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Sustainability & Climate Pulse

OUR MONTHLY NEWSLETTER

March 2026

FOREWORD

Greetings, and welcome to the latest edition of Uniquis' Sustainability & Climate Pulse

This month's issue examines how sustainable finance and climate policy are entering a phase of recalibration rather than retreat. Globally, labeled sustainable debt is facing near-term headwinds. However, long-term projections for sustainable finance remain strong. Green and climate-aligned capital are becoming more deeply embedded in mainstream markets.

At the same time, the EU is refining its sustainable finance architecture, from the Taxonomy and CSRD "quick fixes" to public procurement rules that favor low-carbon, EU made products. Meanwhile, the UK has introduced new Sustainability Reporting Standards based on ISSB frameworks to create a more internationally aligned disclosure regime.

The US is experiencing renewed policy volatility with the rescission of the Greenhouse Gas Endangerment Finding, even as investors, trading partners, and sub national regulators continue to tighten expectations

on climate risk and transition planning. Across India and the Middle East, we see parallel shifts: India is strengthening its ESG ratings ecosystem, grappling with CBAM driven competitiveness pressures, and positioning CCUS as a core pillar of industrial decarbonization, while Saudi Arabia and the UAE are scaling novel endowment, industrial, and nature based initiatives that link sustainability to long term economic resilience.

Our in-depth analysis this month explores India's INR 20,000 crore CCUS program as a defining test of how industrial policy, carbon markets, and transition finance can work together. As always, this publication aims to provide curated updates and practical viewpoints to help leaders focus their sustainability investments and navigate the next phase of global ESG and climate disclosure.



This month's issue examines how sustainable finance and climate policy are entering a phase of recalibration rather than retreat.

Anu Chaudhary
Partner, Global Head of Sustainability & Climate Consulting

IN THE NEWS

This section focuses on key developments globally, in the USA, India, and the Middle East. It examines the latest news and assesses its potential impact on 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

Sustainable Finance Outlook Diverges: Long-Term Growth Projections Expected to Overshadow Near-Term Slowdown

The global sustainable finance market is in a state of recalibration. In the short term, sustainable debt markets are facing headwinds linked to policy uncertainty, shifting investor sentiment, and tighter scrutiny of ESG claims. However, structurally, the capital transition toward sustainability appears intact, supported by regulatory frameworks, climate commitments, and the scaling of green technologies.

According to S&P Global, sustainable bond issuance declined 19% in 2025 to USD 866 billion, even as the broader global bond market expanded nearly 11% year over year to surpass USD 10 trillion. This divergence signals a cooling of momentum in labeled sustainable instruments, particularly amid political scrutiny of ESG and investor caution around sustainability-linked structures. While the cumulative sustainable bond market is still projected to reach USD 5.5 trillion by the end of 2026, near-term issuance trends suggest a more tempered trajectory than previously anticipated. Expectations of a rebound driven by sustainability-linked bonds and stronger participation from Chinese issuers have yet to materialize.

Still, longer-term projections remain optimistic. A recent **Mordor Intelligence report** forecasts that the broader sustainable finance market will grow to USD 27 trillion by 2031, underpinned by increasing integration of ESG considerations into capital allocation decisions. Green bonds are expected to retain a dominant position, accounting for more than 53% of the sustainable finance market. In particular, there is a growing investor preference for climate-aligned investments, expected to continue as governments and corporates intensify decarbonization efforts.

EU Green Bond Standard Celebrates Successful First Year, Challenges Remain

According to an analysis by the Institute for Energy Economics and Financial Analysis (IEEFA), the European Green Bond Standard (EUGBS) has had a significant impact in its inaugural year, with over EUR 22 billion in bonds issued that align with stringent sustainability criteria. Early market reception has been positive, with consistent oversubscription and diverse participation across sectors, particularly in renewable energy and grid utilities. This momentum not only underscores the EUGBS's potential role in financing the EU's energy security and competitiveness goals but also highlights Denmark's sovereign issuance as a model for public-sector involvement in sustainable finance.

However, despite this encouraging progress, the EUGBS currently represents only a small fraction of the broader Taxonomy-aligned investment landscape, indicating significant room for expansion. As demand for investments to accelerate the energy transition continues to grow, rigorous impact reporting and issuer alignment will be critical to determining whether the EUGBS can live up to its promise as a gold standard in green finance. Stakeholders must focus on enhancing transparency and accountability within the framework to bridge the existing climate investment gap.

