

# ESG CORNER

OUR MONTHLY NEWSLETTER

## In this Month's Edition

New IFRS S2 amendments aim to align climate disclosures across industries

India achieves its clean energy goal, 5 years ahead of schedule

Environment agency – Updated capitalization of Abu Dhabi climate change adaptation plan for the environment sector 2025-2050



# FOREWORD

*Greetings, and welcome to the latest edition of Uniquis' ESG Corner!*

This month's issue highlights a pivotal moment for ESG worldwide as major markets recalibrate their sustainability frameworks to balance ambition with practical implementation. Our coverage begins with global regulatory updates, including the GRI's proposed sector standard for textiles and apparel, significant amendments to the ISSB's climate disclosure requirements, and new EU Taxonomy simplifications that aim to bring greater clarity, alignment, and efficiency to sustainability reporting.

Major legislative changes are currently happening across the United States. The enactment of the "One Big Beautiful Bill" marks a significant shift in federal clean energy policy, influencing market incentives, project timelines, and energy affordability. At the same time, state coalitions are working to protect environmental justice initiatives and enhance community resilience, highlighting the diverse and occasionally conflicting directions of climate policy within the country.

India has achieved a major climate milestone by reaching 50% of its total installed electricity capacity from non-fossil fuel sources—**five years ahead of its 2030 target**. In addition, the introduction of a rate-based Emissions Trading System and the country's rise into the top 100 of the SDG Index highlight its dedication to sustainable development and climate leadership. These accomplishments serve as a model for emerging economies seeking to balance growth objectives with strong environmental commitments.



The Middle East has also made notable environmental sustainability strides recently, with Abu Dhabi launching a science-based roadmap designed to protect the Emirate's natural resources and systems from the increasing and inevitable impacts of climate change, and Dubai launching a comprehensive air quality strategy that aims to achieve measurable improvements in urban sustainability and public health outcomes.

Throughout this edition, our analysis emphasizes the implications of these policy developments for business strategy, risk management, and sustainable investment. We aim to provide our readers with the insights necessary to anticipate regulatory changes, respond to evolving market signals, and enhance their own ESG efforts.

We hope you find this month's ESG Corner both informative and actionable.

Enjoy the read!

**Anu Chaudhary**  
Partner, Global Head of ESG  
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# IN THE NEWS

This section focuses on key developments globally, in the USA, India, and the Middle East. It dissects the most recent news and analyzes its potential to influence regional landscapes, businesses, and consumers. Uniquis provides insights into how these developments may shape current market dynamics and set the stage for future opportunities and challenges.

## GLOBAL

### PUBLIC COMMENT OPEN FOR GRI TEXTILES & APPAREL SECTOR STANDARD

The Global Reporting Initiative (GRI) released an exposure draft for its Textiles and Apparel Sector Standard, now open for public comment through 28 September 2025. Developed by a multi-stakeholder working group representing regions and organizations worldwide, the draft aims to establish a global benchmark for sustainability reporting in the textiles and apparel sector, encompassing textile production, apparel and footwear manufacturing, and retail. This sector is characterized by complex supply chains and significant impacts on labor rights, greenhouse gas emissions, and waste management. The proposed standard seeks to improve the quality and comparability of sustainability disclosures by identifying the sector's most significant impacts and aligning with stakeholder expectations. It is part of GRI's broader Sector Standards program, prioritizing sectors based on the scale and likelihood of their environmental and social impacts.

### NEW IFRS S2 AMENDMENTS AIM TO ALIGN CLIMATE DISCLOSURES ACROSS INDUSTRIES

In July 2025, the International Sustainability Standards Board (ISSB) released an Exposure Draft proposing updates to the industry-based guidance within IFRS S2 (Climate-related Disclosures), aiming to align it with recent amendments to the SASB Standards and ensure consistency across climate-related metrics and topics. The proposed changes include a comprehensive review of nine priority industries, including eight from the Extractives & Minerals Processing sector and Processed Foods, and targeted adjustments across 41 other industries, addressing GHG emissions, water use, and workforce safety. The ISSB also recommends removing disclosure topics that are not climate-relevant, such as air quality and waste metrics, from the Construction Materials industry. These updates form part of the ISSB's 2024–2026 work plan to enhance the usefulness and global applicability of IFRS S1 and S2 for preparers and investors. The Exposure Draft is open for public comment through 30 November 2025, with final amendments expected to take effect 12–18 months after issuance. Early adoption will be permitted.



## EU SIMPLIFIES TAXONOMY REPORTING TO REDUCE BURDEN ON COMPANIES

The European Commission has adopted new measures to simplify the EU Taxonomy Regulation, aiming to reduce the administrative burden on companies while maintaining key climate and environmental goals. The taxonomy, which provides a framework for classifying sustainable economic activities, has been mandatory for reporting since 2022.

