

ESG Newsletter

August 2025

Your Knowledge Digest

Energy Security and the Green Transition – One or the Other? Or Both? – Climate Action 

MSCI Sustainability Institute: Transition Finance Tracker 

News | Regional

Kuwait: Renewable energy lights up South Abdullah Al-Mubarak streets

Kuwait's Public Authority for Housing Welfare (PAHW) has unveiled solar-powered streetlights in the South Abdullah Al-Mubarak Suburb. The authority emphasized its dedication to rationalizing energy consumption through the integration of smart technologies.



UAE launches first EPR pilot to tackle electronic packaging waste

The Extended Producer Responsibility (EPR) initiative marks the first of its kind in the region, spearheaded by the Ministry of Climate Change and Environment (MOCCAE) and Tadweer Group. It focuses on managing post-consumer waste, particularly packaging, electrical and electronic equipment, and batteries.



OPEC says no peak to oil demand before 2050 | Arab News

OPEC projects that global oil demand will not peak before 2050, forecasting a continued increase of around 20% by that year and the need for substantial investments to meet this rising demand. OPEC's outlook contrasts with other forecasts, particularly those from the International Energy Agency, which suggest a peak in oil demand by 2030.



This simple change could cut your Kuwait utility bill by 90% | arabtimes

Kuwaiti citizens can reduce their electricity and water bills, potentially by up to 90%, through the Hafez Conservation Program by reducing resource consumption. Reducing electricity consumption by 20% can result in a 40% discount, while reducing water consumption by 25% or more can lead to a 50% discount.



Setting course for Egypt's green shipping future | Mirage News

Egypt is developing a National Action Plan with the support of the IMO's GreenVoyage2050 Programme, focusing on decarbonizing the shipping industry. A recent workshop in Alexandria brought together stakeholders to shape a shared vision, identify priorities, and explore financing for Egypt's maritime decarbonization journey.



News | International

Big Beautiful Bill: Trump gives oil industry what it wants; hurts solar and wind

President Trump signed the 'One Big Beautiful Bill' Act and issued an executive order abolishing federal tax credits for wind and solar energy, prioritizing fossil fuel and dispatchable power generation. Analysts warn this could derail new clean energy projects, raise consumer power bills, and slow U.S. emissions reduction momentum.



EU sets 2040 climate target with 90% emissions reduction - ESG News

The European Commission proposed an amendment to EU Climate Law to mandate a net 90% reduction in greenhouse gases by 2040 relative to 1990 levels, with built-in flexibility mechanisms such as international carbon credits. This target reinforces the roadmap to net zero by 2050 while enabling economic adaptation and equitable transition pathways.



EU regulators propose integrating ESG risks into stress tests for Banks, Insurers - ESG Today

European regulatory authorities are proposing that ESG risks be fully integrated into supervisory stress-testing for banking and insurance firms to harmonize methodologies across the EU. This marks a significant step toward embedding ESG factors into financial resilience assessments.



UK drops plans for sustainable finance taxonomy - ESG Today

The UK government formally discarded its proposed green investment taxonomy, citing complexity and limited effectiveness, and opting to pursue alternative sustainable finance measures instead. The decision mirrors broader EU simplification trends and triggered mixed reactions from environmental investment groups.



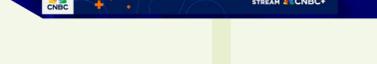
HSBC exits Net Zero Banking Alliance | HSBC

HSBC's exit forms the latest in a series of high-profile departures from the NZBA over the past several months, after members of the group started to come under significant pressure, particularly from Republican politicians in the U.S.



ISSB kicks off update of sector-focused SASB sustainability reporting standards - ESG Today

The ISSB released exposure drafts proposing targeted amendments to key sector-specific SASB standards as part of its IFRS S2 framework, opening public consultation through November 2025. The revisions aim to improve industry-aligned disclosures, enhancing comparability in sustainability reporting.



ECB to consider 'climate factor' when lending to banks | Reuters

The European Central Bank Governing Council has decided to introduce a 'climate factor' which will add climate change considerations to its lending operations from late 2026, raising green financing pressure on banks, and could reduce the value assigned to eligible assets pledged as collateral.



EU launches major simplification of sustainability taxonomy to ease compliance burden on companies - ESG Today

The European Commission adopted a Delegated Act to streamline the EU Taxonomy, reducing data requirements by ~89% for financial institutions and 64% for non-financial firms, while preserving core environmental safeguards and principles. These measures, effective from 2026, aim to maintain ESG integrity while lowering reporting friction.



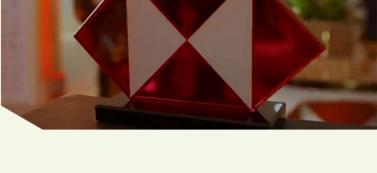
EU delays increased sustainability reporting requirements for large companies by 2 years - ESG Today

The European Commission pushed back key CSRD reporting deadlines by two years to alleviate administrative strain on large firms facing detailed ESG data obligations. While easing near-term burden, regulators reaffirmed commitment to robust disclosure principles.



UK to allow use of carbon removals in Emissions Trading System - ESG Today

The UK ETS Authority confirmed it will integrate verified engineered greenhouse gas removals (GGRs) into the national emissions trading system by 2029, while strictly maintaining the existing cap to ensure environmental integrity. This landmark move is expected to create a regulated demand signal for carbon removal projects.



ICJ Opinion opens the door for climate change lawsuits against developed nations - ESG Today

The International Court of Justice issued an advisory opinion declaring that all states have legal duties under international law—to regulate emissions and human rights principles—to regulate emissions and could face liability for climate inaction, significantly empowering climate litigation efforts.



NBK ESG Highlights of the Month



NBK becomes a Platinum member of Kuwait Green Building Council

This agreement aims to enhance collaborations between NBK and KGBC to shape a sustainable future for Kuwait. The agreement will involve the bank's active participation in the council's programs, campaigns, initiatives, and the sharing of its expertise in this field.



NBK is the first bank to launch automated safe deposit boxes for customers

In line with its commitment to enriching its customers' banking experience and providing the best innovative digital services that meet their needs, NBK launched the Automated Safe Deposit Boxes service, making it the first bank to offer this service.



NBK achieves top-tier ESG ratings across MENA region

In its latest assessment, Morningstar Sustainability improved NBK's ESG Risk Rating from 27.4 (medium risk) to an impressive 19.4 (low risk), reflecting the Bank's enhanced ability to manage material ESG risks. Concurrently, MSCI upgraded NBK's ESG rating from 'BBB' to 'A'—a notable leap that places the Bank firmly among the top five regional banks in ESG ratings.



NBK launches Microsoft Copilot across all divisions, pioneering AI integration and empowering employees

NBK successfully rolled out Microsoft Copilot to all employees across its divisions, marking a significant leap forward in its enterprise-wide AI transformation strategy.



NBK concludes full stack developer program in collaboration with CODED

NBK concluded the Full Stack Developer Bootcamp, held at the Bank's Headquarters in collaboration with CODED Academy. The program aims to strengthen the technical capabilities of young professionals in the banking sector, equipping them with advanced skills to support the industry's digital transformation.

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