

# Sustainability Bulletin

December 2023

## JCR Eurasia Rating

Economic and Analytical Research



## COP28 Has Started

The 28th United Nations Climate Summit Conference of the Parties (COP28) started on November 30, hosted by the United Arab Emirates. The fact that the conference is hosted by one of the world's largest oil producers is at the center of the discussions.



While 97 thousand registered people from around the world physically attended the summit, this number is expected to exceed 100 thousand with online participants.

The agenda of the conference, where 4 main themes will be discussed, is as follows:

- **“Fast-track a just and orderly energy transition”**,
- **“fix climate finance”**,
- **“focus on people, nature, lives and livelihoods”**,
- **“foster inclusivity”**.

## COP28: Loss and Damage Fund Approved

The fund to be established for climate-related losses and damages to developing countries, which was decided at COP27 held in Egypt last year, was made operational at COP28. Important issues regarding the fund were determined at the last transition committee meeting, where details regarding the operation of the fund were shaped.



The fund, which will operate in compliance with the United Nations Climate Summit and the Paris Agreement, **will be hosted and secretariat by the World Bank for four years.** So far, financial commitments of USD 420 million have been made for the fund.

## COP28: Target 2030 in Renewable Energy

A new one was added at COP28 to the decisions on reducing the use of fossil fuels in line with the targets of limiting global warming to 1.5 degrees set by the Paris Agreement. **The Global Renewables and Energy Efficiency Pledge**, signed by **118** countries, aims to triple the installed renewable energy resources by 2030.



While Türkiye, China, India and South Africa have not yet signed the commitment, another development took place on the side of fossil fuel producers. **50 companies**, accounting for **40% of global oil production**, became signatories to **Oil&Gas Decarbonization Charter** at COP28.

## Türkiye Sustainability Reporting Standards Draft Opened for Comment

The Public Oversight Authority (KGK) opened the drafts of the Turkey Sustainability Reporting Standards to public opinion.

In the statement made by the institution, it was stated that the amendment made to the Turkish Commercial Code in 2022 authorized the KGK to publish the Türkiye Sustainability Reporting Standards. Based on this authority, KGK decided that IFRS S1 and IFRS S2 standards published by ISSB in June 2023 are the most suitable standards for our country.



After the Turkish translations of the relevant standards were made, the standards titled TSRS S1 General Requirements on Disclosure of Sustainability-related Financial Information and TSRS S2 Climate-related Disclosures were opened to public opinion.

## Banks Received Sustainable Syndication Loans

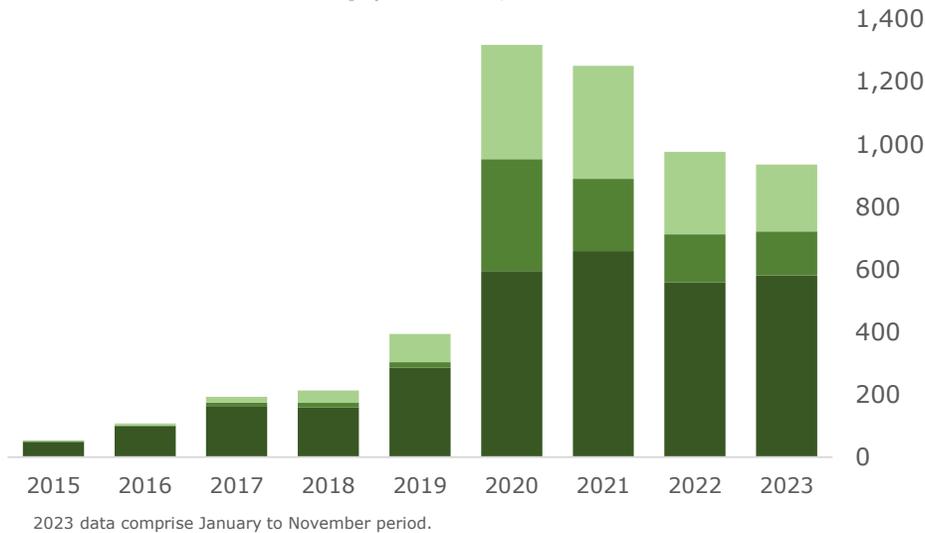
As the end of the 2023 calendar year approaches, sustainable loans came to the fore in banks' renewals of syndicated loans. While Eximbank, İş Bankası and Vakıfbank provided sustainable syndicated loans in November 2023, QNB Finansbank and Garanti BBVA received syndicated loans in December 2023.