Under the new rules, companies can exclude from reporting any financially non-material activities, defined for non-financial firms as less than 10%

of revenue, capital, or operational expenditure. Financial institutions will see simplified green asset ratio calculations and have a two-year option to delay detailed KPI reporting. Reporting templates will be streamlined, with up to 64% fewer data points for non-financial companies and up to 89% fewer for financial firms. The Commission also simplified the criteria for preventing pollution and chemical impacts under the “do no significant harm” rule.

These updates were published as part of the Commission’s “Omnibus I” package and will apply from 1 January 2026, covering the 2025 financial year. If preferred, companies may choose to implement the changes starting with the 2026 financial year.



### Uniquus' POV

The evolving sustainability reporting landscape can be seen as both a challenge and an opportunity for companies adapting to global ESG expectations. Recent developments, from the GRI's Textiles and Apparel Sector Standard draft, the ISSB's IFRS S2 amendments, to the EU's Taxonomy simplifications, reflect a clear trend toward greater clarity, alignment, and practicality in disclosures.

The GRI's sector-specific standard for textiles and apparel addresses the industry's complex supply chains and significant environmental and social impacts. By establishing a global benchmark, it aims to enhance transparency on critical issues, such as labor rights and emissions.

Similarly, the ISSB's IFRS S2 Exposure Draft proposes updates that harmonize climate disclosures across industries, focusing on material metrics and removing less relevant topics. This alignment supports more coherent, globally applicable ESG reporting, critical for companies operating across multiple jurisdictions.

Meanwhile, the European Commission's Taxonomy simplifications reduce the reporting burden by exempting non-material activities and streamlining data requirements, enabling

companies to focus on their core sustainability efforts.

Together, these initiatives mark a positive shift toward ESG frameworks that strike a balance between rigor and practicality. Companies are encouraged to engage with these evolving standards to enhance transparency, attract sustainable investment, and meet stakeholder expectations while maintaining focused and manageable reporting.



## USA

### CONGRESS PASSES SWEEPING “ONE BIG BEAUTIFUL BILL” SCALING BACK CLEAN ENERGY SUPPORT

On 4 July 2025, President Trump signed the USD 4.5 trillion “One Big Beautiful Bill” (OBBB) into law. It substantially dismantles key 2022 Inflation Reduction Act (IRA) components, phasing out clean-energy tax credits for wind, solar, electric vehicles, residential energy efficiency, and battery systems. Notably, the subsidy window has been narrowed: only projects that begin construction by July 2026 or are operational by December 2027 will qualify. The bill also suspends methane fees, rolls back EV and charging credits, and lifts restrictions on fossil fuel leasing and industrial tax breaks.

Independent analysis forecast severe consequences. [Rhodium Group and Energy Innovation](#) projects that the new clean power capacity build-out will shrink by 53–59% between 2025 and 2035, resulting in households paying USD 78–192 more annually on energy bills by 2035 and risking about USD 150 billion in clean-tech investments. The [Financial Times](#) estimates that clean energy growth could decline by 59%, potentially leading utilities to rely more on costlier natural gas, which could raise wholesale electricity costs by up to 49% in some states and 18 percent nationwide by 2035, risking up to USD 1 trillion in manufacturing sector losses and driving jobs overseas.

Globally, the USA lags the EU, China, and other major economies in decarbonization efforts as these regions accelerate emissions reductions and develop green technologies. Regionally, many states will be affected. [Texas](#) alone could lose 77 GW of clean capacity, impacting 19 million homes, increasing household bills by USD 220 to USD 480, and resulting in up to 94,000 clean energy jobs being lost by 2035.

### MULTISTATE COALITION EFFORTS ADDRESS ENVIRONMENTAL JUSTICE INITIATIVES

On 8 July 2025, the New York Attorney General and Attorneys General from 19 other states and the District of Columbia filed an amicus brief in *Appalachian Voices v. EPA*. They are urging the federal court to block the USA Environmental Protection Agency’s sudden termination of the Environmental and Climate Justice Block Grant Program, which was launched and funded under the Inflation Reduction Act (IRA) of 2022. The program initially allocated USD 3 billion to support community-driven environmental justice initiatives addressing extreme heat, flooding, air pollution, and other climate risks, focusing on low-income and communities of color. For example, New York received more than USD 70 million, allowing 22 grantees, including Fordham University, to lead multi-state projects across New York, New Jersey, Puerto Rico, the U.S. Virgin Islands, and Indigenous Nations.

The lawsuit argues that the EPA lacks the authority to cancel grants allocated by Congress under the IRA unilaterally. Many community groups have already experienced layoffs, program suspensions, and halted infrastructure projects because of the cancellation of these grants. The multistate coalition emphasizes the constitutional requirement, asserting that executive agencies cannot supersede Congress’s power of the purse.





