

ESG CORNER

OUR MONTHLY NEWSLETTER

In this Month's Edition

UN Court issues advisory opinion that countries must curb emissions

India parliamentary panel pitches additional measures to prevent greenwashing

EFRAG releases simplified ESRS drafts



FOREWORD

Welcome to the latest edition of Uniquis' ESG Corner!

In our focus regions, ESG momentum continues to be met with obstacles and opportunities.

In the USA, recent federal rollbacks threaten climate progress by weakening emissions regulations and slowing renewable energy development. However, state, local, and corporate initiatives continue to drive innovation, protect communities, and advance a cleaner, more resilient energy future. There is a growing push in India toward purpose-driven, transparent, and future-ready governance, with efforts to combat greenwashing gaining momentum. Meanwhile, the Middle East is positioning itself as a global sustainability leader: Saudi Arabia is advancing water security through dams and desalination, Bahrain is scaling renewable energy, and Abu Dhabi is achieving ambitious milestones under its Centennial 2071 Plan.

Our In-Depth Analysis examines updates to the EU's CSRD. EFRAG's revised ESRS drafts reduce reporting burdens with fewer disclosures, simplified assessments, and clearer guidance, making sustainability reporting more practical and accessible while remaining aligned with Europe's broader climate ambitions.

We aim to keep you informed on regulatory developments, practical guidance, and emerging ESG trends to support your decision-making. We hope this edition is both relevant and actionable.

Enjoy the read!

Anu Chaudhary
Partner, Global Head of ESG
Consulting



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

UN COURT AFFIRMS LEGAL DUTY: COUNTRIES MUST ACT TO CURB EMISSION

On 23 July 2025, the International Court of Justice (ICJ) issued an advisory opinion stating that countries are legally required to reduce greenhouse gas emissions and protect the climate system for present and future generations. The court highlighted that insufficient action on climate change can be considered a breach of international law, and that inaction could even be seen as a wrongful deed. This decision reinforces the idea that climate protection is not only a moral duty but also a legal obligation.

By framing climate inaction as a breach of legal obligations, the ICJ has significantly raised the bar for state responsibility. Countries are now expected to uphold their commitments under international law, particularly around environmental protection, intergenerational equity, and the preservation of global ecosystems. The advisory opinion serves as a powerful piece of legal guidance, signaling a shift in how international law interprets climate-related duties.

EUROPEAN CENTRAL BANK (ECB) INTRODUCES A CLIMATE FACTOR IN THE EUROSISTEM'S COLLATERAL FRAMEWORK

On 29 July 2025, the European Central Bank (ECB) announced it will introduce a "climate factor" into its collateral framework starting in the second half of 2026. This new adjustment aims to protect the Eurosystem from potential financial losses tied to climate-related transition risks, particularly in corporate bonds pledged as collateral. The ECB's internal stress testing exercise revealed that these

assets are vulnerable to downside risks in adverse climate scenarios. As with other systemic risks, this vulnerability could prove especially damaging should the ECB be compelled to liquidate its assets in the event of a counterparty default.

To address this, each eligible asset will be assigned a climate uncertainty score made up of three elements: sector-level vulnerability to transition shocks, issuer-specific exposure to climate risks, and asset-level sensitivity to future climate-driven price shifts. This score determines the size of the climate factor applied, which adjusts the asset's value after standard factors are taken into account. The result is a lower valuation for more climate-exposed assets when used in ECB refinancing operations.

The ECB expects the market impact of this change to be limited. Corporate bonds are a small share of all collateral posted, and even material adjustments to their valuation would likely have a minimal aggregate effect as a result. Furthermore, the climate factor is designed as only a buffer to reduce collateral valuation in proportion to climate-related risks, and the overall framework has been calibrated to preserve access to central bank liquidity. Still, the change highlights that climate-related financial risks are accounted for in the ECB's policy infrastructure, reinforcing its growing commitment to aligning monetary tools with climate goals.

