ESG INTELLIGENCE

# Accelerating Sustainable Finance in the GCC

الوطني NBK

EMPOWERED BY OXFORD BUSINESS GROUP

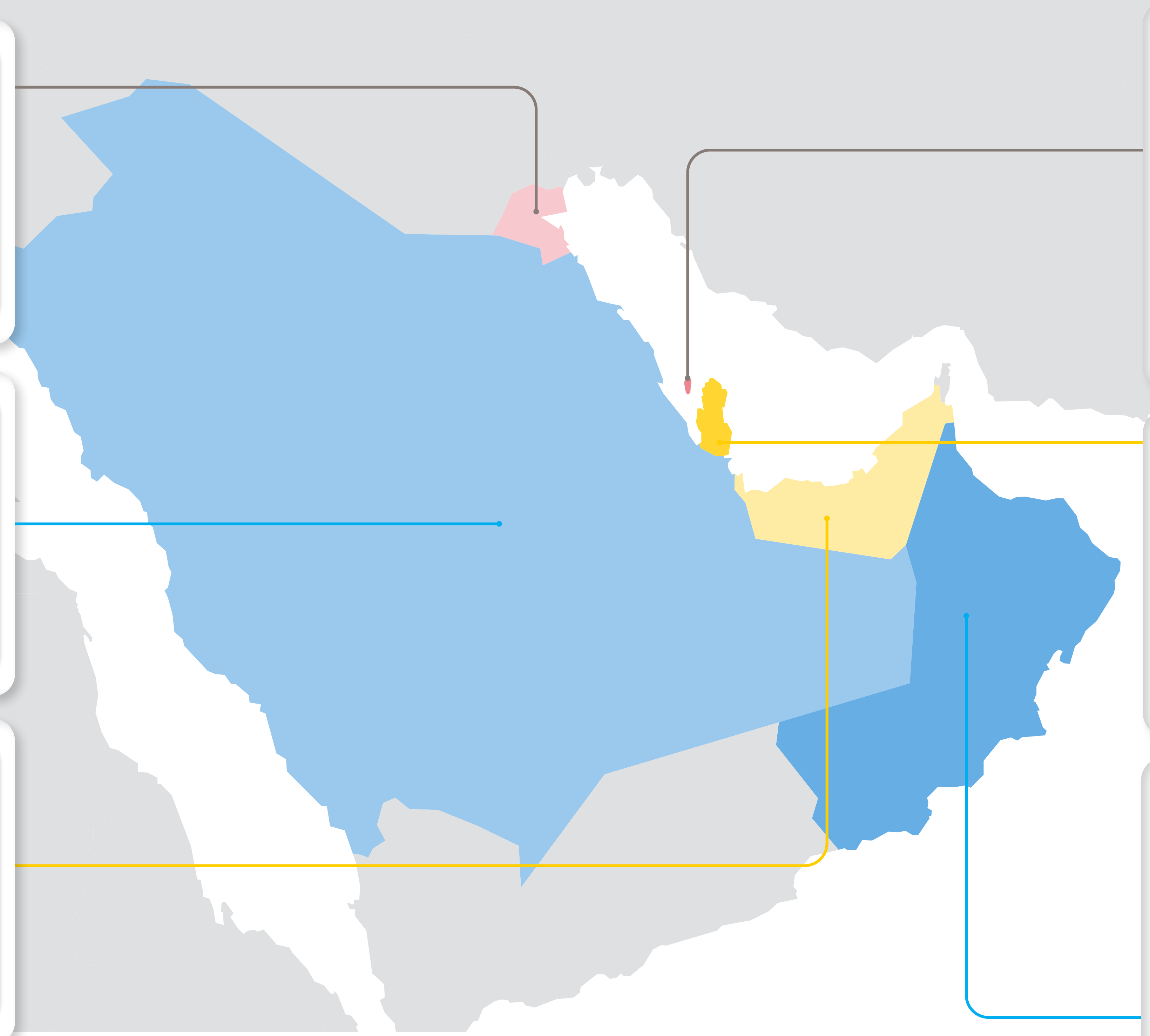
# Contents

# The rise of sustainable finance in GCC economies

The GCC is scaling sustainable finance, from Saudi Arabia's $10bn+ green issuances during 2022-25 to Qatar's debut $2.5bn green bond in 2024. Net-zero commitments, regulatory frameworks and renewable energy pipelines help to attract global investors seeking opportunities aligned with ESG principles – highlighting the role of banks as central enablers of the transition.

## WHY IS ESG GOVERNANCE KEY FOR BANKS?

It promotes robust risk management, investor and customer trust, and the alignment of financial operations with long-term sustainability goals



### KUWAIT

Central Bank of Kuwait (CBK) - Issued sustainable finance and ESG guidance for local banks, 2022

NBK: $5bn in sustainable assets by end-2024, targeting $10bn by 2030

$500m – First green bond issued by NBK, in 2024

### SAUDI ARABIA

| $10.1bn+ | $1.6bn | VISION 2030 |
|---|---|---|
| Total green bonds issued, 2022-25 | Sale of the world's first euro-green bond from MENA, 2025 | Places sustainability as a pillar of economic diversification and social transformation |

### UAE

| Net zero | $163bn | COP28 |
|---|---|---|
| Target by 2050 | Investment in renewable energy expected by 2050 | COP28 Host, 2023 |

### BAHRAIN

| | |
|---|---|
| Net zero | Target by 2060 |
| Ministry of Sustainable Development | Established to integrate and monitor UN sustainable development goals (SDGs), 2022 |
| Voluntary national review | Committed to strengthening SDG data, innovative finance and climate action, 2023 |

### QATAR

| $2.5bn | $75bn | Financial sector ESG strategy |
|---|---|---|
| Value of first green bond, 2024 | Expected sustainable investment attracted by 2030 | Issued by the central bank to manage risks and promote best practices |

### OMAN

| Net zero | $140bn | Sustainable financing framework |
|---|---|---|
| Target by 2050 | Green hydrogen investment needed by 2050 | Published to diversify its economy and attract investment, 2024 |

Sources: CNBC; COP28 UAE; Foreign Ministry of Oman; Government of Bahrain; IPT; JP Morgan; The Majan Council; NBK; OBG research; Reuters; UAE MOCCAE

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# Overview: NBK's ESG strategy and regional role

The bank operates in **13** countries across **four** continents, with a presence in **four** GCC markets. This footprint positions NBK as a bridge between global capital and regional sustainability priorities. The bank aligns its ESG strategy with national roadmaps, climate commitments and investor expectations. For investors, this strengthens access to sustainability-linked finance and aligns disclosure with international standards. As the first Kuwaiti bank to issue a green bond, the organisation plays a role in shaping the region's responsible investment practices.