## Uniquus' POV

The OBBB represents a significant policy shift with far-reaching long-term effects. Phasing out incentives from the Inflation Reduction Act would jeopardize the development of new renewable energy projects, increase regulatory unpredictability, and threaten America's competitiveness in the global clean-tech market. With the credit window now sharply shortened, many projects face impossible deadlines, risking job creation and decarbonization efforts. Household energy costs are expected to rise substantially, undoing decades of affordability improvements and putting low-income and energy-insecure communities at greater risk.

From a corporate and investor perspective, the market signal has shifted sharply. Developers must now accelerate project schedules or face disqualification for credit, while manufacturers and supply chain investors deal with unpredictable demand forecasts. Clean-tech equities and utilities might encounter higher financing costs. Additionally, the policy change sidelines USA climate leadership, allowing regions with more stable green agendas to emerge, and could influence trade dynamics, especially as other areas, such as China and the EU, expand their renewable sectors.

Simultaneously, state-level actors are pushing back. The multistate coalition lawsuit against the EPA's cancellation of the Environmental and Climate Justice Block Grant Program illustrates the tension between federal rollbacks and state commitments to climate equity. Many community-led projects, especially in marginalized regions, have been disrupted midstream, highlighting the social consequences of policy instability.

Despite policy pushback, including potential lawsuits over executive orders that tighten construction definitions, the window for green transition planning narrows. In this environment, businesses should reassess their risk frameworks, accelerate climate-resilient strategies, and actively engage in advocacy ahead of potential state or federal changes.



## INDIA

### CARBON PRICING IN INDIA: MARKET MECHANISMS FOR CLIMATE LEADERSHIP

India is making steady progress toward establishing a structured carbon pricing ecosystem as part of its broader climate strategy. With the Carbon Credit Trading Scheme (CCTS) launch in July 2024, the country is moving toward a rate-based Emissions Trading System (ETS) that initially covers nine energy-intensive industrial sectors. Unlike cap-based systems, this approach focuses on emissions intensity benchmarks, allowing economic growth alongside emissions reductions. In parallel, India is also developing a voluntary carbon market for sectors like agriculture, afforestation, and clean cooking. Supported by the Energy Conservation (Amendment) Act, 2022, and initiatives like Mission LiFE and the Green Credit Program, India lays a strong institutional foundation for its carbon market ambitions.



#### Uniquis' POV

India's transition to a rate-based ETS is a well-considered step that aligns with its development priorities while addressing global climate responsibilities. By focusing on performance-based benchmarks instead of absolute emission caps, the system allows industries to grow while pushing for efficiency and decarbonization. The integration of both compliance and voluntary mechanisms, with clear governance through the National Steering Committee for the Indian Carbon Market (NSCICM) and Bureau of Energy Efficiency (BEE), positions India as a potential leader among emerging economies in carbon markets.

### INDIA ENTERS TOP 100 IN 2025 SDG INDEX, RISES 10 SPOTS AMID GLOBAL SLOWDOWN

India has reached a new milestone by securing the 99th position in the 2025 Sustainable Development Goals (SDG) Index with a score of 67, marking its first time in the global top 100 out of 167 countries. This represents consistent year-on-year progress, improving from its 109th rank in 2024 and 121st in 2022. The SDG Index, published on 24 June 2025, reflects countries' overall progress toward achieving the 17 global goals by 2030. While European countries like Finland, Sweden, and Denmark continue to top the list, East and South Asia countries have shown the fastest improvements, with India's neighbors, Bhutan, Nepal, and Sri Lanka ranking ahead and Bangladesh and Pakistan trailing behind. However, the report notes that global SDG progress has largely stalled, citing overlapping crises, conflict, and fiscal constraints. It warns that only 17% of the SDG targets will be met globally.



#### Uniquis' POV

India's entry into the top 100 is a notable achievement, reflecting the impact of targeted policy in health, infrastructure, and services. However, the ranking also highlights the continued challenge of regional disparity and the urgent need for accelerated progress in social and environmental goals. The report's warning of a global slowdown in achieving the SDGs, driven by what it calls a "polycrisis," should serve as a wake-up call for both national governments and international financial institutions. For India, sustaining momentum will require continued domestic commitment, as well as increased international financial support and systemic reforms, to ensure developing economies are not left behind by 2030.

## INDIA'S RENEWABLE RISE: NON-FOSSIL SOURCES NOW POWER HALF THE NATION'S GRID

India has marked a significant turning point in its clean energy journey by reaching 50% of its total installed electricity capacity from non-fossil fuel sources as of 30 June 2025, achieving this goal five years ahead of schedule. This progress reflects the country's strong policy direction and commitment to sustainability, with initiatives such as PM-KUSUM, PM Surya Ghar, and the National Wind-Solar Hybrid Policy playing a key role. Together, renewable energy, large hydro, and nuclear sources now contribute more to the grid than fossil fuels, signaling a decisive shift in the country's energy landscape. Beyond emissions reduction, these developments enhance rural livelihoods, improve energy access, and create new economic opportunities. As India advances, the focus must shift to grid infrastructure, energy storage, and equitable access to clean power nationwide.