EFRAG LAUNCHES CONSULTATION ON SIMPLIFIED ESRS

EFRAG has released revised and simplified drafts of the European Sustainability Reporting Standards (ESRS) for public consultation, aiming to ease the reporting process under the Corporate Sustainability Reporting Directive (CSRD) while keeping the framework ambitious and aligned with the European Green Deal.

The update responds to a formal request from the European Commission in March 2025 and

incorporates feedback from more than 800 stakeholders. Changes target the most pressing pain points identified by companies already reporting, as well as those preparing for upcoming CSRD deadlines. Key improvements include a streamlined double materiality assessment, removal of voluntary disclosures, clearer language and structure, reduced duplication across standards, and new cost-relief exemptions.

The result is a lighter, more practical framework: mandatory datapoints (if material) cut by 57%, total disclosures reduced by 68%, and the standards' length shortened by more than 55%. EFRAG believes these changes will make sustainability reporting more accessible, particularly for the large number of companies entering scope in the coming years.

The public consultation runs from 31 July to 29 September 2025, with outreach events planned in September and October. EFRAG will submit its final technical advice to the European Commission by 30 November 2025, supported by a cost-benefit analysis and targeted field tests that are also open to stakeholder participation.

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Uniquis' POV

Three recent announcements illustrate how climate considerations are becoming embedded in the legal, financial, and corporate systems that shape the global economy.

The International Court of Justice (ICJ) issued an advisory opinion declaring that nations have a legal obligation to reduce greenhouse gas emissions and protect the climate for current and future generations. While the ICJ lacks direct enforcement powers, its framing of inaction as a potential breach of international law carries political and reputational weight, reinforcing the position that climate protection is a legal duty of states. Such opinions, while non-binding, often influence treaty negotiations, shape domestic court rulings, and strengthen the hand of civil society and vulnerable states in pressing for more decisive action. By embedding climate obligations within the framework of international law, the ICJ has signaled that climate inaction is not only a policy lapse but also a failure to uphold fundamental legal principles. Countries will now have to pay careful consideration to these developments. Countries will have to cascade these targets and require organizations to monitor their footprint on the environment and manage their climate risks.

In a similar move, the European Central Bank (ECB) will introduce a "climate factor" into its collateral framework in late 2026, adjusting the value of corporate bonds based on their exposure to climate transition risks. While the immediate market effect may be modest, the move sets a precedent. Climate risk is being treated as a real financial risk within Europe's monetary policy toolkit.

In the corporate space, EFRAG has proposed simplified ESRS drafts that cut mandatory datapoints by 57% and streamlines processes such as the double materiality assessment. These revisions aim to reduce reporting complexity while maintaining alignment with the EU's climate objectives under the revised CSRD.

These developments reinforce the notion that climate accountability is mandatory for all. Governments, financial institutions, and companies will all be expected to integrate climate risk and responsibility into their core operations, altogether shaping capital flows, legal compliance, and long-term strategy.

USA

TRUMP EPA MOVES TO OVERTURN FOUNDATIONAL CLIMATE RULE

The U.S. Environmental Protection Agency, under the Trump administration, has proposed repealing the 2009 “endangerment finding”, the scientific and legal foundation that empowers the federal government to regulate greenhouse gas emissions under the Clean Air Act. Without this finding, the EPA would lose its authority to control emissions from vehicles, power plants, and other significant sources of pollution.

U.S. EPA Administrator Lee Zeldin characterized the move as a broad deregulatory effort, asserting that the agency was never intended to regulate pollutants associated with global rather than local health risks. A recent [Department of Energy](#) report is used to support this view, controversially suggesting that increased carbon dioxide might even have benefits, particularly concerning plant growth. The administration states this repeal could save billions in regulatory costs.

Legal and scientific experts sharply dispute the proposal. Critics say it disregards settled science, violates long-standing Supreme Court precedent, and could unravel decades of climate protections. The move is expected to face intense legal challenges, with major implications for environmental regulation, public health, and U.S. climate leadership. For example, the Environmental Defense Fund and Union of Concerned Scientists filed suit against several federal agencies for allegedly relying on the Department of Energy report, alleging it was produced by a non-public “Climate Working Group” to justify reversing climate policies. Plaintiffs argue that the actions taken by the Climate Working Group violate the Federal Advisory Committee Act and undermine transparency in policymaking.