### Governance for resilience

Embedding accountability in a move to strengthen ESG governance and risk oversight, thereby facilitating long-term sustainability

- Partnership for Carbon Accounting Financials (PCAF) membership
- Task Force on Climate-Related Financial Disclosures (TCFD) reporting
- Climate risk management integration

### Responsible banking

Financing the low-carbon transition in order to support the shift towards sustainable finance and responsible lending

- $500m green bond in 2024
- $2.5bn sustainable lending achieved by end-2024
- 25% operational greenhouse gas emissions reduction target by 2025

### Capitalising on capabilities

Empowering people and communities – expanding ESG expertise and inclusion across the organisation's operations

- Diversity, equity and inclusion (DE&I) initiatives, including female science, technology, engineering and maths (STEM) development programmes
- Well-being measures include interest-free loans and shorter working hours on Thursdays
- 1392 ESG training hours in 2024

### Investing in communities

Focusing on long-term value creation in an effort to enhance national development and community resilience

- KD30.2m community investment in 2024
- KD25m in small business loans that year
- Bankee financial literacy programme

### ESG MILESTONES AND COMMITMENTS

- 2016: Adopted Global Reporting Initiative (GRI) Standards
- 2021: Introduced Sustainability Accounting Standards Board (SASB) metrics
- 2023: Joined UN Global Compact (UNGC)
- 2024: Launched group-wide environmental and social risk management (ESRM) framework
- 2030: Targeted $10bn sustainable asset portfolio
- 2060: Goal of carbon neutrality

# NBK's sustainable financing framework

## CORE COMPONENTS

**Use of proceeds**

Green, social and sustainable financing instruments

**Evaluation and selection**

Sustainable financing working group oversees the selection and monitoring of eligible assets

**Management of proceeds**

Funds follow a portfolio approach, allocated within three years

**Reporting**

Annual allocation and impact reporting, with external verification

# ESG Governance and Climate Risk Management

Robust ESG governance and climate risk management are essential to the stability of financial systems. Regulators and financial institutions across the GCC are advancing sustainability oversight, integrating environmental and social considerations into decision-making, and strengthening disclosure to align with international standards. This section explores regional regulatory progress, including NBK's approach to embedding governance structures, accountability mechanisms and climate risk assessment within its broader sustainability strategy.

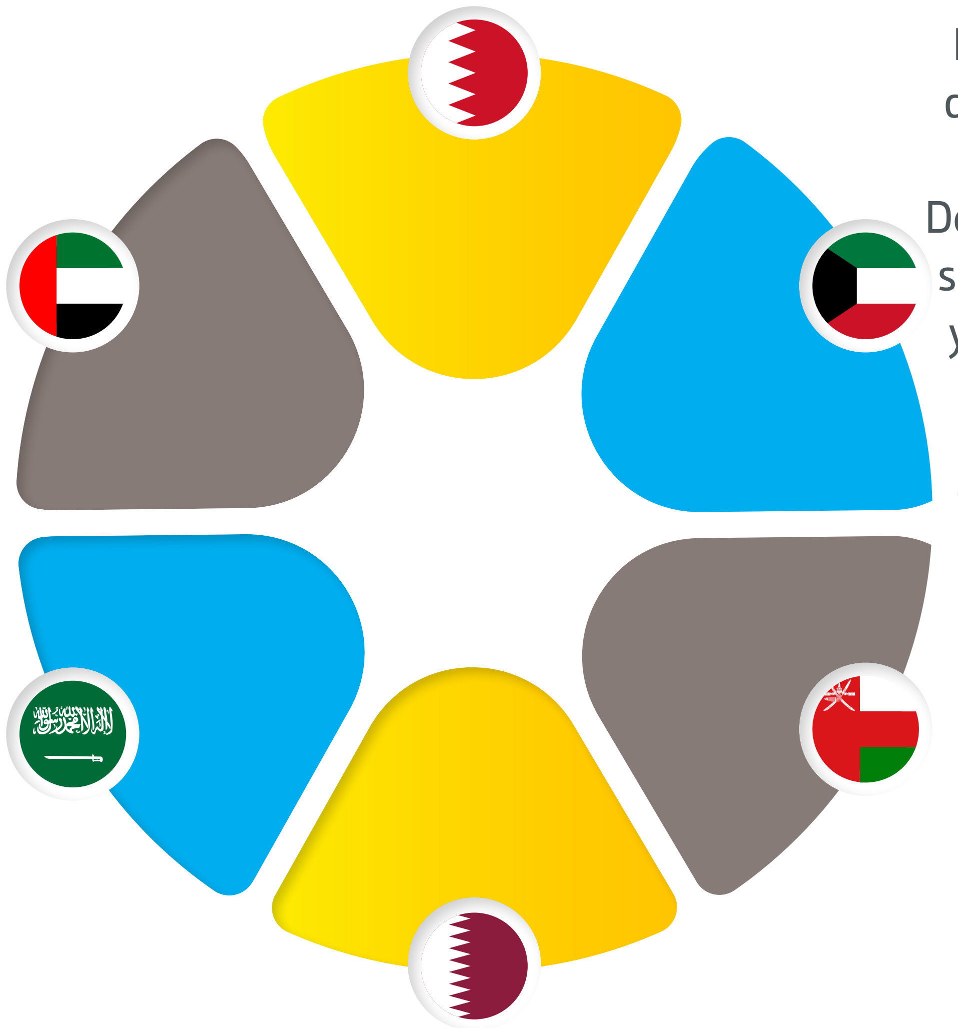
# GCC sustainable finance and disclosure frameworks

## Sustainable finance frameworks in the region

While Bahrain has yet to formalise a sustainable taxonomy, its development vision aligns with the UN SDGs by prioritising local agricultural capacity and green projects that drive both economic growth and environmental protection

