

# ESG Newsletter

March 2026

## Your Knowledge Digest

**Managing sustainability data in 2026: from fragmented to strategic** 🖱️

**Relabelling risk in transition finance: why evidence is key** 🖱️

## News | Regional

### Sustainability reports...new tool to enhance transparency, attract investments

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Companies listed on Boursa Kuwait will be required to issue sustainability reports starting in 2026, covering the 2025 financial year, under new regulations by Kuwait's Capital Markets Authority. The move aims to enhance transparency, align with global ESG standards and Kuwait Vision 2035, and strengthen investor confidence in the local market.



### Abu Dhabi tracks 90 million tonnes of CO<sub>2</sub> in first year of climate programme

 🖱️

Abu Dhabi completed the first year of its MRV programme, covering over 250 companies and capturing 90 million tonnes of CO<sub>2</sub> around 80% of major emitting activities across key sectors. The initiative boosts emissions transparency and supports the transition to a low-carbon economy.



### Saudi ministry mandates licenses for all petroleum, petrochemical operations

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Saudi Arabia's Ministry of Energy announced that all petroleum and petrochemical activities now require prior licensing under a new law replacing previous regulations. The move aims to strengthen oversight, ensure supply security, and support Vision 2030, with licenses available through a new online platform.



### Egypt's banking sector expands sustainable finance initiatives

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Egypt's banking sector, led by the Central Bank of Egypt, is accelerating sustainable finance efforts by expanding green lending, MSME support, financial inclusion programmes, and issuing green bonds in line with Vision 2030 and the UN SDGs.

## News | International

### GHG Protocol launches carbon accounting standard for land sector

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The GHG Protocol released the LSR Standard, the first global framework for reporting land-sector emissions and CO<sub>2</sub> removals. It becomes mandatory in January 2027, introducing new requirements on land-use change, leakage, and removals.



### EU adopts first-ever standard for carbon removal projects

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The European Commission adopted its first voluntary standards to certify permanent carbon removals, covering DACCS, BioCCS, and biochar. Projects will soon be able to apply for EU certification, with more methodologies to follow this year.



### 38% of companies' emissions trajectories are aligned with global climate goals: MSCI

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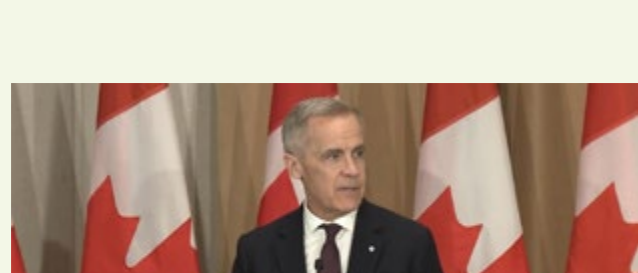
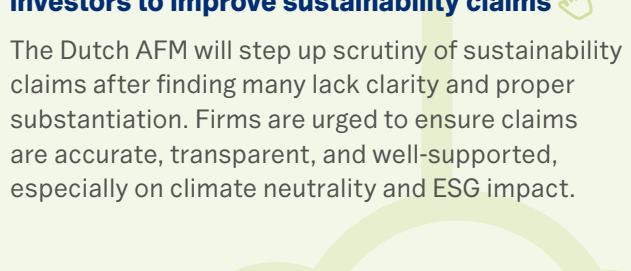
MSCI found that only 38% of listed companies align with a 2°C pathway and just 12% with 1.5°C, with overall trajectories implying 3°C of warming. However, climate commitments and SBTi-approved targets continue to increase, along with improved emissions disclosure.



### AUM in Article 8 and 9 funds pass \$10 trillion: Morgan Stanley report

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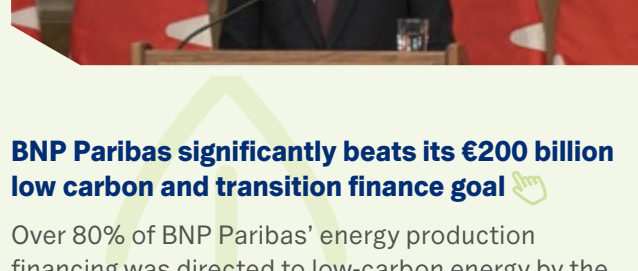
Assets in SFDR Article 8 and 9 funds rose 23% to \$10.2 trillion in 2025, driven mainly by strong inflows into Article 8 funds, despite outflows from Article 9 strategies. However, global sustainable funds overall saw \$63 billion in net outflows, even as total AUM increased due to market appreciation.