TRUMP ADMINISTRATION IMPOSES NEW LIMITS ON WIND AND SOLAR ENERGY PROJECTS

The Trump administration has imposed new restrictions that could delay or stop many wind and solar energy projects across the U.S. Federal agencies now require extra political reviews for renewable projects, slowing down permits and

making approvals more complicated. The Interior Department has also pulled back millions of acres of federal waters from offshore wind leasing and is reviewing previously approved projects, some of which might lose their permits.

For example, the Lava Ridge Wind Project in Idaho faced opposition and had its approval reversed because of its proximity to a historic site. The Transportation Department now recommends placing wind farms at least 1.2 miles away from federal highways and railways. Meanwhile, the Federal Aviation Administration is reassessing whether wind turbines could pose hazards to aviation.

These actions occur when renewable energy, which makes up 16% of U.S. electricity, is one of the fastest-growing power sources. However, the administration is also accelerating fossil fuel development, including approving new coal mining operations.

Some Republican officials have expressed concerns that the restrictions weaken a balanced energy strategy. Industry groups warn that increased uncertainty and delays are driving up costs and could significantly slow down new renewable energy projects, jeopardizing the country’s clean energy goals.





Uniquus' POV

The Trump administration's recent moves to dismantle foundational climate policies represent a profound setback for U.S. efforts to address the climate crisis. By proposing to overturn the 2009 EPA "endangerment finding," the administration seeks to eliminate the legal basis for regulating greenhouse gas emissions, effectively stripping the government of authority to curb pollution from vehicles, power plants, and other major sources. This action contradicts overwhelming scientific consensus confirming the harmful impact of carbon emissions on public health and the environment. It threatens to unravel decades of progress, increase pollution, and weaken U.S. credibility in global climate negotiations.

Simultaneously, the administration's tightening of restrictions on wind and solar projects further impedes the nation's transition to cleaner energy. Additional political reviews, setbacks on offshore leasing, and increased regulatory hurdles create costly delays for renewable projects, even as electricity demand rises and fossil fuel development accelerates.

These policy shifts prioritize short-term fossil fuel interests at the expense of long-term sustainability, economic resilience, and public health. They also ignore the reality that renewables are among the fastest-growing

power sources, critical to meeting rising electricity demands and combating climate change.

However, despite federal rollbacks, grassroots movements and state-led regulations continue to advance climate actions, fostering innovation and setting examples that can help offset these federal setbacks. States like California, New York, and Massachusetts are setting ambitious emissions reduction goals, expanding offshore wind capacity, and requiring zero-emission vehicle sales. Regional alliances such as the Regional Greenhouse Gas Initiative (RGGI) are still capping and reducing power sector emissions across multiple states. At the local level, cities from Seattle to Miami are investing in climate-resilient infrastructure, electrifying public transit fleets, and adopting energy-efficient building codes. Grassroots efforts, from community-owned solar cooperatives in the Midwest to Indigenous-led campaigns against oil pipelines, are rallying public support, protecting ecosystems, and developing decentralized clean energy solutions. Together, these subnational and community-driven initiatives not only keep the momentum toward climate goals alive in the United States but also act as testing grounds for policies that could eventually, once again, be adopted at the federal level.



INDIA

PARLIAMENTARY PANEL PITCHES FOR ESG OVERSIGHT BODY TO COMBAT GREENWASHING ACTIVITIES

A parliamentary panel has recommended the creation of a dedicated ESG oversight body to actively combat greenwashing through forensic data, and ensure stronger accountability for corporate sustainability claims. Greenwashing refers to companies making misleading claims about the sustainable nature of their products or operations, undermining the integrity of ESG reporting. The panel has called for statutory amendments to the Companies Act, 2013, to make ESG objectives an explicit part of directors' fiduciary duties. It also suggested the introduction of penal provisions for fraudulent ESG claims, sector-specific guidelines, and targeted support for Micro, Small, and Medium Enterprises (MSMEs). The recommendations emphasize shifting ESG from being a disclosure requirement to a core corporate responsibility embedded in business strategy.