The UAE advanced its ESG disclosure regime in 2024 through the Sustainable Finance Working Group's Principles for Sustainability-Related Disclosures for Reporting Entities, embedding expectations around transparency, materiality and governance aligned with international standards

Kuwait's National Adaptation Plan (2019-30) – developed in partnership with the Environment Public Authority, UN Environment and UN Development Programme – marks a step towards sustainable policy, although the country has not yet introduced a dedicated sustainable finance framework or taxonomy as of Q4 2025



Saudi Arabia's Vision 2030 and related green finance initiatives represent progress towards sustainable finance frameworks and future taxonomy development – embedding ESG principles and supporting renewable energy, carbon reduction and biodiversity conservation

The sultanate launched a sustainable finance framework in 2024 to support diversification from fossil fuels – promoting green, social and sustainability bonds, loans and *sukuk* (Islamic bonds) to fund renewable energy projects and initiatives that generate positive social impact

Qatar Financial Centre introduced the Sustainable Sukuk and Bonds Framework in 2022, based on the International Capital Markets Association's standards, to expand investor access and channel funding into green initiatives – a debt framework rather than a full sustainable finance taxonomy

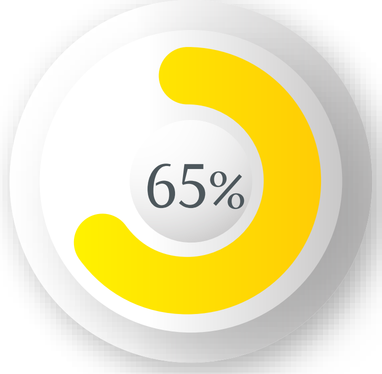
## ESG disclosure and reporting landscape in the GCC

| | Bahrain | Kuwait | Oman | Qatar | Saudi Arabia | UAE |
|---|---|---|---|---|---|---|
| Mandatory ESG reporting | Progressed | In progress | Progressed | Progressed | In progress | Progressed |
| Stock exchange sustainability role | Progressed | Progressed | Progressed | Progressed | Progressed | Progressed |
| Government/ regulator involvement | Progressed | Progressed | Progressed | In progress | Progressed | Progressed |
| Alignment with global standards | Progressed | Progressed | Progressed | In progress | In progress | Progressed |
| Dedicated sustainability platform | Limited publicly reported progress | Limited publicly reported progress | Limited publicly reported progress | Progressed | Limited publicly reported progress | In progress |

**Legend:** Progressed  In progress  Limited publicly reported progress

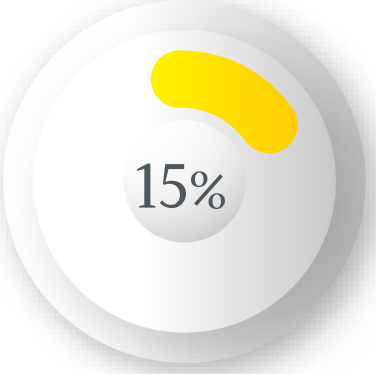
## GCC banks are progressing their ESG performance through sustainable finance*


Of banks lend to renewable energy projects




Issue green, social or sustainability bonds


Provide sustainability-linked loans




Are involved in green repo financing

**According to a 2023 EY survey of the top-20 banks in MENA*

Sources: Bahrain Bourse; DFSA; EY; Glass Lewis; Green Central Banking; Icelis Global; KPMG; LeanTech; National Debt Management Center; PwC; Qatar Financial Centre; QSE; Reuters; RSM Kuwait; SDGs Bahrain; UNFCCC

# NBK in focus: ESG governance

## ESG governance structure

- In 2023 NBK launched a board-approved **ESG governance framework**, embedding accountability and sustainability across executive management
- A **sustainability and climate change committee** (S&CCC), chaired by the vice chairman and group CEO, reflects top-level ESG commitment
- Five sub-committees under the S&CCC empower **executive management** to advance ESG priorities and promote group-wide ownership
- Sub-committees track progress towards strategic initiatives and strengthen ESG governance, thus catalysing ESG integration throughout the organisation
- ESG-specific executive **key performance indicators** (KPIs) link leadership performance to sustainability outcomes and long-term value creation

## Governance for resilience

**PCAF® Partnership for Carbon Accounting Financials**

- NBK is the first Kuwaiti member and one of 15 Middle East members as of 2024
- Representing a commitment to measure and disclose financed emissions
- Reinforcing the bank's goal of carbon neutrality by 2060
- Portfolio assessment under way in 2025 to establish an emissions baseline

**UN Global Compact**

- Joined the UNGC In 2023, committing to its 10 principles on human rights, labour, environment and anti-corruption
- Aligns business practices with international standards for responsible governance
- Supports Kuwait's sustainable economic growth through transparency and ethical conduct

**Internal Capital Adequacy Assessment Process (ICAAP)**

- Integrated climate-related risks into its ICAAP Pillar II assessment from 2025
- Conducts regular scenario testing across key risk categories, including credit, market, liquidity, IT and operational risks
- Manages operational risk through comprehensive policies aligned with CBK and Basel III standards
- Performs ICAAP and stress-testing semi-annually to promote capital resilience

Sources: NBK

# NBK in focus: Disclosure to reduce risk

## Strengthening ESRM integration

In 2024 NBK introduced a **group-wide ESRM framework**, as outlined in its 2024 **TCFD report**, reinforcing the identification, assessment and monitoring of environmental and social risks across all business segments

The framework **embeds ESG factors into credit and investment policies** to institutionalise the assessment of climate risks in the bank's decision-making

**ESG-specific KPIs** have been set to ensure accountability and integration across departments in Kuwait and international operations

The ESRM framework complements NBK's **ESG governance structure** and supports its long-term goal of **carbon neutrality by 2060**

Once fully implemented, **all non-retail finance activities** will undergo rigorous ESG risk assessments at both the borrower and project levels

NBK aims to **enhance the ESRM framework further**, expanding capacity building and ESG-related training across the group during 2025

## TCFD reporting

**Introduction**
NBK's first TCFD report in 2024 marks a key step towards transparent climate-related financial disclosure, integrating physical and transition risks into group-wide strategy and risk management

**Governance**
Oversight of climate risk lies with the board of directors through committees including risk and compliance, credit and audit; while executive management, led by the sustainability and climate change committee, operationalises ESG responsibilities through specialised sub-committees

**Strategy**
NBK identifies and manages climate-related risks across multiple time horizons (one to 10 years) using scenario analysis aligned with the Network for Greening the Financial System, assessing portfolio resilience under orderly and disorderly transition scenarios

**Risk management**
Climate risk is embedded into enterprise-wide processes through portfolio heat mapping, an ESG client scorecard and stress testing. Climate-adjusted credit, liquidity and operational risks are quantified through NBK's ICAAP analysis.