EU Advances Regulatory Simplification While Tightening Sustainable Finance Oversight

The European Union has introduced a series of coordinated regulatory updates that signal both simplification and strategic recalibration within its sustainable finance framework. Amendments to the EU Taxonomy Delegated Regulation, effective 1 January 2026, introduce transitional provisions allowing companies to choose between the existing and updated reporting requirements for their 2026 disclosures. This flexibility is designed to ease compliance pressures as firms adapt to evolving technical screening criteria and reporting expectations. The changes form part of a broader effort to streamline sustainability disclosures, alongside ongoing refinements to the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), aimed at narrowing scope, reducing complexity, and improving usability.

To clarify these broader regulatory updates, the **European Securities and Markets Authority (ESMA)** released an updated Sustainable Finance Regulatory Timeline that reflects adjustments across multiple pillars of the EU framework. The introduction of a “Quick Fix” Delegated Act under the CSRD seeks to clarify and refine implementation aspects, while the Level 1 review of the Sustainable Finance Disclosure Regulation (SFDR) was completed in the fourth quarter of 2025. Adding to this momentum, the European Central Bank has amended its monetary policy guidelines to incorporate a climate factor, further embedding climate risk considerations into core financial system operations. Collectively, these developments reflect the EU’s continued integration of sustainability into financial regulation, balancing simplification with strengthened oversight.

EU to Introduce Low-Carbon and “EU-Made” Requirements in Public Procurement

The European Union is set to introduce new public procurement rules in 2026 that prioritize low-carbon products and favor goods manufactured within the EU, according to a Reuters report. The proposed measures form part of the EU’s broader strategy to strengthen industrial competitiveness while advancing climate objectives. Under the new framework, public authorities across member states will be required to give preference to products with lower carbon footprints in sectors such as steel and clean technologies. In addition, procurement criteria will increasingly factor in the origin of production, with a view to boosting domestic manufacturing capacity and reducing reliance on imports in strategically important industries.

The initiative aligns with the EU’s ongoing efforts to accelerate decarbonization while reinforcing supply chain resilience amid geopolitical and economic disruptions. By leveraging public procurement, one of the largest levers of government spending, the EU aims to create stable demand signals for green industrial products and stimulate investment in low-carbon production within the bloc. These measures are expected to complement other sustainable finance and industrial policy reforms, including updates to the EU Taxonomy and ongoing simplifications to sustainability reporting frameworks. As details emerge throughout 2026, companies supplying EU public markets will need to assess carbon intensity metrics, certification standards, and localization strategies to remain competitive.



UK Government Publishes New UK Sustainability Reporting Standards

The UK government has officially published the UK Sustainability Reporting Standards (UK SRS) S1 and S2, marking a significant milestone in the country's transition toward a more structured and internationally aligned sustainability disclosure framework. The standards are based on the International Sustainability Standards Board (ISSB) frameworks, IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures), and are tailored for application within the UK regulatory context.

UK SRS S1 establishes overarching requirements for companies to disclose material sustainability-related risks and opportunities that could reasonably be expected to affect their financial

performance, position, or cash flows, while UK SRS S2 focuses specifically on climate-related disclosures, requiring entities to provide detailed information on climate risks and opportunities, including scenario analysis, transition planning, greenhouse gas (GHG) emissions reporting, and climate-related financial impacts. The standards align closely with the Task Force on Climate-related Financial Disclosures (TCFD) framework while incorporating ISSB enhancements around comparability and decision-useful information.

At this point, the UK SRS are voluntary. The government has indicated that implementation will be phased, with future consultations expected on how and when the standards will be mandated across different categories of UK-listed and regulated entities. For example, the UK Financial Conduct Authority (FCA) has proposed updating its sustainability reporting requirements for listed companies to align with the UK SRS, replacing existing rules rooted in the TCFD.





Uniquis' POV

As the sustainable finance market is projected to reach USD 27 trillion by 2031, mainly driven by the ongoing dominance of green bonds, businesses and investors must adapt their strategies to a rapidly changing regulatory and policy environment. This anticipated growth indicates a fundamental shift in capital allocation toward sustainable projects, but maintaining momentum will rely on credibility, transparency, and measurable impact. This is exemplified by the first-year performance of the EU Green Bond Standard, which marked a crucial step in improving integrity and comparability in green debt markets. As investor scrutiny grows, frameworks need to continue evolving to address concerns related to impact verification, taxonomy alignment, and consistency with global standards. Companies that proactively comply with these requirements can build investor trust and stand out in a highly competitive capital market.