### Uniquis' POV

India's accelerated shift to non-fossil power capacity demonstrates how long-term planning, public engagement, and the adoption of technology drive sustainable growth, aligning environmental and economic priorities. This shift sends a clear message to markets and industries that the future of energy lies in cleaner, more resilient systems. With growing demand for transparency, climate resilience, and responsible investment, businesses will be expected to adapt to this evolving energy ecosystem. The next phase of progress will depend not just on expanding renewable generation but also on integrating digital technologies, strengthening local energy systems, and building inclusive access. India's achievement sets a powerful precedent and opens new pathways for driving meaningful environmental and social impact alongside economic development.



## MIDDLE EAST

### ENVIRONMENT AGENCY – ABU DHABI LAUNCHES ABU DHABI CLIMATE CHANGE ADAPTATION PLAN FOR THE ENVIRONMENT SECTOR 2025-2050

The Environment Agency—Abu Dhabi (EAD) has launched the Abu Dhabi Climate Change Adaptation Plan for the Environment Sector (2025 – 2050), a comprehensive, science-based roadmap designed to protect the Emirate’s natural resources and systems from the increasing and inevitable impacts of climate change.

The Environment Sector Adaptation Plan focuses on three highly vulnerable environmental systems: groundwater, soil, and biodiversity. These are critical to Abu Dhabi’s human health, long-term water security, agricultural productivity, and overall ecosystem health. Through robust risk assessments, the plan identifies a wide array of climate-induced threats and outlines 142 adaptation actions to be implemented by 2050, including 86 high-priority projects identified for implementation over the next five years.

The Abu Dhabi Climate Change Adaptation Plan for the Environment Sector (2025–2050) is one of four sectoral plans being rolled out under a broader Emirate-wide adaptation strategy. Upcoming plans will address the energy, health, and infrastructure sectors, forming a unified framework that ensures the resilience of Abu Dhabi’s critical systems and communities.



#### Uniquis' POV

The Abu Dhabi Climate Change Adaptation Plan for the Environment Sector (2025–2050) launched as part of Abu Dhabi Climate Change Strategy 2023–2027, marks a defining moment for the environmental future of the Emirate. It marks Abu Dhabi’s unwavering commitment to taking decisive actions and preparation for climate realities to safeguard its natural heritage.

This Plan is a science-backed, action-oriented roadmap that will enhance the resilience of Abu Dhabi’s natural resources, safeguard biodiversity and thrive to ensure water and food security across three key environmental systems; groundwater, soil, and biodiversity.

The Environment Sector Adaptation Plan firmly puts Abu Dhabi at the forefront of adaptation planning in the region as it reflects a scientific foresight into a future based on adaptation to current and future climate impacts. This Plan strengthens UAE’s national climate objectives by reducing environmental vulnerabilities and safeguarding ecosystems.

Overall, the Plan supports Abu Dhabi’s strategic ambition to preserve and enhance its natural resources as well as contribute to national sustainability goals such as increasing food self-sufficiency, shift toward more sustainable land and water management systems, and the conservation of biodiversity and ecosystems. This Plan is aligned to national commitments such as the UAE National Climate Change Plan 2017–2050, National Biodiversity Strategy, the UAE Framework for Global Climate Resilience, among others.

## DUBAI ADOPTS AIR QUALITY STRATEGY, AIMS FOR CLEAN AIR STANDARDS ON 90% OF DAYS ANNUALLY BY 2030

His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai, Deputy Prime Minister, Minister of Defence, and Chairman of The Executive Council of Dubai, approved an array of key strategic policies and projects during a meeting of The Executive Council, including Dubai Air Quality Strategy 2030.

Dubai's Air Quality Strategy 2030 aims to achieve clean air standards on 90% of days annually by 2030, thus helping enhance public health and environmental sustainability. The strategy provides for sector-specific targets and initiatives to reduce fine particulate matter (PM2.5) concentrations to 35 micrograms per cubic meter, while also addressing other key pollutants such as carbon monoxide, sulphur dioxide, nitrogen dioxide, and ground-level ozone.

Led by the Dubai Environment and Climate Change Authority, the strategy will be implemented in partnership with relevant entities, including Dubai Municipality, Dubai Electricity and Water Authority (DEWA), Dubai's Roads and Transport Authority (RTA), the Supreme Council of Energy, Dubai Airports, the Ports, Customs and Free Zone Corporation, DP World, the Ministry of Industry and Advanced Technology, and Emirates Global Aluminum.



### Uniquis' POV

Dubai's Air Quality Strategy 2030 aims to help preserve Dubai's environment and biodiversity, ultimately enhancing the quality of life for residents.