### Canada drops zero emission vehicle sales mandate for automakers

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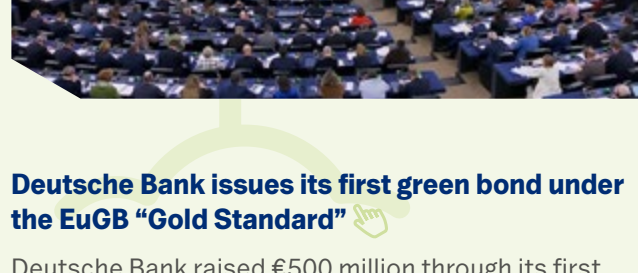
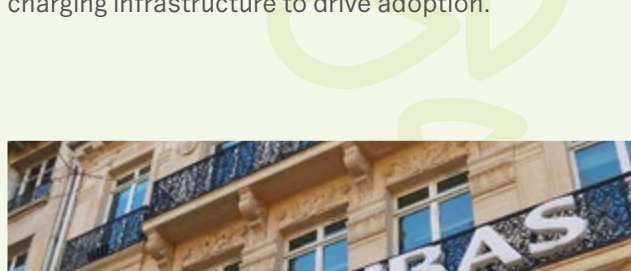
Canada will repeal its mandate requiring 100% zero-emission vehicle sales by 2035, citing affordability and weaker EV demand. It will instead tighten emissions standards, offer EV incentives, and expand charging infrastructure to drive adoption.



### BNP Paribas significantly beats its €200 billion low carbon and transition finance goal

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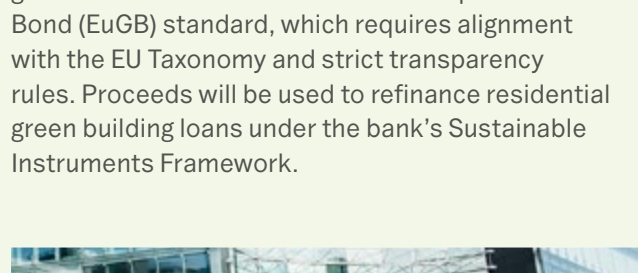
Over 80% of BNP Paribas' energy production financing was directed to low-carbon energy by the end of 2025, reaching 82% and moving ahead of its 90% by 2030 target. The bank also exceeded its €200 billion low-carbon and transition financing goal for 2022-2025, reaching €252 billion.



### EU lawmakers approve target to reduce emissions 90% by 2040

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The European Parliament approved a 90% GHG reduction target for 2040, allowing up to 5% of cuts to come from international carbon credits. The law now awaits final approval by EU member states.



### Deutsche Bank issues its first green bond under the EuGB "Gold Standard"

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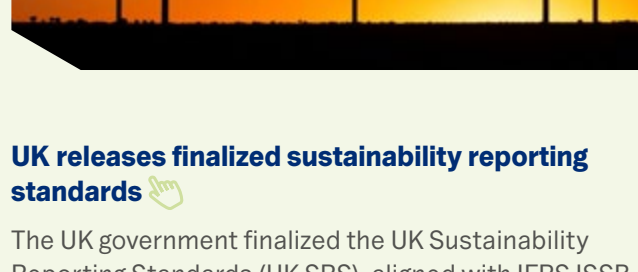
Deutsche Bank raised €500 million through its first green bond issued under the EU's European Green Bond (EuGB) standard, which requires alignment with the EU Taxonomy and strict transparency rules. Proceeds will be used to refinance residential green building loans under the bank's Sustainable Instruments Framework.



### New York lawmakers pass bill mandating GHG disclosure by large companies

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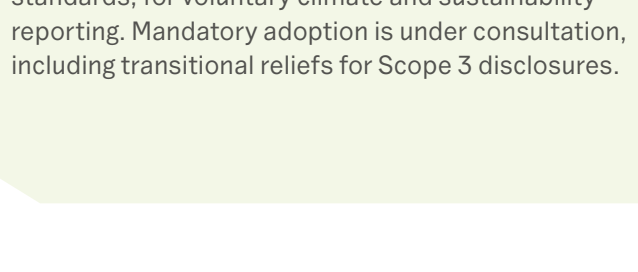
The New York State Senate passed the Climate Corporate Data Accountability Act, requiring companies with over \$1 billion in revenue to report Scope 1, 2, and 3 emissions starting in 2027, pending the governor's approval. Lawmakers also approved additional environmental bills targeting PFAS, lead contamination, and air quality standards.



