stock Exchanges in Promoting Corporate Sustainability

The United Nations Sustainable Stock Exchanges (SSE) initiative's Partner Exchanges see promoting corporate sustainability as a key part of their multi-pronged roles in their markets. Building on their traditional focus on promoting corporate governance, they are now helping investors and issuers align and lift their standards of corporate sustainability. Exchanges are innovating to raise ESG disclosure and management standards and to enable the integration of environmental, social, and governance (ESG) information in investment decision-making. The SSE Secretariat maintains a database of [fact sheets](#) that detail the sustainability initiatives of more than 50 stock exchanges worldwide.

## The role of the exchange... ... in promoting corporate sustainability

### As a market intermediary...

...that interfaces with nearly every other capital market actor, the exchange is uniquely positioned to promote best practice sharing and collaboration that creates long-term value for issuers and investors. ESG issues are increasingly critical to this long-term value proposition.

### As a regulator and standard-setter...

...it is the historical mandate of the exchange to guide companies and help them comply with and stay ahead of regulations that enable stable, transparent, and fair markets. Exchanges naturally play a critical role in helping the markets navigate emerging ESG disclosure and management demands.

### As a gatekeeper and advocate...

...the exchange champions transparency and integrity and fosters trust in market participants. Enabling dialogue between market participants and highlighting gaps in disclosure on material ESG issues is key to fostering this trust.

### As a financial services innovator...

...the exchange develops and enables new products and services that address investor concerns about ESG risks and opportunities, as well as issuer needs to finance initiatives that drive growth and sustainable development.



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Over 20 stock exchanges partner with the United Nations Sustainable Stock Exchanges (SSE) initiative to promote corporate sustainability in their markets. SSE Partner Exchanges have published the inaugural edition of the **Communication to Stakeholders**—a document that explains each exchange’s rationale and activities for promoting responsible investment and sustainable business practices. In it, exchanges explore the roles they play in their markets and how corporate sustainability aligns with these roles.

## In Their Own Words

“Due to their involvement with an extensive variety of market participants, [exchanges] increasingly play the role of protagonists in defining the rules and best practices that reflect the aspiration of these participants and of society as a whole. In this respect, the main **role of an exchange is to raise ESG awareness and standards among listed companies to encourage companies to become more sustainable** and eventually help create a better future for next generations.”

**Borsa İstanbul**, *March 2015*

“We will be a **champion for transparency**. Our services will enable cost and capital efficiency and will promote risk-based approaches which underpin market integrity and confidence in financial services. We will **enable market participants to integrate sustainability and transition to a low carbon economy, by developing global standards and measuring corporate performance.**”

**London Stock Exchange Group**,  
*December 2014*

“We are obligated to support the interests of many different market participants. Investors should have a complete picture of the long-term viability, health, and strategy of their intended targets. **Environmental, social, and governance data is a part of that total picture. Informed investment decisions tend to produce longer-term investments.** ... Nasdaq is primarily focused on issuer outreach, engagement, and education. We want to provide the support and resources necessary for our listed companies to understand sustainability, integrate better data into their decision-making processes, and engage in an open dialogue with investors and other stakeholders about their strategy.”

**Nasdaq**, *April 2015*

“As a service provider to both investors and issuers, the JSE has for long leveraged its **central role in the economy beyond simply expressing a view on why sustainability is important.** ... As a pivotal player, many of the JSE’s activities to date have been focused outward at **creating an enabling environment influencing corporate and investor behaviour in a positive manner.**”

**Johannesburg Stock Exchange**, *March 2015*

“At BSE, we understand that corporate sustainability is an important step to create **long term value for all stakeholders.** ... The top management of BSE ... is committed in making corporate sustainability a subject which is a **priority in every corporate’s agenda.**”

**BSE (India)**, *May 2015*

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“To fulfill its commitment to the smooth and safe operation of the market, BM&FBOVESPA ... pledges to ... **encourage the adoption of sustainable practices by listed companies.**”

**BM&FBOVESPA (Brazil), January 2015**

“We hope to introduce a **new standard of transparency and accountability in Romania** that will bring a more sustainable environment for all.”

**Bucharest Stock Exchange, April 2015**

Deutsche Börse is “**building trust** as [a] capital market organizer.” First, by “contribut[ing] to the **systemic sustainability** of capital markets [via] regulated markets characterized by highest transparency and effective risk management.” Second, by “**increas[ing] availability and quality of corporate [ESG] disclosure for analysts, investors and other stakeholders.**”

**Deutsche Börse, March 2015**

SET is “aware of our significant role in developing sustainability for the Thai capital market. ... We are ... a significant mechanism and economic driver, and ... what we do ... can change and make a wide spread of impact to stakeholders.” SET leads the “**integration of sustainability ... into the core business practice** of Thai listed companies, ... as well as **creating awareness and understanding of responsible investing** among investors.” All this to “boost market value and ensure **sustainable growth for the Thai economy in the long run.**”

**Stock Exchange of Thailand, March 2015**

“Sustainability is a key component of our strategy as we aim to increase the overall level of transparency and good governance in the Kenyan Capital Markets” by “promot[ing] excellence in financial reporting, foster[ing] sound corporate governance practices and **enhanc[ing] corporate social responsibility and environmental reporting in East Africa.**”

**Nairobi Securities Exchange, April 2015**

EGX “plays an important role in **communicating with investors, companies and [the] regulator** to promote long term sustainability investments and **improve environmental, social and corporate governance disclosure and performance**” among its issuers.

**Egyptian Stock Exchange, January 2015**

“The Nigerian Stock Exchange recognizes its crucial role in supporting economic growth by **providing an efficient and sustainable capital market.**”

**Nigerian Stock Exchange, April 2015**

“The Santiago Stock Exchange, in its role as leader of the Chilean capital markets, aims to **promote best practices in sustainability** in the local stock market.”

**Santiago Stock Exchange, March 2015**