The 2022 World Air Quality Report conducted by Swiss firm IQAir, studied levels of PM2.5 (particles small enough to penetrate deep into the respiratory tract and lungs, causing or exacerbating illnesses such as asthma and heart issues) in 7,323 cities across 131 countries, including the Middle East. It found that 90% of the countries and regions studied exceeded the annual PM2.5 guideline value of 5 µg/m<sup>3</sup>, as specified by the World Health Organization (WHO).

Sulfur dioxide, nitrogen oxides and soot are some of the many pollutants that are released into the atmosphere by the combustion of conventional (fossil) fuels and contribute to poor air quality. However, the Middle East's frequent sand and dust storms are the most significant contributors to poor air quality.

In the light of this, Dubai's Air Quality Strategy defines a set of specific techniques and measures identified and implemented across sectors to achieve reductions in air pollution to attain clean air standards on 90% of days annually by 2030. While the Dubai Air Quality Strategy 2030 does not introduce immediate corporate reporting requirements, it signals increased attention to air quality impacts.

## OMAN LEADS THE WAY IN MARINE CONSERVATION AND SUSTAINABLE DEVELOPMENT

The Sultanate of Oman has placed paramount importance on protecting and sustaining its marine environment, diligently safeguarding it through a series of well-considered initiatives and policies. With an extensive coastline spanning approximately 3,165 kilometers, Oman has a rich biodiversity includes coral reefs, seabirds, fish, and endangered species such as sea turtles, whales, and dolphins.

The Environment Authority develops environmental strategies and plans to protect coastal and marine ecosystems. It also conducts scientific studies and research to address environmental challenges such as pollution, overfishing, and climate change, in alignment with the priorities and programs of Oman's Environmental Strategy and Oman Vision 2040.

In line with its international commitments, Oman fulfills its obligations by submitting national reports to regional and global conventions, including the Convention on International Trade in Endangered Species (CITES), the Ramsar Convention on Wetlands, and the Indian Ocean Sea Turtle Memorandum of Understanding. Additionally, Oman has intensified efforts to combat illegal wildlife trade while raising public awareness through educational campaigns and workshops to engage citizens and residents in marine conservation.



### Uniquis' POV

Oman's Environment Authority takes a leadership position in the Middle East in its approach to marine conservation and sustainable development. Despite the multiple threats faced by the country's marine environment including natural hazards like cyclones, climate change, and rising sea temperatures, as well as human-induced challenges such as overfishing, plastic pollution, and oil spills, Oman commits to safeguarding its marine environment and biodiversity.

The Environment Authority protects endangered marine species through environmental laws and regulations, such as the Environmental Protection and Pollution Control Law and the Natural Reserves and Wildlife Conservation Law. These laws safeguard beaches, marine life, and sensitive ecosystems like coral reefs and mangroves, while regulating the discharge of liquid and solid waste into marine and coastal environments.

Oman has implemented numerous projects in this field, most notably the Artificial Coral Reefs initiative which aims to rehabilitate damaged coral reefs, enhance biodiversity, support sustainable fishing, and protect coastal areas.

The Sultanate of Oman has established several marine reserves, including the Turtle Reserve, the Dimaniyat Islands Nature Reserve, and the Khor Reserves in Dhofar Governorate, which provide a safe habitat for endangered marine species.

Oman also places great emphasis on international cooperation in marine conservation, participating in global environmental agreements and programs such as the Convention on Biological Diversity, which focuses on preserving biodiversity and ensuring its sustainable use. This contributes to strengthening Oman's efforts in addressing global environmental challenges related to oceans.



## SAUDI ARABIA UNVEILS ESG-FOCUSED NON-PROFIT FOR INDUSTRY AND MINING

Saudi Arabia's Ministry of Industry and Mineral Resources announced the establishment of a non-profit association to help industrial and mining enterprises adopt top sustainability, social responsibility, and governance standards, supporting the Kingdom's economic growth.

Saudi businesses increasingly embrace environmental, social, and governance principles to drive sustainable growth. This aligns with Vision 2030 and the Kingdom's target of achieving net-zero emissions by 2060, reinforcing its position as a regional leader in sustainability.

The association will undertake specialized campaigns, implement guidance programs, and hold workshops focused on ESG indicators to further the ministry's efforts to strengthen the non-profit sector and enhance its role in the industry and mining sector.



### Uniquis' POV

**Saudi Arabia's mining sector** targets to contribute USD 80 billion to the country's GDP by 2030, with the mineral reserves standing at about USD 1.3 trillion. This shows that the mining sector contributes a significant part of the country's GDP, hence, it is pertinent to ensure that businesses in the sector adopt sustainability standards and carry out business activities responsibly.

This initiative forms part of the ministry's broader efforts to empower organizations in the industry and mining sectors, underscoring its belief in their role in advancing economic and social development in the Kingdom.