**Metrics**
NBK measures scope one, two and three emissions, and assesses financed emissions under its PCAF commitment. In 2025 the bank achieved a 28.3% reduction in operational emissions since the 2021 baseline, and targets carbon neutrality by 2060.

**Targets**
The report follows TCFD's four-pillar framework: governance, strategy, risk management, and metrics and targets. This facilitates the management of climate-related risks and opportunities in line with international best practices.

## Third-party ratings reflect NBK's ESG and sustainability integration

**CDP – Climate Change and Forests**
- **C score** in 2024
- First Kuwaiti bank to be rated by CDP
- Among the highest-rated financial institutions in the GCC

**S&P Global – Corporate Sustainability Assessment**
- **40/100 score** in 2025
- Up from 39/100 in 2024 and 30/100 in 2023

**Sustainalytics**
- **19.4 – low-risk ESG rating** in 2025
- Demonstrates effective ESG risk management

**MSCI**
- **"A" ESG rating** in 2025
- Recognises enhanced resilience to industry-specific sustainability risks

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# Mobilising Capital for the Low-Carbon Transition

The GCC's pathway to net zero is reshaping investment priorities – driving demand for sustainable finance to fund renewable energy, low-carbon infrastructure and green mobility. Financial institutions are aligning capital allocation with national climate goals and international frameworks, supporting diversification and resilience. This section examines the evolving role of green finance in the region and NBK's initiatives to expand sustainable lending and investment portfolios.

# Scaling ESG finance in the GCC

## Regional priorities

- GCC economies have issued ambitious net-zero and carbon-neutrality pledges, spurring demand for low-carbon investment across priority sectors
- Kuwait aims to achieve carbon neutrality by 2060, with a net-zero 2050 target for its oil and gas sector
- The country also raised its renewable energy targets to 30% by 2030, up from 15%, and 50% by 2050; neighbouring countries share similar energy-mix targets
- The World Bank projects that GCC GDP could reach $6trn by 2050 under a business-as-usual scenario, doubling to $13trn under a green-growth pathway
- These priorities are expanding demand to fund projects across solar, wind, hydrogen and enabling infrastructure

## Clean transport

- The roll out of electric vehicle (EV) adoption and charging infrastructure is accelerating across the GCC, supported by national targets and incentives
- Saudi Arabia targets 30% of Riyadh's vehicles to be electric by 2030 and 60% by 2035, with EV sales expected to account for 60%+ of national sales by 2035
- In the UAE, EVs are projected to represent 15%+ of new car sales by 2030 and 25% by 2035, advancing towards a long-term target of 50% by 2050

## Green buildings

- The GCC is experiencing robust growth in green building certifications such as LEED, reflecting investor and regulatory preferences for energy-efficient developments
- Saudi Arabia leads the region in sustainable construction, with 2000 of the Arab world's 5000 green building projects as of Q4 2024
- The Gulf Organisation for Research and Development launched the GCC's first Sustainable Construction Code in 2025, promoting energy efficiency, water conservation and sustainable materials

## NBK contributions

- The bank's issuance of a $500m green bond showcases NBK's role in advancing sustainable finance and supporting the transition towards a low-carbon economy within the region and beyond
- The bond financed 18 projects across the Middle East, Europe, North America and Asia-Pacific, reinforcing efforts to scale ESG-aligned finance
- NBK participated in financing the electric Hafeet Rail project between the UAE and Oman, advancing clean transport, reducing emissions and supporting the growth of sustainable infrastructure across the GCC
- The bank offers reduced-interest loans for EVs and hybrid vehicles, partnering with global car manufacturers to support greener transport
- NBK also provides green-mortgage and low-emission housing loans, encouraging energy-efficient and environmentally responsible homes

Sources: Argus; The Energy Year; GORD; Mordor Intelligence; NBK; PwC; Saudi Ministry of Municipalities and Housing; World Bank

# NBK in focus: Kuwait's first green bond

In 2024 – aligned with its responsible banking ESG pillar – NBK issued Kuwait's first green bond. The $500m transaction was structured in line with International Capital Market Association (ICMA) principles and reviewed by a Second Party Opinion provider.

## Market significance

- **First** green bond by a Kuwaiti financial institution
- Among **largest** regional issues by conventional banks in 2024
- **2.75x** oversubscribed, **5.5%** coupon rate; investors from MENA, Europe, US and Asia

**$500m** issuance

Part of the bank's medium-term securities programme

**6**-year maturity, with the option of an early call by NBK after **5** years

## Transparency

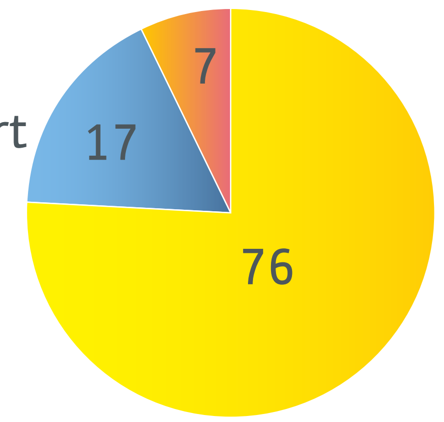
- Inaugural Green Bond Impact and Allocation Report was launched in mid-2025
- Annual external reporting of allocation until full proceeds disbursed
- Impact reporting includes disclosure of financed project categories, contribution to UN SDGs and estimated environmental benefits

## Framework credibility

- Issued under NBK's Sustainable Financing Framework
- Second Party Opinion by S&P Global
- Aligned with international standards such as ICMA Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines – as well as the Loan Market Association Green and Social Loan Principles

Allocation of green asset portfolio, March 2025 (%)