Regulatory adjustments across the EU also indicate a move from expansion toward consolidation and refinement. Changes to the EU Taxonomy Delegated Regulation, including transitional provisions effective 1 January 2026, provide short-term flexibility while strengthening long-term reporting practices. Targeted “Quick Fix” updates under the CSRD aim to harmonize implementation, reduce ambiguity, and enhance usability across overlapping frameworks such as the SFDR. Beyond disclosure, the EU’s planned introduction of low-carbon and “EU-

made” criteria in public procurement starting in 2026 reflects a broader shift in policy, moving from transparency-focused compliance to performance-based market access. By tying public contracts to product-level carbon intensity and regional manufacturing, the EU is using demand-side incentives to speed up industrial decarbonization and enhance supply chain resilience. This development shows that climate competitiveness is no longer just about reporting metrics; it increasingly influences commercial opportunities.

Similarly, the UK’s move aligns its domestic reporting requirements with international standards, aims to enhance investor confidence, reduce fragmentation in global disclosure regimes, and support the integration of sustainability risks into mainstream financial decision-making.

These shifts emphasize that simplification does not mean deregulation. Instead, sustainable finance is progressing toward greater integration within essential financial, industrial, and monetary systems. For organizations, the message is clear. ESG frameworks, harmonized data systems, and proactive transition strategies are now essential. They serve as strategic tools for gaining capital, qualifying for procurement, and ensuring long-term resilience. By viewing regulatory changes as opportunities rather than obstacles, businesses can foster innovation, build investor confidence, and play a meaningful role in creating a more sustainable global economy.



USA

EPA Rescinds Key Greenhouse Gas Regulations

On 12 February 2026, the U.S. Environmental Protection Agency (EPA) finalized the rescission of the 2009 Greenhouse Gas Endangerment Finding. This critical ruling previously enabled the agency to regulate greenhouse gas emissions from new motor vehicles and engines. With this rule change, auto manufacturers are no longer required to measure, control, or report greenhouse gas emissions for highway vehicles, including those produced in previous model years. While this action does not alter regulations concerning traditional air pollutants, it fundamentally shifts the regulatory landscape under the Clean Air Act, effectively removing EPA's authority to impose greenhouse gas standards. This repeal not only eliminates critical vehicle emissions standards but also creates legal

uncertainties that could affect emissions-reduction initiatives across sectors, raising questions about the future trajectory of U.S. efforts to combat climate change.

In response, a coalition of 17 environmental and public health organizations has filed a **legal challenge** against the EPA. Environmental advocates argue that the rollback contradicts established scientific consensus and may lead to severe economic repercussions, including increased fuel costs and significant job losses in the clean transportation sector. While the EPA claims the regulatory changes could yield substantial savings by reducing manufacturers' compliance burdens, opponents counter that the costs of higher greenhouse gas emissions would outweigh any financial benefits. With states like California maintaining stricter standards, the situation creates a complex regulatory landscape that stakeholders must navigate to pursue sustainable solutions.



Uniquis' POV

The EPA's rescission of the 2009 Greenhouse Gas Endangerment Finding represents a significant reversal in climate policy, effectively changing the federal government's role in regulating greenhouse gas emissions. While conventional air pollutant standards remain in place, removing GHG regulatory authority creates substantial uncertainty in the US climate policy landscape. The absence of federal GHG standards does not eliminate climate related regulatory pressures; rather, it shifts the focus to states such as California, which are expected to maintain or strengthen their own emissions requirements. This potentially reinforces a fragmented, state-driven regulatory environment. For companies operating across multiple jurisdictions, this could increase compliance complexity rather than reduce it. Legal challenges from environmental and public health groups further compound uncertainty. If courts revisit the scientific and statutory basis of the Endangerment Finding, the outcome could reshape the balance of authority between

federal agencies, states, and Congress in climate governance. Until clarity emerges, businesses face a dual risk environment: policy rollback at the federal level, alongside litigation risk and the potential for regulatory reinstatement in future administrations.