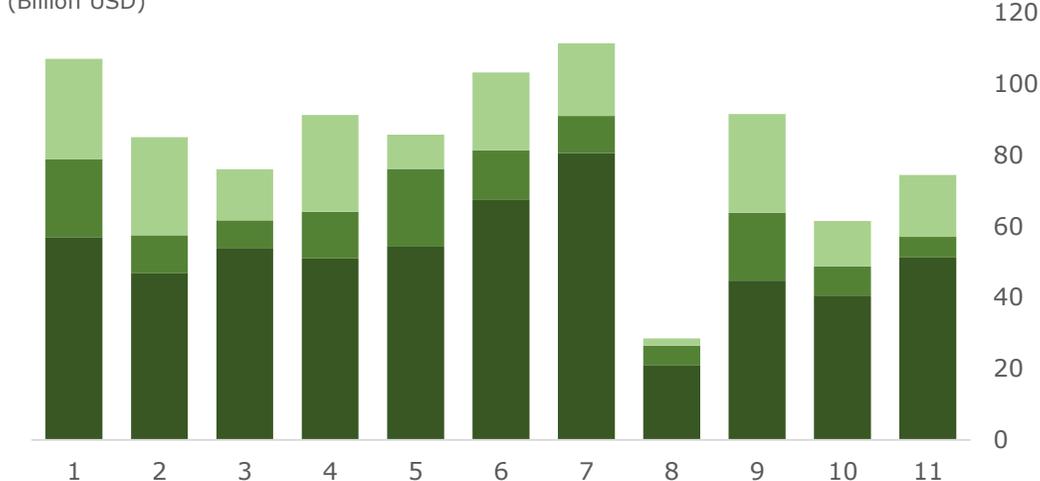
The total amount of sustainable and sustainability-related syndicated loans obtained by 5 banks was USD 2.48 billion and EUR 615 million. On the other hand, Istanbul Metropolitan Municipality (IBB) started the procedures for the first green bond issuance.

# Sustainable Bond Market

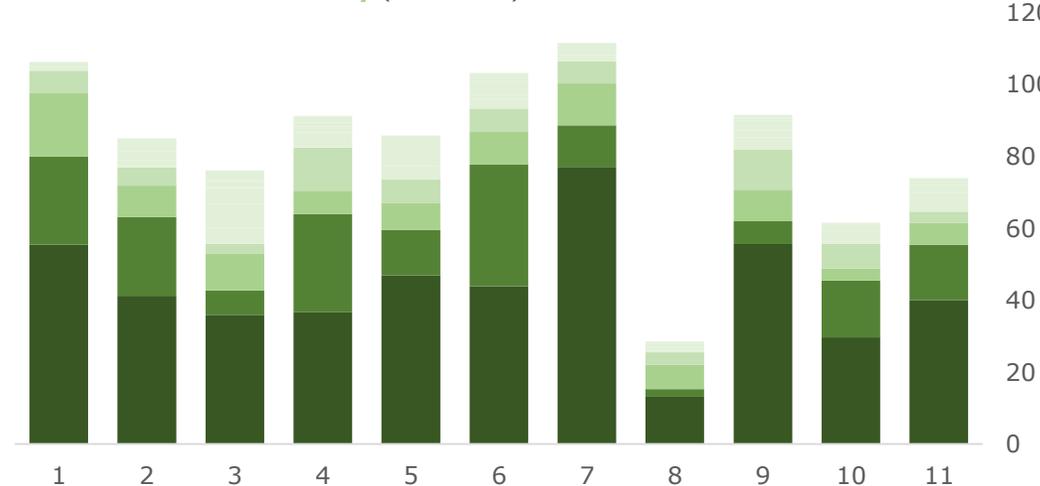
**Sustainable Bond Issues**  
**Green Social Sustainability** (Billion USD)



**Sectoral Breakdown of Monthly Sustainable Bond Issues in 2023**  
**Financials Government Activity Technology Industrials Others**  
 (Billion USD)