- Green buildings
- Renewable energy
- Clean transport



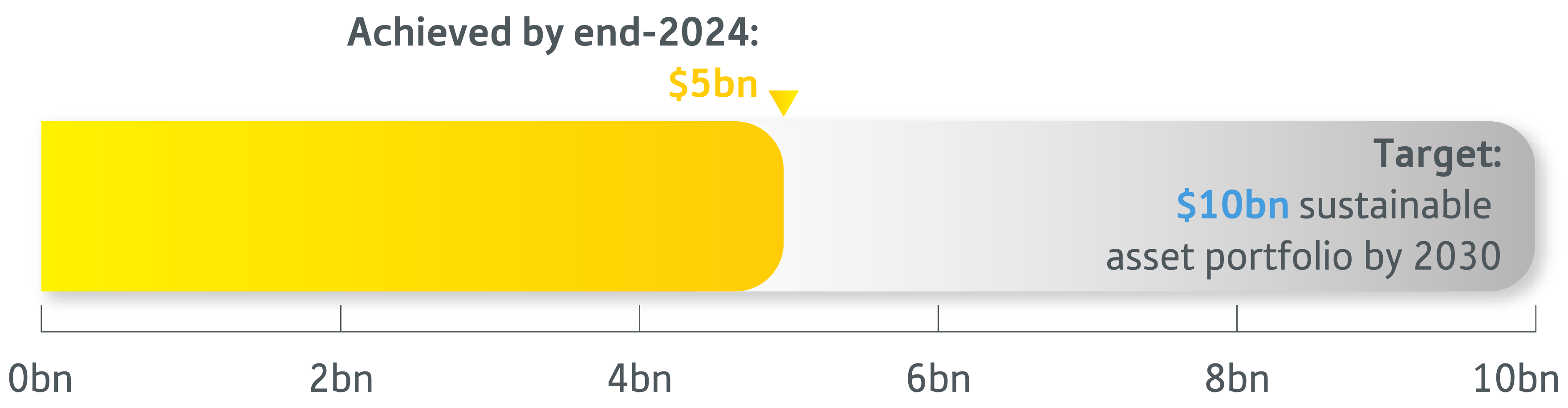


## Strategic impact

- Step towards NBK's **$10bn** sustainable asset portfolio target by 2030
- Supports Kuwait Vision 2035's low-carbon transition

# NBK in focus: Path to a $10bn asset portfolio

NBK is building a diversified sustainable finance portfolio across 13 countries, with $5bn already achieved by end-2024 – nearly halfway to the 2030 target




## Growth levers

**Expanding green products**

Green mortgage loans; reduced interest rates for EV and hybrid vehicle loans; sustainability-related corporate financing

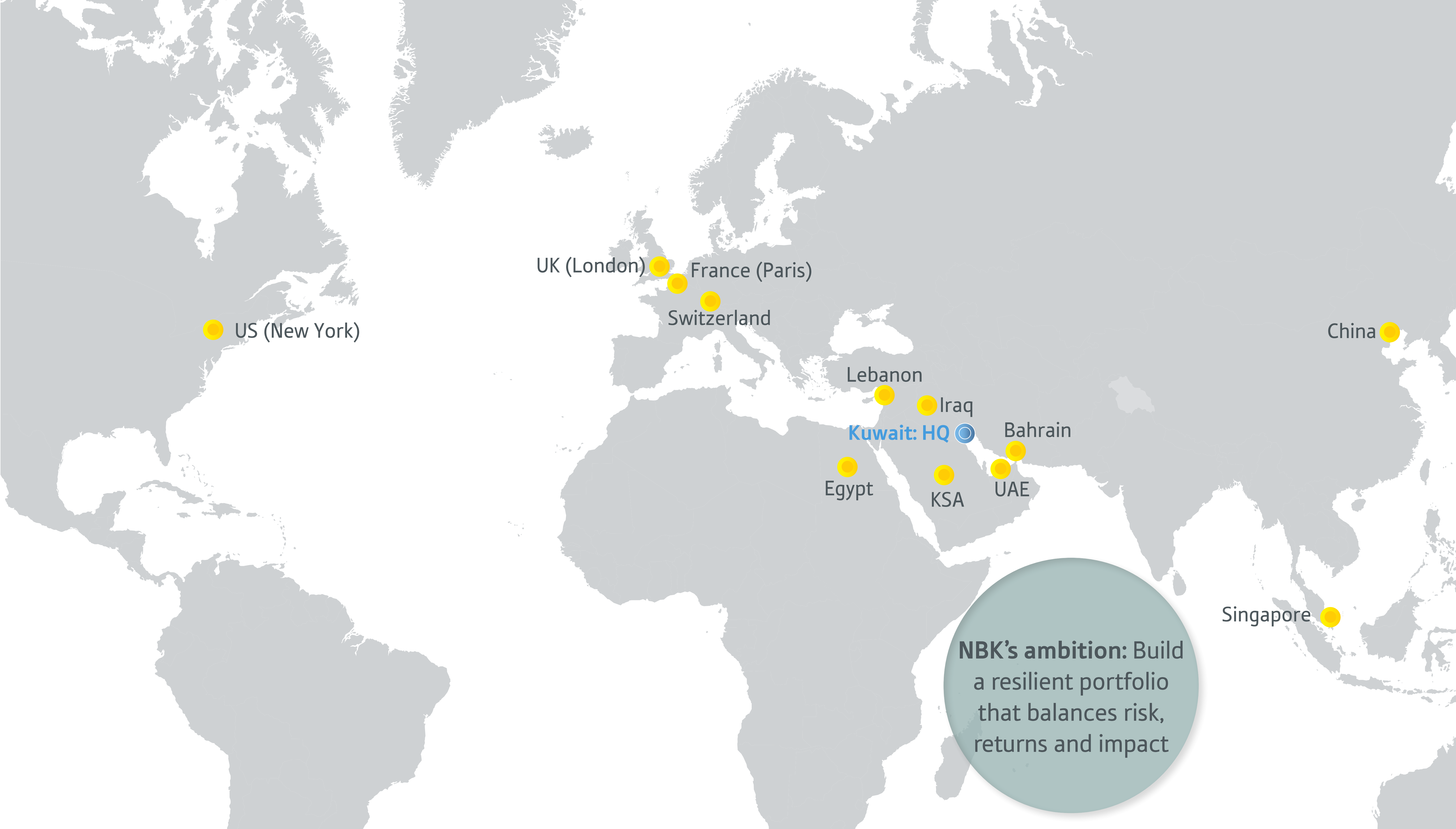
**Strengthening ESG risk management**

Launched an ESRM framework; ESG risk integration into credit analysis

**Client partnerships**

Working with corporate clients to support their carbon reduction objectives

NBK leverages its presence across 13 countries to mobilise sustainable finance

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# Investing in People, Communities and Innovation

Sustainable development requires empowered people, inclusive institutions and innovative economies. GCC governments are investing in workforce skills, entrepreneurship and social inclusion to strengthen long-term competitiveness. This section highlights how human capital, diversity and community engagement underpin sustainable finance objectives; and reviews related NBK initiatives in training, inclusion and financial literacy.