Uniquis' POV

These parliamentary recommendations signal an important step in strengthening India's ESG regulatory architecture, elevating ESG considerations to be mandatory for Boards. By advocating for legal clarity, forensic oversight, and deterrent penalties, the recommendations aim to move ESG beyond compliance and into the realm of strategic governance. If implemented, this could significantly curb greenwashing, enhance investor confidence, and accelerate the integration of sustainability into corporate decision making.

SEBI CHIEF URGES REDEFINING INDEPENDENT DIRECTORS' ROLE FOR ACCOUNTABILITY

SEBI Chairman has called for a redefinition of the role of independent directors, stressing that they must act as stewards of accountability rather than honorary appointees. Addressing the 2025 Annual Directors' Conclave, he urged boards to embrace greater diversity - not only in gender and background, but also in skills and perspectives - to enrich decision making and reflect the broader stakeholder ecosystem. The chairman also stressed the need for ongoing education on emerging risks such as AI governance, cyber threats, and ESG disclosures. He went on to emphasize the importance of real-time digital dashboards that can track indicators for metrics such as major employee departures, whistleblower complaints, or vendor risks, bringing them to light for Board review. Overall, the Chairman highlighted that governance today is about culture, behavior, and values in action, and boards must evolve into learning organizations that foster dissent, encourage diverse perspectives, and build long-term stakeholder trust.



Uniquis' POV

This vision signals a shift from compliance-driven boardrooms to purpose-driven governance that is adaptive, transparent, and future-ready. By demanding accountability, embracing technology, and prioritizing diversity of thought and background, SEBI is pushing Indian corporate boards to reimagine their role as custodians of sustainable value creation. Independent directors, in particular, will play a critical part in shaping resilient governance models that align with stakeholder expectations in an era of rapid technological and ESG-driven change. This approach would elevate board effectiveness and foster integrity, transparency, and trust.

GOVERNMENT GREEN GIANTS TURN TO BONDS FOR RENEWABLE EXPANSION

Two prominent state-owned energy companies, NHPC and NTPC Green Energy, are tapping into India's domestic bond market to raise INR 4,500 crore for renewable projects. NTPC Green Energy will make its first-ever local bond issue of INR 2,000 to INR 3,000 crore, while NHPC is returning with another INR 2,000 crore after a successful round in May. The capital raise comes at an opportune time, as the Reserve Bank of India's recent basis points cuts have created a favorable borrowing environment. Combined with strong investor interest in bonds, these companies are able to secure funding on attractive terms. This capital infusion is important as India accelerates toward its renewable energy target.



Uniquis' POV

This strategic use of domestic bonds exemplifies how green financing is maturing in India. By turning to domestic bonds, NHPC and NTPC Green Energy are not only strengthening market confidence in renewable infrastructure but also broadening participation in the country's energy transition. This development reflects increasing financial sophistication within the clean energy sector, where innovative funding mechanisms are increasingly aligned with long-term sustainability goals.



MIDDLE EAST

SAUDI ARABIA TO BUILD OVER 1,000 RAINWATER DAMS IN MAJOR SUSTAINABILITY PUSH

Saudi Arabia's Ministry of Environment, Water, and Agriculture announced a bold plan to build over 1,000 rainwater harvesting dams with a combined annual capacity of 4 million cubic meters, as part of Saudi Vision 2030. The project aims to improve water sustainability, strengthen food security, and boost environmental conservation. These dams will collect seasonal runoff, recharge groundwater sources, and reduce reliance on desalination or fossil groundwater.

This initiative builds on the significant progress the Kingdom has already achieved in water management. From 2016 to 2023, Saudi Arabia doubled its total water production to 15.18 million cubic meters per day, with 75% coming from desalinated seawater, solidifying its position as the world's top producer of desalinated water. During the same period, strategic water storage capacity increased by 90%, transmission capacity by 122%, wastewater treatment from 52% to 56.5%, and water reuse by 153%. These accomplishments highlight the Kingdom's dedication to enhancing water resilience and sustainability through both policy and infrastructure.