## THE UAE LEADS GLOBAL DIALOGUE WITH LAUNCH OF 2045 SDG REPORT AT UN FORUM

The UAE has announced the launch of the 2025 edition of the 2045 Sustainable Development Goals (SDG) Report. The announcement was made during the High-Level Political Forum (HLPF) on Sustainable Development 2025, held at the United Nations (UN) Headquarters in New York City.

The report is titled "Envisioning 2045: Comprehensive Pathways towards Sustainable Development." It outlines five key priorities:

- Redefining SDGs for 2045
- Future-proofing societies and economies
- Enhancing global leadership cooperation
- Accelerating development transformation
- Establishing a global commitment to future goals

The report stresses the importance of AI, circular economies, and responsible innovation. It calls for embedding foresight in policy and involving youth, women, and vulnerable groups in shaping future goals. The report also reflects on the SDGs in Action initiative, launched in 2016 at World Government Summit (WGS) in Dubai, as a vital platform for advancing global dialogue.



### Uniquis' POV

The SDG Report titled "Envisioning 2045", defines a comprehensive pathway towards sustainable development based on five key priorities. The report reflects the UAE's approach in anticipating challenges, strengthening global partnerships, and designing innovative solutions grounded in research, data, evidence and solutions.

At the HLPF, the UAE reaffirmed its commitment to five focus SDGs for 2025: SDG3 (health), SDG5 (gender equality), SDG8 (economic growth), SDG14 (life below water), and SDG17 (partnerships). These efforts revolve around innovation, partnerships, and strategic insight.

Public and private stakeholders are encouraged to align their operations and policies to the priorities through partnership and collaboration to ensure wholesome sustainable growth and development.

# IN-DEPTH ANALYSIS

This section delves deep into a significant ESG development, offering comprehensive insights and a nuanced perspective. Join us as we explore this development, shedding light on the opportunities and challenges in the evolving ESG landscape.

## SUSTAINABLE FINANCE: THE SHIFT TO ACCOUNTABILITY IN ESG DEBT MARKETS

### BACKGROUND

The landscape for sustainable finance is entering a new phase. Recent regulatory changes, including SEBI's new ESG debt framework in India, the implementation of stringent EU green bond standards, Saudi Arabia's first sovereign Euro green bond issuance, and expanded enforcement against greenwashing, indicate an apparent increase in expectations regarding transparency, accountability, and performance in ESG-labeled debt. These shifts signal both an opportunity and a compliance imperative for issuers, investors, and assurance providers as the global market grows in sophistication and scope.

### KEY DEVELOPMENTS

- **India's SEBI ESG Debt Framework:** SEBI's June 2025 regulations broaden ESG-labelled issuance beyond green bonds to include social, sustainability, and sustainability-linked bonds, requiring issuers to disclose exact use-of-proceeds, establish credible KPIs, and obtain third-party assurance both before and after issuance. These measures aim to prevent "greenwashing" and bring Indian market practices in line with global standards.
- **EU Green Bond Standard:** The EU's new voluntary standard, coming into force in July 2025, establishes the strictest disclosure and impact reporting requirements in the market so far. Proceeds must be fully aligned with the EU Taxonomy, and only projects with genuine, significant impact can be labeled as "green." Independent verification and continuous reporting are required.
- **Sovereign Activity in the Middle East:** The successful EUR 1.5 billion green bond from Saudi Arabia marks a milestone for the MENA region, showing increasing investor interest and signaling the growing role of sovereigns in establishing benchmarks for transparency and disclosure.
- **Policy Shifts and New Market Products:** The International Capital Market Association (ICMA) updated its Green and Sustainability-Linked Bond Principles in June 2025, emphasizing key KPIs and strong impact reporting. Meanwhile, regulators in Europe and Asia are testing frameworks for nature and biodiversity-linked bonds, preparing for the next stage of sustainable finance. Canada's final anti-greenwashing guidance in June 2025 sets strict evidence-based claims and transparency standards. Globally, enforcement actions by authorities, such as those in the EU, are increasing, targeting misleading ESG claims and enhancing investor protection.



## Uniquis' POV

As the global ESG debt market matures, all participants are being called to a higher standard where credibility, transparency, and genuine impact are key. For issuers, the journey starts well before a bond is listed. A bond can no longer be labeled “green” or “sustainable” based on broad commitments. Successful issuers must embed strong processes into their capital-raising strategy from the beginning. This involves setting clear environmental or social goals, linking those goals to meaningful and measurable key performance indicators, and ensuring that every step, from structuring to post-issuance reporting, is verified by independent, third-party assurance. Alignment with local and global frameworks attracts additional investors and safeguards against future regulation and market fragmentation.

On the other hand, investors face a market that offers greater comparability but requires more thorough due diligence. The increase in new standards and frameworks, along with stronger enforcement against greenwashing, shifts the responsibility to investors to look beyond the surface. Therefore, a responsible investor must question the methodology of each instrument, examine the clarity and ambition of KPIs, and expect regular, meaningful disclosures about

the use of proceeds and the actual impact reached. The stakes are higher: as standards evolve, so do the risks and opportunities within ESG-labelled portfolios.