**Monthly Sustainable Bond Issues in 2023**  
**Green Social Sustainability** (Billion USD)

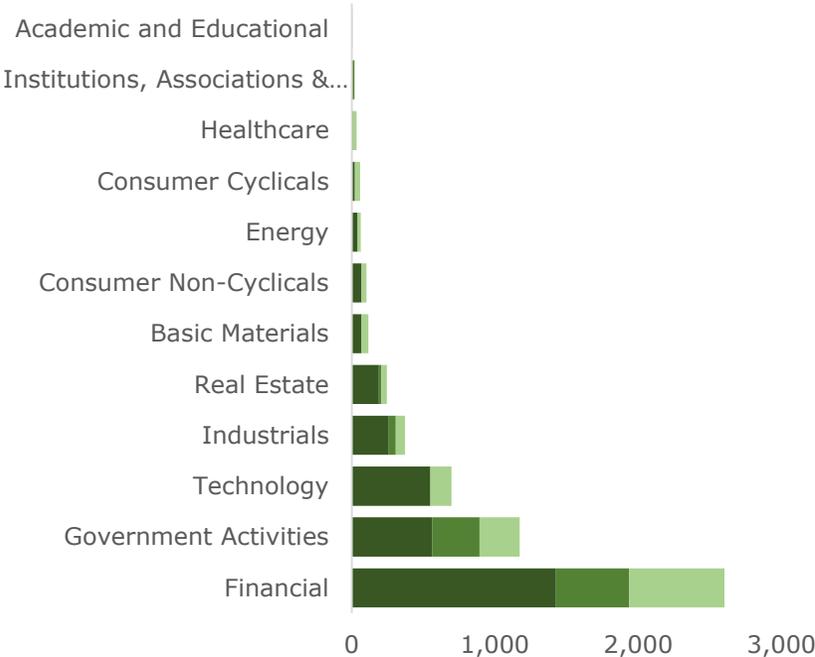


Source: JCR-ER, Refinitiv

# Sustainable Bond Market

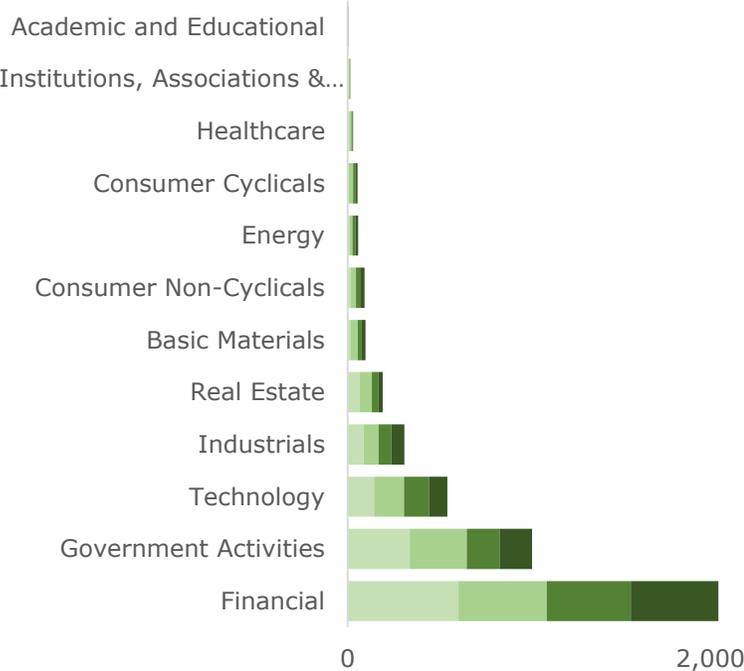
## Sustainable Bond Issuance Sector-Bond Breakdown in 2006-2023 Period

Green Social Sustainability (Billion USD)