The dams project also serves as a key part of the newly launched National Environment Strategy, which has created multiple specialized environmental centers and initiated the region's largest environmental fund to support green initiatives. Together, these efforts showcase Saudi Arabia's emerging role as a global leader in sustainable water management and green transformation.



Uniquis' POV

Saudi Arabia's investment in rainwater harvesting dams indicates a strategic shift away from overreliance on desalination, which, although effective, is energy-intensive and environmentally costly. By emphasizing natural aquifer recharge and runoff collection, the Kingdom is integrating water sustainability into its broader Vision 2030 plan and strengthening food and climate resilience in a water-scarce region.

The initiative also underscores Saudi Arabia's goal to become a regional leader in sustainable water governance. However, success will rely on proper execution, ensuring solid hydrological data, resilient infrastructure, and coordinated land-use planning support the dams. If carried out effectively, the program could set a global example for arid economies and reshape how agriculture, energy, and infrastructure sectors in the Middle East align with climate and water security goals.



ABU DHABI COMPLETES 95% OF ENVIRONMENTAL CENTENNIAL 2071'S FIRST PHASE

Abu Dhabi's Environment Agency announced that 95% of the first phase of its Abu Dhabi Environmental Centennial 2071 Plan was successfully completed by the end of 2024, demonstrating its commitment to a sustainable and forward-looking vision.

The milestone was achieved just two years since the plan's rollout in 2023, further driving the Emirate's environmental sustainability agenda and advancing the ambitious goal of positioning Abu Dhabi as a global leader in environmental and climate action by 2071.

Under the Environmental Centennial 2071, the first pathway, 'A Vibrant emirate thriving in nature,' achieved an 88% completion rate, encompassing several key accomplishments. The second pathway, 'Green force resilient to climate change,' exceeded its set targets, reaching a completion rate of 102%. Under the third pathway, 'Enablers for future environmental leadership,' participating entities achieved a 97% completion rate.



Uniquis' POV

The Abu Dhabi Environmental Centennial 2071 Plan envisions Abu Dhabi as the world's global leader in environmental conservation using 3 pathways, 12 pillars and visions, 33 goals, and 76 programmes. The completion of 95% of the plan's first phase sets the right tone to achieving the plan's overall objectives and puts Abu Dhabi on the global map for environmental sustainability.

The Abu Dhabi Government has achieved 359 milestones and positive outcomes under the plan for the Environmental Centennial 2071, with 63 initiatives exceeding their targeted goals. These achievements reflect the collaboration of several key government entities. The government's international collaboration spans over 24 countries around the world to help fulfill the plan's objectives.

This remarkable achievement, which has exceeded expectations, results from collaborative efforts among leading government entities that place sustainability at the heart of their priorities in full alignment with Abu Dhabi's vision.



EWA LAUNCHES BAHRAIN'S FIRST SOLAR POWER PLANT

Bahrain's Electricity and Water Authority (EWA) announced the commencement of work on the first solar power plant for electricity generation, with a planned production capacity of up to 150 MW. The project, developed in partnership with the private sector, is part of broader national initiatives aimed at strengthening the Kingdom's reliance on renewable energy sources and contributes to Bahrain's target of achieving net-zero carbon emissions by 2060.

The solar power plant will be located in the southern region of Bahrain, near Bilaj Al Jazayer, and span approximately 1.2 square km. The project will utilize the latest advancements in solar energy technologies to optimize output and efficiency.

This initiative is a cornerstone of the Kingdom's National Renewable Energy Plan (NREAP), which aims to increase the share of clean energy in Bahrain's energy mix to 20% by 2035. Bahrain's NREAP identifies feasible solar, wind, and biogas renewable energy options, establishing national renewable energy targets of 5% of peak capacity by 2025 and 10% by 2035. Once operational, the plant is expected to generate enough electricity to power approximately 6,300 homes while cutting over 100,000 tonnes of carbon emissions, reinforcing Bahrain's environmental sustainability goals and energy resilience.