For assurance providers, this change presents both a challenge and an opportunity to lead. As regulators and markets tighten expectations, the importance of truly independent, high-quality external review has never been greater. Assurance providers must continually adapt by developing methods tailored to emerging sectors and new forms of sustainable debt, while staying ahead of evolving requirements across various jurisdictions. Their credibility forms the foundation of the market, giving issuers and investors confidence in reported results and supporting the comparability and integrity that sustainable finance relies on.

This collective rise in standards signals a shift. ESG debt is no longer just about innovation or being a first mover. It is about delivering, demonstrating, and verifying real-world results. The winners will be those who see accountability as more than a burden, viewing it instead as the crucial driver of trust and long-term value. Read more about our sustainable finance POV [here](#).



# REGULATORY WATCH

Regulation around ESG continues to evolve rapidly. This section summarizes some of the latest regulatory developments across critical global markets, including the US, EU, UK, India, and the Middle East. Our analysis captures the nature of the legislative changes or updates and our high-level assessment of broader implications on business practices and compliance strategies.

## Governing Body

## Update

## Uniquis' Impression

### GLOBAL

#### European Commission

On 1 July 2025, the EU launched a [public consultation](#) to explore extending the Carbon Border Adjustment Mechanism (CBAM) to downstream steel and aluminum-intensive products and introducing anti-circumvention measures.

Expansion of the CBAM indicates deeper industrial decarbonization ambitions. Firms in affected sectors must assess their value chains and emissions inventories to prepare for potential compliance obligations, should they be adopted.

#### European Commission

On 11 July 2025, the Commission adopted a [delegated "quick fix" revising ESRS](#) for Wave 1 companies, extending phase-in relief for disclosures of risks, biodiversity, social, and governance metrics for financial years 2025–2026.

This extension helps early reporters by alleviating resource strain without compromising integrity. Companies in Wave 1 gain clear, transitional breathing room but should continue building reporting capabilities for full compliance after 2026.

#### European Banking Authority (EBA)

On 9 July 2025, the EBA launched a [consultation](#) on ESG product oversight and governance for retail banking, focusing on ESG-labeled products and greenwashing measures. The consultation closes on 9 October, and final guidance is expected in Q1 2026.

Institutional efforts to enhance transparency in banking products reflect a growing concern over greenwashing. Retail banks are encouraged to improve due diligence, align product design with ESG claims, and bolster oversight frameworks accordingly.

#### UK His Majesty's Treasury (HMT)

On 15 July 2025, HM Treasury [confirmed](#) it will no longer pursue a standalone UK Green Taxonomy. Instead, the government will focus on transition planning and aligning with the upcoming UK Sustainability Reporting Standards (UK SRS).

This marks a strategic pivot away from EU-style taxonomy. Firms can reallocate resources toward developing credible transition plans and preparing for alignment with the UK SRS, which may prove more practical yet impactful in the near term.

Governing Body

Update

Uniquis' Impression

US

**California Air Resources Board (CARB)**

On 9 July 2025, the California Air Resources Board (CARB) published a [Frequently Asked Questions \(FAQ\)](#) document offering additional clarity on the implementation of California's climate disclosure laws (SB 253 & SB 261).

Please refer to the Uniquis microsite, including the FAQ document, to stay updated on the latest developments in California's climate legislation.

**UNIQUIS CA CLIMATE LAWS MICROSITE:**

Uniquis has launched a [California Climate Accountability Laws](#) microsite, offering an up-to-date overview of key mandates such as SB 253 and SB 261 and how they set a global benchmark for corporate GHG emissions and climate-risk disclosures. The site makes it easy for businesses to track developments and stay informed on compliance requirements as California leads the way in transparency and regulatory rigor.



INDIA

**Ministry of Environment, Forest, and Climate Change**

On 23 June 2025, the Ministry of Environment released a draft notification under the Carbon Credit Trading Scheme (CCTS), setting Greenhouse Gas Emission Intensity (GEI) targets for 2025–26 and 2026–27. The targets apply to specific industrial units, primarily in the steel and aluminum sectors, and will determine eligibility for earning or needing to purchase carbon credit certificates under the Indian Carbon Market framework.

This notification signals that India's carbon market is entering the implementation phase. Setting GEI targets at the entity level brings clarity for industries and enables performance-based market participation. It marks a shift toward measurable accountability and financial relevance for emissions reductions. The key to success now lies in effective registration, credible monitoring and verification, and a transparent trading system that builds industry trust.

## Governing Body

[Ministry of Environment, Forest and Climate Change, Government of India](#)

## Update

India has revised its 2015 regulation on sulphur emissions, exempting 79% of coal-fired power plants located away from heavily populated or polluted areas from installing flue-gas desulphurization (FGD) systems. Only 10% of plants near major cities are required to comply by December 2027, while another 11% will be reviewed on a case-by-case basis.

