

The green bond market witnessed growth

According to Bloomberg Intelligence, approximately 64 percent of them is corporate bonds while 36 percent from the governments.¹ France takes the lead as the world's biggest sovereign green bond issuer, followed by European neighbors. Emerging markets are also picking up as green transition in countries like Saudi Arabia, Chile and Kenya. For instance, in Chile, the government drafted a green bond framework, which included eligible green expenditures dedicated to clean transportation; energy efficiency; renewable energy; living natural resources, land use and marine protected areas; water management; and green buildings.²

Corporations such as Apple issued a \$2.2B green bond in 2019 to support Apple's efforts to "reduce its carbon footprint, use greener materials in its products and conserve resources." The following year, Toyota issued a \$750M green bond to help fund "vehicles that meet specific clean air criteria, including powertrain, fuel efficiency and emissions."

According to the Duke University of Law, stock prices respond positively to the issuance of green bonds. The response is especially pronounced for green bonds that are certified by independent third parties. This suggests that shareholders perceive green bonds—especially those that convey a credible signal of the firm's commitment to the environment—to be beneficial for the issuing company.³

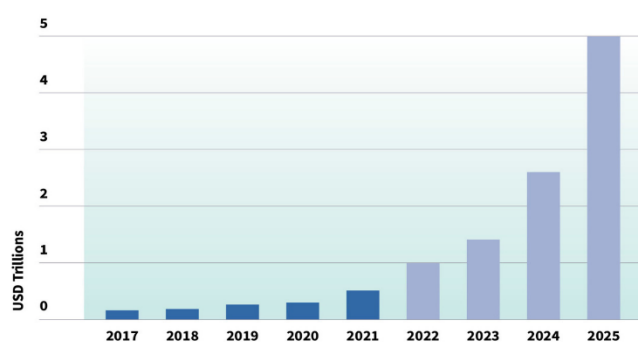
¹<https://www.bloomberg.com/professional/blog/green-bonds-heat-up-while-emerging-markets-set-for-debuts/>

² <https://www.environmental-finance.com/content/awards/green-social-and-sustainability-bond-awards-2020/winners/green-bond-of-the-year-sovereign-republic-of-chile.html#:~:text=Chile%20drafted%20a%20green%20b>

The below captures the increasing trend in green bond worldwide, where The Climate Bonds Initiative projects green bonds to be increase to 5 trillion in 2025⁴

Credit: Climate Bonds Initiative 2022

Green Bond Issuance (USD Trillion)



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BOURSA KUWAIT'S CONTRIBUTION AND APPROACH TO ESG/SDG IMPACT.

The Kuwait Stock Exchange (Boursa Kuwait), which was officially privatized in 2019 plays a leading role in driving engagement, growth and innovation in the Kuwaiti capital market. It has an action plan to promote Environment, Social and Governance (ESG) and sustainability internally and amongst its listed companies. Boursa Kuwait continues to adopt international standards and practices and engages

[ond,water%20management%3B%20and%20green%20buildings.](#)

³ By Caroline Flammer, Duke University School of Law, <https://sites.law.duke.edu/thefinregblog/2020/07/21/corporate-green-bonds-benefit-both-companies-and-the-environment/>

⁴ Table is extracted from <https://www.climatebonds.net/2022/01/500bn-green-issuance-2021-social-and-sustainable-acceleration-annual-green-1tn-sight-market>

with other listed companies to improve ESG and SDG reporting.

Given Boursa Kuwait's commitment to drive corporate social responsibility in the withing the capitals market, they had launched an ESG reporting guide which proposes an initial set of indicators which are in line with the Kuwait National Development Plan and includes recommended sustainability metrics, including SDG Indicators.

In addition to the ESG reporting guide, Bourse Kuwait's own corporate sustainability initiatives include, Women empowerment; where in partnership with the UN Women and UNDP, Boursa Kuwait annually rings the bell, symbolizing women's empowerment on International women's day. This initiative highlights the important role the private sector has in raising awareness of Women Empowerment Principals (WEP).

Its Environment initiative include cleaning waste for the Kuwaiti waters in collaboration with the Kuwait Dive team. In 2020, over 63 tons of waste was cleaned from various bays.

Energy efficiency initiatives are also of importance to Boursa. In 2020, the company reduced energy by over one million kilowatts and water consumption by 85 thousand gallons, by installing energy saving products, including HVAC systems and water efficient plumbing devise. ⁵

UNDP'S BUSINESS CALL TO ACTION AND BENEFITS OF MEASURING IMPACT

Many Companies worldwide have already bought into the notion that success isn't solely measure by financial gains, rather it is also measured by social and environmental returns as well. The contribution through everyday business activities that positively impact the social and environmental aspect of sustainability have just as much of an impact. Environmental social responsibility has become a reporting requirement for many companies globally including their shareholders. United Nations Development Programme (UNDP) Initiative called Business Call to Action (BCTA) offers support to companies that strive to adopt impact measurement

⁵ Boursa Kuwait – ESG Reporting Guide

and management within their organizational goals. The initiative offers tools the allow business to adopt global standards to measure and manage impact and by simplifying the linages between business and the Sustainable Development Goals.

Colombian based social enterprise, Bive, had aimed to close the existing health-access gap between rural and urban communities by providing high quality and quick health care services to its communities. By going through BCTA's Impact Lab, Bive was able to manage the impact of its initiative by decreasing mortality associated with breast and cervical cancer in low income rural women. By better understanding the impact of healthcare services had on low income clients, Bive was able to reduce the number of days between initial clinical examinations and screenings from 90 days to 15 days.⁶

By using impact management measures, sustainable business can eventually contribute to positive economic, societal and environmental change.



Credit: Global Partnership for Effective Development Co-operation

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Empowered lives.
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⁶ <https://www.businesscalltoaction.org/guardian-news/impact-management-lessons-from-the-private-sector>