# Youth, women and inclusion: GCC priorities

Social and inclusion priorities increasingly shape development strategies across the GCC. Governments place increasing emphasis on preparing youth for the labour market, advancing women's participation and expanding financial literacy to enable inclusive growth. Kuwait reflects these priorities through initiatives to unlock human capital development and long-term socioeconomic resilience – with similar efforts under way across the region.

## Youth employment as a regional priority

- Youth unemployment in Kuwait (ages 15-24) remains elevated, at 15.2% in 2024 compared to 1.5% for adults (25+) – in line with wider GCC trends
- Female youth unemployment in the country is substantially higher (29.8%) than male youth unemployment (9.1%) – reflecting an incumbent gender gap
- Kuwait's youth labour force is projected to grow by 53% between 2015 and 2030, adding around 80,000 new entrants to the labour market – mirroring a GCC-wide demographic challenge
- National visions across the region emphasise employment, entrepreneurship and skills development as key drivers of inclusive growth

## Institutional solutions for youth in Kuwait*

**Public Authority for Youth 2025-30 Plan**

Five pillars covering leadership, entrepreneurship, community engagement, innovation and health

**Our Initiatives**

Offers funding – up to KD25,000 per project – and training for young Kuwaitis in various fields

**Professional Initiator Programme**

Training initiative launched in December 2024 to provide youth with advanced skills in technology and artificial intelligence

**Kuwait Digital Start-up Campus**

Partnership with Boeing to foster digital entrepreneurship and training

**Knowledge Journey**

Capacity building for youth in the knowledge economy, in collaboration with the UN Development Programme

**All led by the Public Authority for Youth, aside from Knowledge Journey. This is led by the Mohammed bin Rashid Al Maktoum Knowledge Foundation, in partnership with the General Secretariat of the Supreme Council for Planning and Development.*

**Women in Kuwait account for**

58% of workforce | 48% of lawyers | 4 municipal council members

**Financial literacy and inclusion**

Women 97% | Men 95%

Adult literacy is nearly universal in Kuwait (women 97% vs men 95%)

Financial and digital literacy gaps remain, particularly among women, expatriates and groups with lower education levels

Financial education and technology are being advanced across the region to support inclusion and equitable access to services

# NBK in focus: DE&I, talent and financial literacy

The bank focuses on people-centric development, with initiatives to foster DE&I, empower women leaders and expand financial literacy in Kuwait and beyond. Talent development, employee well-being and ESG integration remain priorities that align with both national goals and international standards.

## DE&I strategy and employee well-being

NBK published its DE&I commitment statement in December 2024, with a full strategy to roll out by end-2025. The approach aligns with UN SDG 5 on gender equality and SDG 10 on reduced inequalities. Initiatives include:

- Shorter working hours on Thursdays to support employees' work-life balance
- A November 2024 health awareness campaign focused on diabetes and prostate cancer
- Financial well-being measures such as interest-free loans and savings incentives

## NBK Rise – women's leadership

Programme launched in 2022 to empower women and prepare them for senior leadership roles. The nine-month initiative combines mentorship, coaching and executive training delivered in partnership with IE Business School and INSEAD.

### Key milestones:

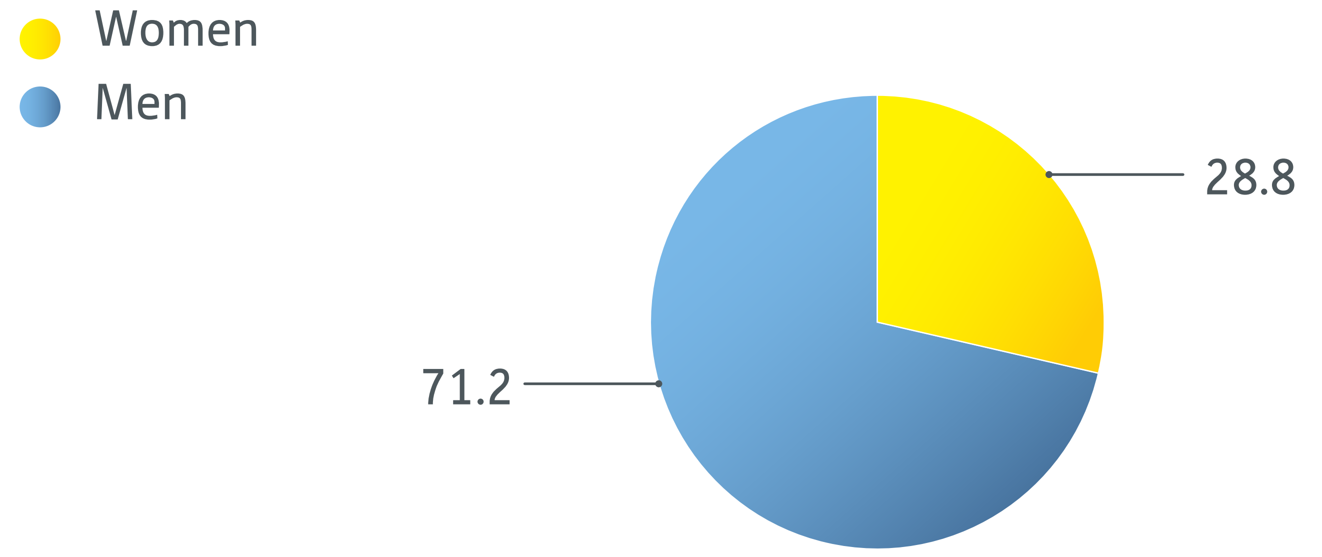
2023: First cohort of 21 women, including participants from NBK and partner organisations such as Alshaya Group, CBK and stc group

