

ESG Newsletter

July 2024

Your Knowledge Digest

Sustainability in the Middle East 2024 (pwc.com) 

New Deloitte research reveals 80% of CEOs feel pressured by employees, customers and boards to improve human sustainability - Deloitte US 

News | Regional

NBK pioneers sustainable finance with USD 500 million debut green bonds 



Overview

In June 2024, NBK successfully issued its inaugural green bond, raising USD 500 million to support the financing of climate-related and environmental projects. The 6-year bond, with a first call date after 5 years, was priced at a spread of 95 bps above US Treasuries. The issuance attracted substantial interest from a diverse array of global investors, resulting in an order book that peaked at USD 1.5 billion, oversubscription of more than 3x.

What is a green bond?

Green bonds are debt securities issued to finance or refinance projects with environmental benefits including, but not limited to, renewable energy, energy efficiency, green buildings, and clean transportation. By channeling capital into environmental projects, green bonds work to effectively support the green transition, aligning capital markets with global sustainability goals.

Why is it important to NBK?

NBK's debut green bond strongly aligns with the Group's ESG strategy. A central component of the strategy, the "Responsible Banking" pillar drives NBK's efforts towards achieving net-zero emissions and guides the innovation and development of its products, services, and financing solutions. This issuance strengthens NBK's commitment to channel and mobilize capital to fund climate-oriented projects, and further supports its ESG ambitions, including achieving carbon neutrality by 2060.

EPA develops renewable energy strategy in Kuwait (zawya.com) 

The Green Transition symposium organized by the Environmental Public Authority (EPA) in coordination with the European Union and the Gulf Cooperation Council (GCC) titled "Kuwait's Sustainable Future - Collaborative Solutions" aimed to introduce the green transition project, renewable energy sources as well as strategies to enhance energy efficiency.



Kuwait rationalizes electricity in the face of extreme heat - energynews 

With temperatures reaching 51 degrees Celsius, Kuwait's Ministry of Electricity announced that some regions will likely experience power cuts of one to two hours a day. This measure is designed to compensate for the inability of power plants to meet growing demand in an unwavering heat wave.



Saudi Arabia, Kuwait sign pact for cooperation in environment protection (zawya.com) 

Saudi Arabia and Kuwait signed two memorandums of understanding (MoU). One of these MoUs aims to enhance technical cooperation for the protection and preservation of the environment while the second one is meant for mutual recognition of seafarers' certificates.



Strategy to cut Qatar LNG facilities' carbon intensity by 35% (zawya.com) 

The strategy aims to further reduce the carbon intensity of Qatar's LNG facilities by 35%, and of its upstream facilities by at least 25% (compared to previous targets of 25% and 15%, respectively) bolstering Qatar's commitment to the energy transition.

Qatar aims for 18% renewable energy by 2030 (gulf-times.com) 

The current production of renewable energy in Qatar is estimated at 5% of the total energy mix, forecast to rise to 18% by 2030. The strategy focuses on reducing carbon dioxide emissions through sustainable policies, increasing the share of renewable energy while maintaining grid reliability, and maximizing the social and economic benefits of renewable energy programs.



Qatar Central Bank's ESG strategy to make Doha a hub for sustainable finance innovation (zawya.com) 

The QCB unveiled its ESG strategy which is broadly based on three main pillars: focusing on managing climate, environmental, and social risks in the financial sector; encouraging capital investments in sustainable finance, and aiming at incorporating ESG practices into the QCB's internal operations.

Dubai to construct Dhs30bn rain drainage network (gulfbusiness.com) 

The move comes after UAE experienced its heaviest rainfall in 75 years in April, leading to widespread flooding, damage to infrastructure and record insurance claims. The project, covering all areas of Dubai, will handle over 20 million cubic meters of water daily. Construction is expected to start immediately and finish by 2033.



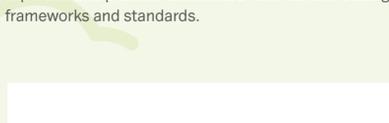
Egypt looking to raise target for renewable energy to 58% by 2040 (zawya.com) 

Egypt is looking to raise its target for the renewable share of energy generation to 58% by 2040 in an updated strategy for expanding green power. Egypt previously had a target to generate 42% of its power through renewables by 2030.

News | International

IFRS - ISSB delivers further harmonization of the sustainability disclosure landscape as it embarks on new work plan 

Since the outset, the ISSB has worked to reduce the complexity of multiple sources of sustainability reporting initiatives, while building on the established expertise and practice associated with market-leading frameworks and standards.

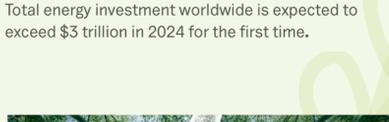
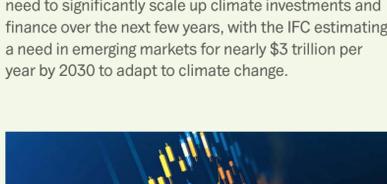


IFRS, IFC launch partnership to improve sustainability reporting emerging markets - ESG Today 

The new alliance comes as developing economies will need to significantly scale up climate investments and finance over the next few years, with the IFC estimating a need in emerging markets for nearly \$3 trillion per year by 2030 to adapt to climate change.

Investment in clean energy this year is set to be twice the amount going to fossil fuels - IEA 

Global spending on clean energy technologies and infrastructure is on track to hit \$2 trillion in 2024, notably in emerging and developing economies. Total energy investment worldwide is expected to exceed \$3 trillion in 2024 for the first time.

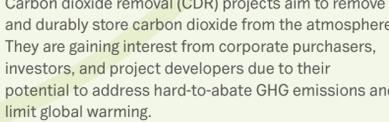


Sustainable Aviation Fuels production to triple in 2024: IATA (zawya.com) 

The International Air Transport Association (IATA) expects that the tripling of Sustainable Aviation Fuels (SAF) production in 2024 to 1.9 billion liters is on track. Renewable fuel production potential could exceed this estimate as investor interest in SAF grows.

Global carbon dioxide removal market could reach \$100 billion between 2030-35 with targeted interventions (oliverwyman.com) 

Carbon dioxide removal (CDR) projects aim to remove and durably store carbon dioxide from the atmosphere. They are gaining interest from corporate purchasers, investors, and project developers due to their potential to address hard-to-abate GHG emissions and limit global warming.



LNG investments to jump more than 50% by 2029 - Goldman Sachs (zawya.com) 

With the increase in investments, the global supply of LNG could grow by 80% by 2030, and this will likely put an end to the European energy crisis, Goldman Sachs Research said in a report. The supply growth will be driven by new projects in Qatar, as well as in North America.



NBK ESG Highlights of the Month



NBK signs exclusive collaboration agreement with IE University - Spain 

The agreement focuses on areas such as talent development and will see IE University developing a tailored program to cater to the specific needs of NBK. This will be achieved through IE's customized training design unit which leverages knowledge and materials from its wide range of academic programs.

NBK joins the official inauguration ceremony of Al-Zour Refinery 

NBK participated in the official ceremony marking the full commissioning of Al-Zour Refinery, the largest refining facility in the world to be built in one phase. The refinery's strategic objectives include ensuring a secure and dependable supply to meet the Ministry of Electricity, Water, and Renewable Energy's requirements for low-sulfur fuel oil.



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