Uniquis' POV

Bahrain's first large-scale solar power project not only enhances the country's energy grid but also reflects the nation's evolving approach to energy. To reach 5% renewable energy by 2025, this project is expected to generate approximately 480 GWh of clean power annually and reduce CO₂ emissions by 392,000 tonnes. Beyond helping the environment, this move can also reduce reliance on fuel price swings, allow more hydrocarbons to be exported, and strengthen energy security as demand grows with urban and industrial development.

The project also highlights the importance of collaboration between the public and private sectors in achieving Bahrain's renewable energy goals. EWA's efforts to attract private investment in energy generation demonstrate a shift toward more diverse funding and management approaches, which are crucial for surpassing the 5% target and achieving a 20% renewable energy mix by 2035. For businesses and investors, this project signifies that renewable energy is transitioning from pilot programs to become a fundamental part of the infrastructure, with long-term implications for regulations, grid improvements, and the broader effort to reduce carbon emissions.



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.

EFRAG RELEASES REVISED EXPOSURE DRAFTS FOR EUROPEAN SUSTAINABILITY REPORTING STANDARDS (ESRS)

PURPOSE AND CONTEXT

On 31 July 2025, EFRAG (European Financial Reporting Advisory Group) released its revised Exposure Drafts for the European Sustainability Reporting Standards (ESRS). This update is the result of a mandate given by the European Commission as part of its Omnibus initiative, which aimed to streamline the ESRS framework and ease the reporting burden for companies subject to the Corporate Sustainability Reporting Directive (CSRD), especially smaller and mid-sized entities.

The revised ESRS drafts introduce major simplifications and clarifications. Key changes include:

- **Reduction in Mandatory Data Points:** The number of mandatory disclosures (to be reported if material) has been cut by 57%.
- **Overall Data Points Reduced:** Total expected data points are down by up to 68% across the standards.
- **Streamlined Standards:** The length of the documentation has been shortened by more than 55%, making the standards easier to navigate.
- **Reduction of Voluntary Requirements:** All voluntary disclosure items have been dropped, ensuring only essential and material information is required.
- **Simplified Double Materiality Assessment (DMA) Process:** The process to assess double materiality has been made less complex for preparers. The DMA has been clarified to be a “top-down” approach, meaning that the evidence gathered can be more high level, and assessed through a filter of information materiality.
- **Additional reliefs:** New exemptions allow companies to forgo disclosures that would create excessive cost or effort, and where data availability is limited.

The 60-day public consultation period began on 31 July 2025 and will run until 29 September 2025. During this phase, EFRAG encourages input from companies, auditors, investors, regulators, and civil society. After gathering and reviewing the feedback, EFRAG will submit its final technical advice to the European Commission by 30 November 2025.

The anticipated timeline for the next steps includes a Commission adoption of the revised ESRS via a delegated act, projected for mid-2026. Companies could begin applying the new standards for their 2027 fiscal year, with reports published in 2028. This update is seen as a critical progression in making sustainability reporting more accessible and less resource-intensive while preserving the core ambitions of the CSRD and the European Green Deal.



Uniquis' POV

The modifications within these Exposure Drafts are designed to maintain compatibility with other global sustainability reporting frameworks, ensuring the ESRS remains both practical and aligned with international standards. Stakeholder feedback from previous outreach events and interviews have informed the revisions, with EFRAG making the revised drafts and supporting materials (such as the Log of Amendments, FAQs, illustrative guidance, and a pre-consultation summary) readily accessible for public review. The consultation process itself is structured to facilitate detailed feedback, with a 30-question survey and optional fields for targeted comments at the disclosure requirement or paragraph level.

By focusing on clarity, practicality, and reducing unnecessary disclosures, the revised ESRS increases the likelihood that a wider range of organizations will participate meaningfully in sustainability initiatives.