2024: Cohort of 25 women, with participants from NBK and partners including Ooredoo Kuwait, Kuwait Petroleum Corporation and Intervest Capital Partners New York

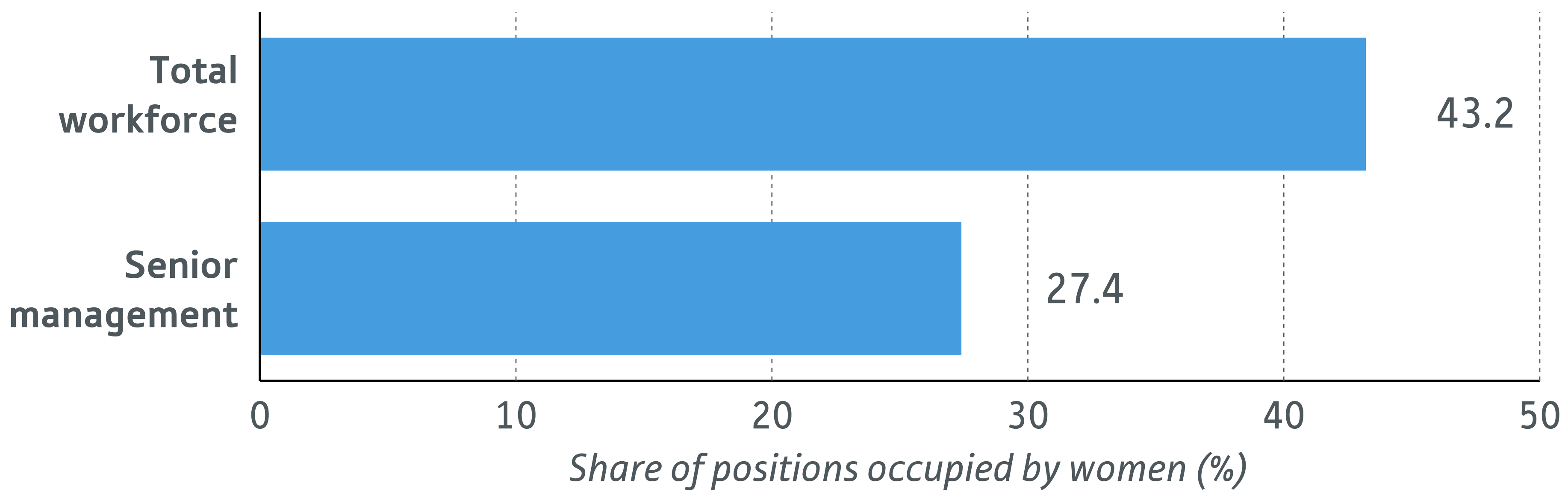
### Recognition:

- Middle East Regional Initiative and Training – Special Recognition 2024 for Developing Women Leaders
- Society for Human Resource Management MENA – Bronze Award 2023 for Excellence in Diversity and Inclusion

## Women in STEM workforce, 2024 (%)




## Women at NBK, 2024 (%)




## Bankee financial literacy programme

In 2024 NBK's Bankee programme delivered financial literacy training across schools in Kuwait

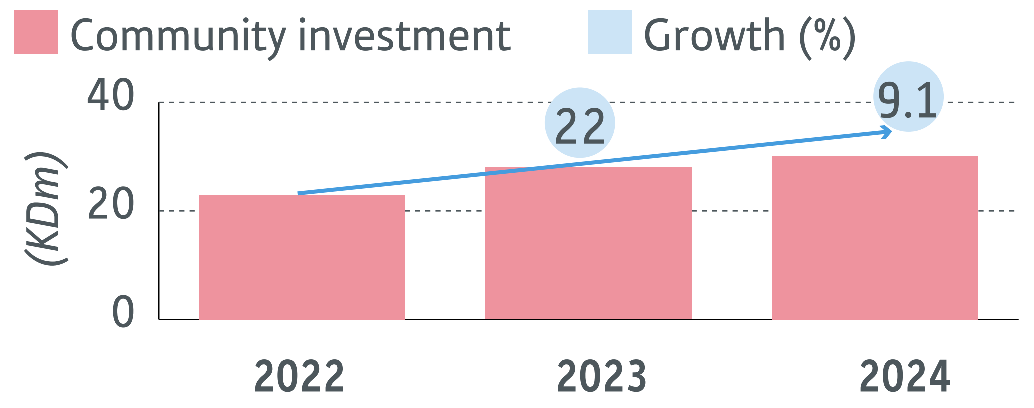
- 32,257 students
- 7230 teachers
- 61 schools

Sources: NBK

# NBK in focus: Community and SME investment

In 2024 the bank reinforced its role in social and economic development by expanding community investment, scaling small and medium-sized enterprise (SME) financing and supporting regeneration projects. These initiatives align with Kuwait Vision 2035, wider GCC priorities and the international agenda.

## Community investment and SME inclusion




**SME financing**
KD25m+ in SME loans in 2024, up 23.5% from 2023

## Community outreach and inclusion in 2024

**Ramadan programme**
22,265 beneficiaries – including the distribution of 5000 meals and 17,000 children's gifts

**NBK Run**
Celebrated its 30th year, introducing a para-athlete category to strengthen inclusivity in sports with including 7000+ total participants

**Accessible banking for those with special needs**
Six branches in Kuwait are designed for customers with special needs, with 42 staff trained in sign language

## Regeneration projects in 2024

**Sharq parking development**
KD8m to expand parking and develop new public green spaces

**Shuwaikh Beach redevelopment**
KD3m to enhance public access and amenities along the waterfront

## Youth empowerment and skills initiatives that year

**KON and Kilma programmes with Loyac**
To enhance entrepreneurship, and debate and leadership skills; 53 youth (ages 11-16) participated in the entrepreneurship initiative in 2024

**Tamakan programme**
A 10-week initiative for young Kuwaiti graduates, offering 350 training hours to help 34 participants improve their professional skills

**Rafa Nadal Academy Kuwait partnership**
Training and mentorship to develop young athletes

Sources: NBK

# Summary and Conclusions

The growing emphasis on sustainability across global and regional finance underscores the importance of strong governance, transparency and impact measurement. This section synthesises key insights from the report, outlining how international frameworks and evolving regional standards are shaping the next phase of sustainable finance in Kuwait and the wider GCC region.