## Sustainable Bond Issue Sector-Year Breakdown in 2020-2023 Period

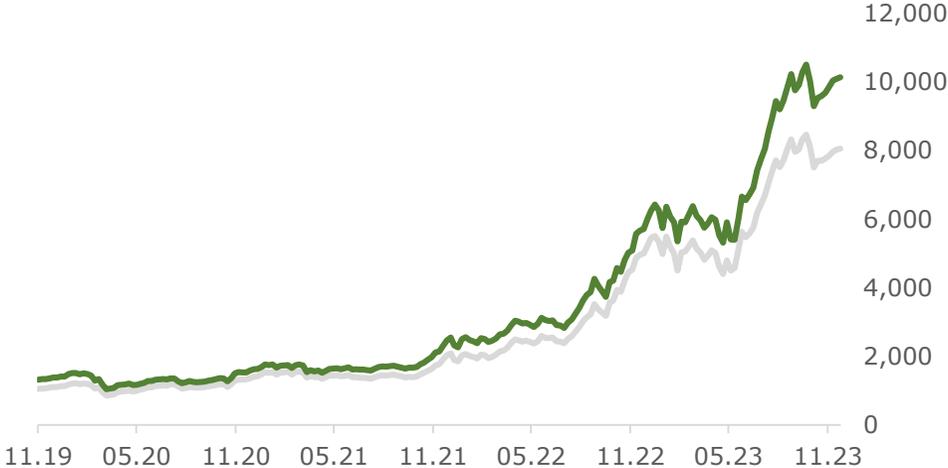
2023 2022 2021 2020 (Billion USD)