Given these developments, companies should now actively review the revised ESRS drafts and associated resources, evaluating how the new simplifications and relief mechanisms may impact their sustainability reporting programs. Organizations should engage with the consultation process by submitting feedback that reflects both sectoral realities and operational considerations. This proactive approach will allow companies not only to adapt to the evolving requirements but also to help shape the final standards in a way that balances reporting quality with practical implementation.

Companies should leverage this period to strengthen collaboration across internal and external teams, positioning themselves for a smooth transition into the updated ESRS requirements.



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

EFRAG

On 31 July 2025, EFRAG released proposed simplified European Sustainability Reporting Standards. Public consultation runs until 29 September 2025.

Simplifying the ESRS is a pragmatic move to boost adoption and compliance while keeping alignment with EU climate goals. However, the EU must still ensure that the reduced requirements continue to drive meaningful sustainability disclosures for stakeholders, aligned with the region's sustainable development goals.

EU Commission

On 30 July 2025, the European Commission adopted a voluntary sustainability reporting standard for non-listed micro, small and medium enterprises (SMEs) to ease administrative burdens, improve access to finance, and support value chain data requests from large companies under the CSRD.

The VSME standard offers SMEs a practical entry point into sustainability reporting. Its success depends on widespread adoption by larger companies, ensuring consistency in value chain data while fostering SME competitiveness and resilience.

US

Environmental Protection Agency

The Trump EPA proposes repealing the 2009 "endangerment finding," threatening federal authority to regulate greenhouse gases. Critics warn it defies science, Supreme Court precedent, and could dismantle decades of climate protections, prompting likely legal battles.

Repealing the endangerment finding risks crippling U.S. climate regulation and undermining global credibility.

Federal Trade Commission

The FTC ruled that California's Clean Truck Partnership, a voluntary agreement from 2023 that secures emissions commitments from major heavy-duty truck manufacturers, cannot be legally enforced.

This ruling jeopardizes California's capacity to reduce emissions from heavy trucks, a crucial part of its decarbonization plan. The decision encourages the state to shift toward market-based incentives to maintain its progress.

Governing Body

US District Court for the Central District of California

Update

A federal judge has upheld California's climate disclosure laws (SB 253 and SB 261), rejecting a challenge by the U.S. Chamber of Commerce and allowing mandatory emissions and climate-risk reporting to proceed for large companies beginning in 2026. The court found the disclosure requirements constitutionally sound, though further legal challenges from business groups are expected as enforcement moves forward.

Uniquis' Impression

Companies should proactively prepare to meet CA compliance requirements, as the first SB 261 climate-risk reports are due as early as 1 Jan 2026 for businesses operating in CA with annual revenues exceeding \$500M.

California Air Resources Board

On 21 August 2025, CARB held a workshop to advance rulemaking for California's climate disclosure laws, SB 253, SB 261, and SB 219 ("the 200s"). The session focused on clarifying entity definitions, refining revenue and "doing business" criteria, and outlining proposed exemptions. CARB also previewed its fee approach, with flat annual charges expected for covered companies, and confirmed reporting timelines: Scope 1 and 2 greenhouse gas (GHG) disclosures beginning in 2026, and Scope 3 in 2027 with phased assurance. Climate risk reports must be posted on companies' websites by 1 Jan, 2026. CARB will additionally post a public docket to submit links to reports which will be open between 1 Dec 1 2025 and 1 July 2026. In addition, CARB staff will be posting draft reporting templates for Scope 1 and 2 GHG reporting by the end of September 2025 for public feedback. A notice of proposed rulemaking is scheduled for October, with final board consideration in December.

The workshop signifies a shift from broad legislative requirements to more detailed operational steps, indicating that businesses should start preparing for assurance processes, collecting data, and anticipating on-going compliance costs. As California continues to establish itself as a leader in setting disclosure standards, companies with operations in the U.S. and globally should begin evaluating whether these rules apply to them and enhance their data systems accordingly. Uniquis is actively monitoring California's climate legislation and sharing the latest updates on our [CA Climate Laws](#) website.

About Uniquus Consultech:

Uniquus 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, Uniquus 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. Uniquus 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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