

# ESG Newsletter

June 2024

## Your Knowledge Digest

**The 2023 Middle East environmental, social, and governance report - PwC Middle East**

**80% of companies see sustainability as a potential revenue, profitability driver: Morgan Stanley**

## News | Regional

### KUNA: Kuwait, EU discuss climate change, renewable energy coop.

The Kuwait Institute for Scientific Research (KISR) and the EU Cooperation Team discussed enhancing cooperation on renewable energy and climate change, emphasizing the private sector's role in achieving international treaty goals through the EU-GCC green transition project.



### Kuwait expands renewable energy ambitions: 1 gigawatt solar project underway - ARAB TIMES (arabtimesonline.com)

A memorandum of understanding (MoU) has been inked between the Ministry of Electricity and Water and the Kuwait Oil Company (KOC) to spearhead the implementation of a groundbreaking initiative aimed at generating 1 gigawatt of electricity through solar power.



### Kuwait aims for strategic role and economic growth with GCC railway - ARAB TIMES (arabtimesonline.com)

Kuwait is seeking, through the GCC Railway mega venture, to play a key role in boosting pan-GCC economic integration and sustainable development in the regional countries. Through an array of projects in its enhanced strategy, Kuwait aims to be a regional hub for commerce and transport.



### Saudi Arabia sets new world record in producing low-cost electricity from wind energy: Minister (zawya.com)

Saudi's AlGhat renewable energy project achieved a new world record for low cost electricity production from wind power. Wa'ad Alshamal project also achieved a second world record for low-cost wind power. Electricity produced from both projects resulted in major advancements in energy efficiency in Saudi Arabia.



### Saudi Arabia allocates \$2.5bn to Middle East Green Initiative (zawya.com)

As part of Saudi Arabia's commitment to environmental protection, the Kingdom allocated \$2.5 billion to the Secretariat of the Middle East Green Initiative, which has garnered participation from numerous countries and issued its charter. Additional countries have expressed interest in joining this initiative, making it the largest of its kind globally.



### Qatar issues \$2.5bn green bonds | The Peninsula Qatar

The Ministry of Finance announced the issuance of green bonds totaling \$2.5bn, marking the first issuance of its kind in the region, aimed at funding environmentally friendly projects.



### GCC prioritizes economic diversification for sustainable growth (arabnews.com)

The GCC is making significant strides to reduce reliance on oil revenues through a comprehensive vision for economic diversification. The GCC Secretary General outlined plans for sectoral reforms to enhance economic resilience and attract foreign investment.



## News | International

### IFRS, GRI collaborate on interoperability for sustainability disclosure standards - ESG Today

This collaboration aims to help reduce the reporting burden on companies complying with the multiple standards that were in place or under development and to help harmonize sustainability reporting systems internationally.



### IFRS - Jurisdictions representing over half the global economy by GDP take steps towards ISSB Standards

More than 20 jurisdictions have already decided to use or are taking steps to introduce ISSB Standards in their legal or regulatory frameworks. Together, these jurisdictions account for nearly 55% of global GDP, more than 40% of global market capitalization, and more than 50% of global greenhouse gas emissions.



### EU approves 2-year delay for reporting obligations for certain sectors and third country companies - ESG News

This will postpone the adoption of sector-specific sustainability reporting standards for EU companies and general sustainability reporting standards for non-EU companies to 30 June 2026, allowing companies to focus on the implementation of the first set of reporting standards and limit the reporting requirements to a necessary minimum.



### EU adopts new rules to decarbonize gas, build hydrogen market (europa.eu)

The EU Council adopted a regulation and a directive establishing common internal market rules for renewable and natural gases and hydrogen and reforming the existing EU gas legislation. The rules will help make the shift to renewable and low-carbon gases in the energy system.



### EU approves law to hit gas imports with methane emissions limit | Reuters

From 2030, the EU will impose "maximum methane intensity values" on fossil fuels placed on the European market. The European Commission will design the exact methane limits by that date. Importers of oil and gas that flout the limit could face financial penalties.

### Framework for developing UK Sustainability Reporting Standards - GOV.UK (www.gov.uk)

The UK has introduced draft sustainability reporting standards in line with IFRS sustainability disclosure requirements to enhance national sustainability efforts and accelerate the nations transition to a low-carbon economy.



### UK and Singapore enhance cooperation in sustainable finance and fin-tech - ESG News

The UK and Singapore reaffirmed that globally comparable and sound transition plans are essential for the scaling of transition finance. Both countries reaffirmed their commitment to scale financing in support of the net zero agenda.



### China all charts path to unified sustainability disclosure by 2030 (www.gov.cn)

The Ministry of Finance of China released draft of general standards for corporate sustainable disclosure. The disclosure standards are based on the General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1).



### Hong Kong launches taxonomy to classify green activities and investments - ESG Today

Hong Kong's Taxonomy covers 12 economic activities across 4 sectors, including power generation, transportation, construction, and water and waste management. The Hong Kong Monetary Authority (HKMA) aims to expand the taxonomy's coverage to include more sectors and activities, including transitional real estates.



### KSSB published the exposure draft of the sustainability disclosure standards

The Korean Sustainability Standards Board (KSSB) announced the Exposure Draft of the Korean Sustainability Disclosure Standards, aiming to enable domestic companies to effectively navigate the evolving global ESG regulations.



### Oil shipments at risk from rising sea levels, think tank warns (zawya.com)

Rising sea levels could severely disrupt crude oil shipments and erode energy security in import-dependent countries like China, South Korea, and Japan, with many of the world's biggest terminals vulnerable to flooding. A notable sea level rise could sink key oil ports and disrupt global oil trade.



### Clean energy ETFs start to outperform key oil & gas ETF: Maguire (zawya.com)

An array of ETFs dedicated to key aspects of the energy transition - from renewable energy generation to smart grid management and uranium extraction - have all posted positive returns just as a major ETF tied to oil and gas output lost roughly 5%.



### Banks warn of growing energy-related risks in mortgage portfolios | Financial Post

The EU has set a goal of cutting emissions in the building sector by 60% by 2030 and has made complete decarbonization a 2050 target. Banks in Europe are having to acknowledge that their residential real estate portfolios are faced with risks that green housing requirements are bringing to the fore.

## NBK ESG Highlights of the Month



### NBK is the first bank in Kuwait to join PCAF

NBK is the first bank in Kuwait and one of only six banks in the MENA region to join the global Partnership for Carbon Accounting Financials (PCAF) for measuring and disclosing the greenhouse gas (GHG) emissions associated with its lending and investment portfolio.

### NBK becomes the first bank in Kuwait to adopt "DHL GoGreen Plus" service

NBK has entered into a strategic partnership with DHL, a global logistics partner, to use the "DHL GoGreen Plus" service. The GoGreen Plus service ensures that all NBK's international shipments are transported using Sustainable Aviation Fuel (SAF) rather than traditional jet fuel.



### NBK commends NEOM GIGA Project progress and sees opportunity for growth

Among the global banks invited to NEOM, NBK showed its keen interest in the ongoing projects and investment prospects within the region. This gathering served as a valuable platform for financial institutions to seek potential partnerships and align investment strategies with NEOM's vision of sustainable growth and development.



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