# Standards shaping sustainable finance in Kuwait

- Framework for reporting climate-related financial risks and opportunities
- Based on four pillars: governance, strategy, risk management, and metrics and targets

- 17 global goals with 169 targets guide sustainable development across social, environmental and economic dimensions
- Serve as an overarching alignment lens – e.g., mapping projects against SDG targets


- Nonprofit that sets standards for the investor-oriented disclosure of financially material ESG issues by industry
- Focuses on decision-useful, material data by industry/sector

- A widely used corporate sustainability disclosure framework
- Universal, sector and topic standards enable stakeholder-centric impact disclosures

- Voluntary corporate commitment to universal principles
- 10 principles encompassing human rights, labour, environment and anti-corruption

- ESG reporting guide for listed issuers in Kuwait
- Outlines core sustainability indicators aligned with Kuwait Vision 2035 and the country's 2060 carbon-neutrality goal

# NBK in focus: Alignment with global frameworks

## TCFD

- **Proactive climate risk integration** – NBK embeds climate considerations into risk management frameworks to strengthen resilience and long-term value creation
- **Global and local alignment** – The bank aligns with TCFD recommendations and regulatory principles from CBK, the Prudential Regulation Authority (UK), the Monetary Authority of Singapore and the Central Bank of Egypt
- **ESG strategy** – Applies TCDF-aligned tools like ESG scorecards and proprietary risk models to assess portfolio climate readiness

## SASB

- **Enhanced sustainability transparency** – In 2021 NBK incorporated SASB metrics, aligning disclosure with investor-focused international best practices
- **Focus on key ESG topics** – SASB Consumer Finance Standard guides NBK's disclosures on data security, financial inclusion, capacity building and business ethics, among others

## UNGC

- **UNGC membership** – In 2023 NBK joined the UNGC, committing to its 10 principles on responsible business practices and submitting two communications of progress by Q4 2025
- **Corporate governance** – NBK upholds UNGC principles through robust governance practices, supporting Kuwait's sustainable economic development
- **Commitment to human rights and labour standards** – NBK aligns labour practices with international human rights standards, guided by its Statement on Protecting and Advancing Human Rights

## UN SDGs

- **Strategic alignment with the SDGs** – In 2018 NBK started mapping the UN SDGs across its core strategic pillars – embedding sustainability across operations and decision-making
- **Community impact and social investment** – Through its Social and Community Development Committee, NBK oversees efforts to expand community engagement and spending in line with the UN SDGs
- **Diversity and inclusion leadership** - Aligned with UN SDGs 5 and 10, NBK promotes gender parity, cultural diversity and inclusive leadership practices
- **Environmental stewardship** - The bank pursues SDG-linked goals on greenhouse gas emissions reduction, energy and water efficiency, and resource management

## GRI standards

- **Adoption of global sustainability standards** – In 2016 NBK transitioned to sustainability reporting under the GRI standards, enhancing transparency and alignment with international best practices
- **Integration of double materiality** – The bank's updated materiality assessment from 2024 incorporates the double materiality approach, reflecting the growing importance of both financial and non-financial impacts in sustainability reporting
- **Comprehensive disclosure framework** – NBK's reporting encompasses GRI foundations, general disclosures and material topics, covering areas such as economic performance, emissions, and occupational health and safety

## Boursa Kuwait ESG Reporting Guide

- **Enhanced transparency** – In 2017 NBK adopted the Boursa Kuwait Sustainability Disclosure Guidelines, reinforcing its commitment to clear, consistent and accountable sustainability reporting
- **Alignment with national and global goals** – Boursa Kuwait ESG reporting metrics reflect alignment with the UN SDGs and Kuwait Vision 2035, emphasising gender diversity, human rights and nationalisation

Sources: NBK

# Key Takeaways

## ESG RESILIENCE

Banks across the GCC and beyond are embedding ESG principles into governance and risk frameworks. This supports portfolio resilience, enhances transparency, and positions financial institutions to manage transition and physical climate risks in alignment with evolving global disclosure standards. By strengthening oversight, metrics and accountability, the sector is advancing long-term financial stability and sustainable value creation.

## POLICY MOMENTUM

Fiscal and financial policy reforms are driving the expansion of ESG-aligned financing across the GCC. Governments are advancing disclosure requirements and sustainable finance frameworks, thereby creating a clearer regulatory environment that attracts institutional capital to sectors aligned with net-zero and diversification goals. NBK's governance, reporting and risk frameworks align closely with these regional policy priorities.

## GREEN INVESTMENT

Renewable energy, low-carbon transport and sustainable construction increasingly attract investor interest. Regional issuers are accessing capital through green bonds, sustainability-linked loans and blended-finance mechanisms – reflecting a maturing ecosystem for ESG-aligned infrastructure and long-term transition finance opportunities. NBK's $500m green bond and growing sustainable asset portfolio illustrate the GCC's expanding green finance landscape.

## DISCLOSURE ALIGNMENT

Convergence with international frameworks – such as TCFD, SASB and GRI – is enhancing the credibility and comparability of sustainability reporting. Stronger disclosure practices are helping to improve investor confidence and lower perceived risk across regional financial institutions. NBK's alignment with local and international frameworks reflects the region's progress towards global best practices in transparency and responsible finance.

## INCLUSIVE GROWTH

Social inclusion, gender equality and workforce development are central to sustainable growth strategies in the GCC. Investment in human capital and financial literacy is fostering productivity, resilience and innovation – key considerations for investors focused on long-term value creation and societal impact. NBK's DE&I initiatives, ESG training and Bankee financial literacy programme demonstrate this commitment.

## REGIONAL OPPORTUNITY

The GCC is emerging as a dynamic centre for sustainable finance. With expanding issuance volumes, supportive regulation and growing institutional engagement, the region offers scalable opportunities in climate-aligned investment, ESG integration and sustainable infrastructure development. NBK's regional presence and strategy position it to contribute to – and capitalise on – this evolving ecosystem in the years from 2025.

# ESG INTELLIGENCE

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