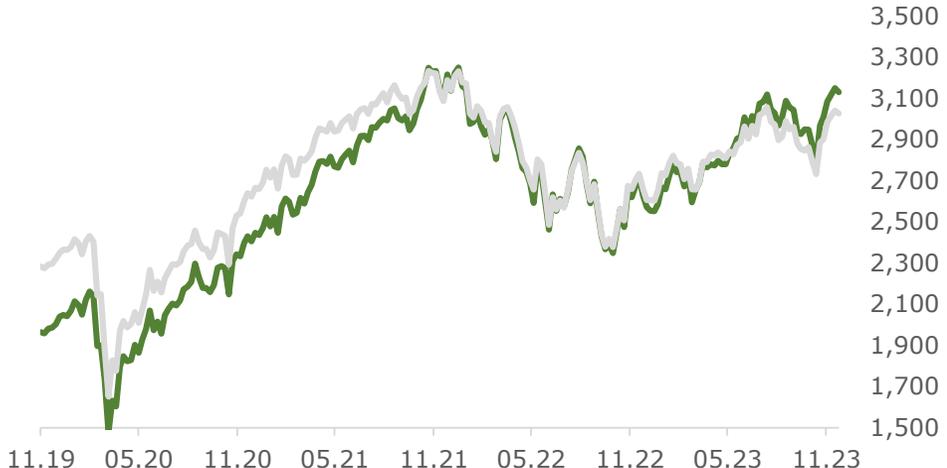
Source: JCR-ER, Refinitiv

# Sustainability Indices

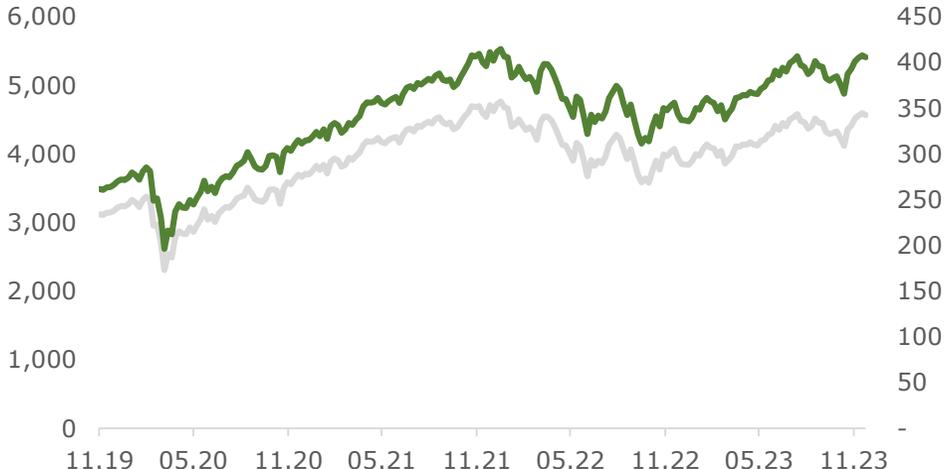
**BIST Sustainability Index**  
BIST100



**KLD400 Social Index**  
MSCI Global Index



**SP500 Sustainability (Right Axis)**  
SP500 Index (Left Axis)



**Stoxx Global ESG Leader Index (Right Axis)**  
STOXX600 Index (Left Axis)

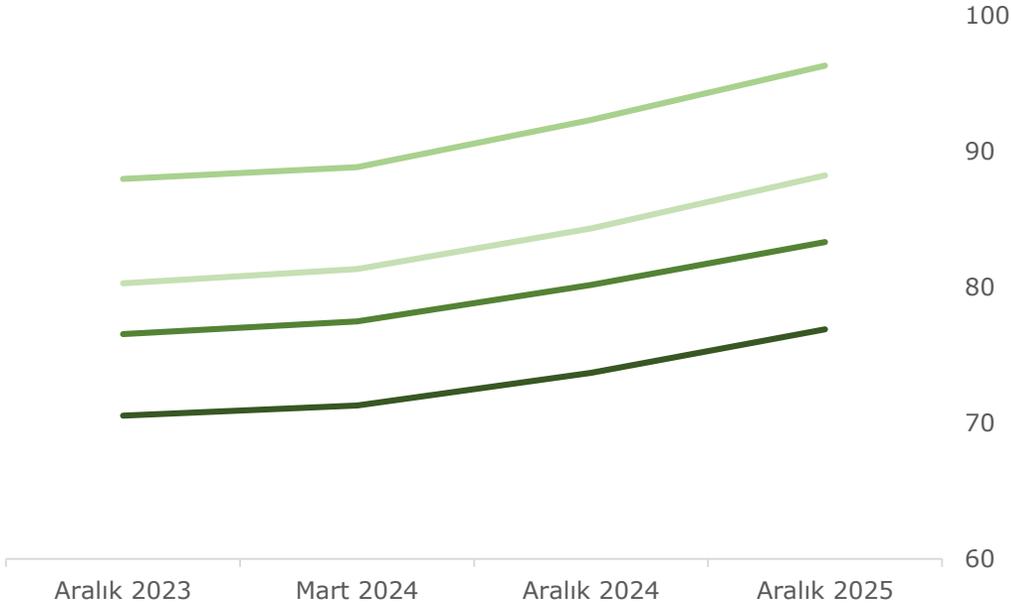


Source: JCR-ER, Refinitiv

# Carbon Market

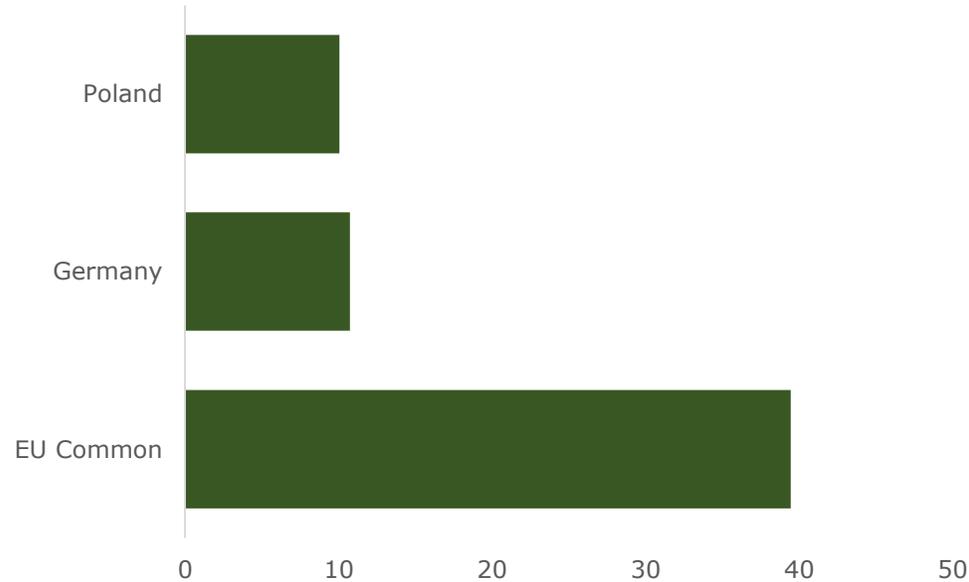
**Carbon certificate prices hover above 70 EUR/t. but prices are declining**

30 November 2023 23 November 2023 23 October 2023 23 August 2023



**The amount of carbon certificates to be auctioned in the next month is 60 million tons.**

**Auctioned Carbon Certificates (EUR/t)**



Source: JCR-ER, Refinitiv



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