Climate-related financial risk, driven by investor expectations, global supply chain standards, and international trade policies, extends beyond domestic regulatory mandates. Automotive companies and other high-emitting sectors remain exposed to global decarbonization pressures, including carbon border adjustments, investor disclosure requirements, and consumer demand for low-emission products. Reliance on regulatory rollback from the US federal government as a long-term planning assumption may be unpredictable. Transition strategies anchored in innovation, electrification, and emissions reduction can serve as hedges against policy volatility. In a globally interconnected economy, climate competitiveness is increasingly shaped not only by regulation but also by capital flow, procurement standards, and market-access expectations.

INDIA

SEBI Constitutes Working Group to Review ESG Rating Providers (ERPs) Regulatory Framework

The Securities and Exchange Board of India (SEBI) has formed a Working Group to review the regulatory framework governing ESG Rating Providers (ERPs), following feedback from market participants and stakeholders. The group, comprising representatives from issuers, investors, ESG rating users, domestic and global ERPs, analysts, legal experts, and academia, will conduct a comprehensive review of the existing framework, assess stakeholder representations, and recommend measures to improve transparency, reliability, and investor confidence in ESG ratings. It will also examine international regulatory developments to identify opportunities for alignment with global best practices, while considering the Indian market context, and will submit its findings and policy recommendations to SEBI.



Uniquis' POV

A structured review of the ESG ratings ecosystem is a timely step toward strengthening the credibility and comparability of sustainability-related assessments in India. Enhancing transparency in methodologies, data quality, and governance of ESG ratings can support better capital allocation toward sustainable businesses and improve trust among investors and issuers. Aligning the framework with evolving global practices, while tailoring it to domestic market realities, can also facilitate greater consistency across ratings and reduce fragmentation. Clearer regulatory guidance is likely to encourage more robust disclosures, foster innovation in ESG analytics, and accelerate the integration of sustainability considerations into mainstream financial decision-making.

India's electricity transition at the sub-national level sees progress on multiple fronts in different states

The State Electricity Transition (SET) 2026 report highlights the growing importance of electricity in India's economic development and clean energy transition amid rapidly rising demand driven by urbanization, industrial growth, electrification of transport, and expanding digital infrastructure. While India has made notable progress, achieving over 50% of installed power capacity from non-fossil sources ahead of its 2030 timeline and advancing toward its 500 GW non-fossil capacity target, the transition remains uneven across states due to differences in resources, institutional capacity, and development pathways. Assessing 21 states that account for most of India's power demand, the report evaluates progress across three dimensions: decarbonization, readiness and performance of the power ecosystem, and market enablers. It finds that although all states have made progress across multiple fronts, leadership varies by dimension, underscoring the need for targeted, state-specific interventions to achieve a comprehensive electricity transition.





Uniquis' POV

The report underlines that the next phase of India's electricity transition will be defined not just by renewable capacity additions but by how effectively states strengthen their overall power ecosystem. With electricity demand continuing to rise alongside industrial expansion, electrification, and the growing footprint of data centers and other energy-intensive infrastructure, states will need to prioritize grid flexibility, storage deployment, and stronger distribution sector reforms to ensure a reliable supply. A key insight is that progress in one area, such as renewable deployment or policy frameworks, does not automatically translate into system-wide transition unless supported by financially stable DISCOMs, improved market participation, and modernized grid infrastructure. Addressing these structural gaps through coordinated planning, stronger implementation capacity, and targeted investments can help states convert policy ambition into measurable outcomes while ensuring that rising electricity demand is met in a cost-effective, resilient, and low-carbon manner.

India Backs Steel Sector as EU Carbon Border Tax Pressures Exports, Trade Strategy

Europe's Carbon Border Adjustment Mechanism (CBAM) is reshaping the economics of Indian steel exports by imposing carbon-linked levies on emissions-intensive imports, putting pressure on producers to reduce emissions or risk shrinking margins in a key market. With about 60% of India's steel exports going to the European Union and a large share of domestic production still dependent on coal-based processes, the mechanism is accelerating the need for lower-carbon steelmaking pathways. In response, Indian steel producers are exploring alternative markets across Africa and the Middle East while policymakers assess measures to support industry competitiveness amid evolving carbon-linked trade regulations. At the same time, India has introduced the Green Steel Taxonomy, which establishes emission thresholds and rating criteria for low-carbon steel production, signaling a structured step toward aligning the sector with emerging global carbon standards.