## Uniquis' Impression

The revised directive reflects a shift in regulatory priorities, balancing air quality considerations with operational and economic factors facing the power sector. While this may ease compliance burdens for many operators, it also introduces new variables for stakeholders managing ESG risks and investment planning. The absence of clarity on cost recovery for plants already invested in FGD systems highlights the importance of regulatory predictability. As energy demands and environmental goals evolve, transparent frameworks will be essential to support both industrial growth and sustainable development objectives.

## MIDDLE EAST

[Abu Dhabi Global Market \(ADGM\)](#)

Abu Dhabi Global Market (ADGM) has implemented its sustainable finance regulatory framework, following strong public consultation support. This move reinforces ADGM's role as a leading hub for sustainable finance. The framework sets out rules for sustainability-focused funds, portfolios, bonds, and ESG disclosures by ADGM entities. It aims to accelerate the development of a sustainable finance ecosystem and support the UAE's net-zero by 2050 goal. To highlight qualifying products and services, ADGM will award a designation and allow the use of a 'designation mark' in marketing, encouraging green investment. The framework is backed by initiatives such as the ADGM Academy's School of Sustainable Finance and Research Centre and the Abu Dhabi Sustainable Finance Declaration, which has over 100 signatories.

ADGM, a leading international financial center, is advancing sustainable finance and supporting the UAE's green economy agenda. With a focus on transparency and governance, ADGM has become a regional hub for sustainable finance, introducing the first comprehensive regulatory framework covering funds, portfolios, bonds, sukuk, environmental instruments, and ESG disclosures. The framework supports both 'greening finance' and 'financing green,' playing a critical role in mobilizing capital for the net-zero transitions and enabling greater green financial activity.

It includes ESG disclosure requirements aligned with international standards, promotes accountability, and helps direct capital toward sustainability-focused projects and services that meet ADGM's minimum standards.

ADGM also fosters awareness, collaboration, and ecosystem growth through stakeholder engagement and education initiatives that strengthen the sustainable finance landscape.

Governing Body

[Abu Dhabi Global Market \(ADGM\) Sustainable Finance Working Group \(SFWG\)](#)

Update

The United Arab Emirates (UAE) Sustainable Finance Working Group (SFWG) has developed draft principles for climate transition planning. The SFWG is now soliciting feedback on these draft principles from key stakeholders.

The proposed draft principles include several key principles related to Governance, Risk Management, Metrics, Data and Customer engagement, Reporting, and Implementation.

Uniquis' Impression

The UAE SFWG brings together major national regulators, including the Central Bank of the UAE (CBUAE), the Securities and Commodities Authority (SCA), the Ministry of Finance (MOF), the Ministry of Climate Change and Environment (MOCCA), the Financial Services Regulatory Authority of ADGM (FSRA), and the Dubai Financial Services Authority (DFSA).

The UAE SFWG is committed to enacting rules, regulations, and principles for managing climate risks and encouraging sustainable finance. The draft principles for climate transition planning will establish a think tank and bring regulators together to propose solutions to climate change risks.

The SFWG has issued principles to manage climate risks and drive sustainable finance, including the Guiding Principles on Sustainable Finance in the UAE (2020), Principles for the Effective Management of Climate-related Financial Risks (2023), and Principles for Sustainability-Related Disclosures (2024).



## About Uniquis Consultech:

Uniquis Consultech is a global tech-enabled consulting company specializing in ESG and Accounting & Reporting Consulting. The Company is co-founded by consulting veterans Jamil Khatri and Sandip Khetan and backed by marquee investors such as Nexus Venture Partners, Sorin Investments, and other angel investors. Anu Chaudhary, a global ESG specialist with over 20 years of experience, is the Global Head of ESG.

With operations in the USA, India, and the Middle East, Uniquis is committed to leveraging technology and an integrated global delivery model to provide best-in-class consulting services that drive measurable results and create long-term value for its clients.

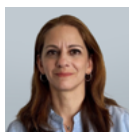
Given the growing importance of disclosures, significant data integrity requirements, and varied and disaggregated data sources, enabling the ESG journey through technology is essential. Tech enablement also helps ensure the integration of ESG programs with core business operations.

With a unique blend of strong ESG domain capabilities and innovative GenAI-based technology, [ESG UniVerse](#), a cloud-based solution, streamlines data management, enhances user experience, and supports organizations in achieving their long-term ESG goals. To learn more about ESG UniVerse, please [download our brochure](#).

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## Feedback

We encourage you to share this newsletter with your colleagues and networks, and to provide us with feedback on topics that you would like to see covered in future issues. Uniquis is here to support you in navigating this evolving landscape. Contact us to learn more about how we can help you on your ESG journey.



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