### ISO launches new climate adaptation standard

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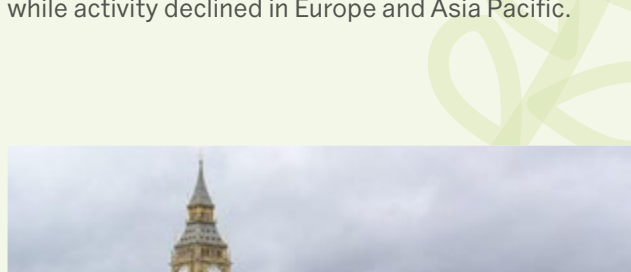
The International Organization for Standardization launched ISO 14092:2026 to guide organizations and local governments in planning and implementing climate adaptation. The standard provides a structured framework for risk assessment, governance, and monitoring.



### UK releases finalized sustainability reporting standards

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The UK government finalized the UK Sustainability Reporting Standards (UK SRS), aligned with IFRS ISSB standards, for voluntary climate and sustainability reporting. Mandatory adoption is under consultation, including transitional reliefs for Scope 3 disclosures.



### Amazon, Meta, Google, Microsoft account for half of global clean energy purchase deals in 2025: Report

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BloombergNEF reported that big tech accounted for 49% of global corporate clean energy PPAs in 2025, even as total volumes fell 10%. North America grew, while activity declined in Europe and Asia Pacific.

## NBK ESG Highlights of the Month



### National Bank of Kuwait launches Diversity, Equity, and Inclusion Council

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National Bank of Kuwait launched a DEI Council to strengthen diversity, equal opportunity, and inclusive workplace practices across the Group. The move builds on its 2024 DEI Commitment, with women making up 42.5% of the workforce and 27.4% of leadership roles in 2025.

### NBK wins Best Bank for Sustainable Finance in Kuwait and Best for Sustainability Transparency in the Middle East

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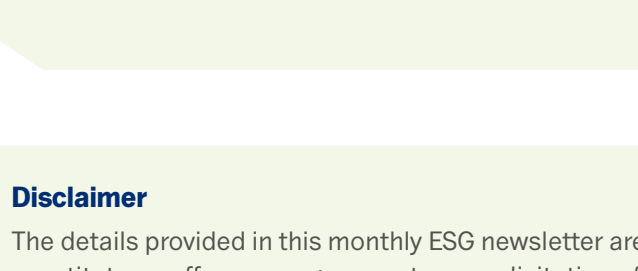
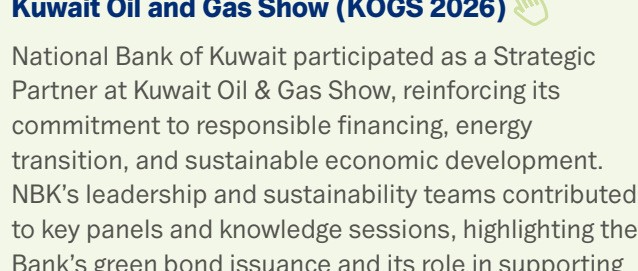
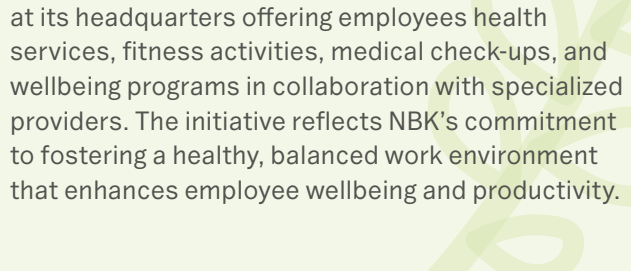
National Bank of Kuwait won two 2026 Sustainable Finance Awards from Global Finance for Best Sustainable Finance Bank in Kuwait and Best Sustainability Transparency in the Middle East. The awards reflect strong growth in sustainable assets and enhanced ESG reporting and ratings.



### NBK participates as Strategic Partner in the Kuwait Oil and Gas Show (KOGS 2026)

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National Bank of Kuwait participated as a Strategic Partner at Kuwait Oil & Gas Show, reinforcing its commitment to responsible financing, energy transition, and sustainable economic development. NBK's leadership and sustainability teams contributed to key panels and knowledge sessions, highlighting the Bank's green bond issuance and its role in supporting Kuwait's evolving energy sector.



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