Uniquis' POV

The evolving global trade landscape indicates that carbon performance is becoming a key determinant of competitiveness for the steel sector. For Indian producers, this will require faster adoption of low-emission production pathways such as cleaner fuels, higher scrap utilization, and advanced ironmaking technologies. India's Green Steel Taxonomy provides an important policy foundation by defining green steel as having an emission intensity below 2.2 tCO₂e per tonne of finished steel and introducing a star-rating system to drive progressive decarbonization across the industry. Additionally, emerging industry practices, such as partial substitution of fossil fuels with biomass-based alternatives and the development of certified low-carbon steel solutions, indicate that operational decarbonization pathways are already being explored. Strengthening policy support, scaling access to affordable green energy, and investing in breakthrough technologies will be critical to accelerate this transition and maintain export competitiveness in carbon-regulated markets.



MIDDLE EAST

Saudi Arabia's Ministry of Environment, Water, and Agriculture (MEWA) launches Namaa Fund for environmental, water, and agricultural sustainability

Saudi Arabia has launched its first endowment fund (Namaa) dedicated to advancing environmental, water, and agricultural sustainability, reinforcing efforts to strengthen the Kingdom's non-profit sector and long-term development.

The Fund is designed to support economic and social development goals, address community needs, increase the non-profit sector's contribution to GDP, and promote sustainable management of environmental, water, and agricultural resources. Contributions will be made through a licensed digital platform, subject to strict financial governance.

Namaa will finance endowment initiatives within the ministry's ecosystem, including the non-profit institutions Reef, Morooj, and Saqaya. The focus areas include water provision and conservation, afforestation, biodiversity protection, vegetation cover, the circular economy, sustainable agriculture, and irrigation, and reducing food loss and waste.

The Fund is developed in partnership with the General Authority for Awqaf, an independent entity linked to the Prime Minister of Saudi Arabia, to regulate, preserve, and develop the endowment sector. Emad Alkharashi, Governor of the General Authority for Awqaf, announced an initial contribution of SAR 100 million, describing it as a foundation for a sustainable endowment model.

Saudi Arabia Advances Industrial and Sustainability Agenda with New Economic Push

Saudi Arabia has announced a series of new economic and industrial measures aimed at boosting private sector growth, expanding non-oil industries, and advancing progress under Vision 2030. The initiatives focus on strengthening domestic manufacturing, improving supply chain resilience, and increasing the role of sustainable and value-added industries in the national economy. The

measures include expanded investment incentives, support for local production, and targeted efforts to attract foreign direct investment into key sectors. These steps are designed to enhance competitiveness, reduce reliance on imports, and create jobs while positioning the Kingdom as a regional hub for advanced and sustainable industries.

The announcement reflects Saudi Arabia's broader economic diversification strategy, which links industrial growth with sustainability goals. As part of Vision 2030, the Kingdom continues to align economic reforms with environmental stewardship, encouraging investments in clean technologies, resource efficiency, and climate-resilient infrastructure.





Uniquis' POV

The launch of the Namaa Fund and Saudi Arabia's broader industrial and economic initiatives indicate a coordinated shift in the Kingdom's sustainability strategy, combining philanthropic funding, institutional reform, and industrial policy within a unified Vision 2030 framework.

The Namaa Fund introduces an innovative financing mechanism based on endowment principles, designed to direct structured and transparently managed capital toward environmental, water, and agricultural sustainability. The Kingdom's expanded industrial strategy aims to strengthen domestic manufacturing, improve supply chain resilience, and establish Saudi Arabia as a center for advanced and sustainable industries. While one initiative is implemented through the nonprofit and community development sectors and the other through macroeconomic and industrial tools, both share a common goal: integrating sustainability into long-term economic transformation.

This dual-track approach demonstrates growing maturity in sustainable policy. Sustainability is no longer seen only as environmental protection or regulatory compliance, but as a catalyst for economic resilience, sectoral innovation, and institutional strengthening. The Namaa Fund

invests in foundational assets, including water security, biodiversity, circular-economy practices, and food-system resilience, while the industrial agenda promotes scaling clean technologies, value-added manufacturing, and private-sector involvement.

Importantly, this merging of public policy, endowment finance, and industrial incentives boosts diversification beyond hydrocarbons while tackling systemic climate and resource risks relevant to the region. By combining traditional financial structures such as waqf with modern governance mechanisms and industrial competitiveness strategies, Saudi Arabia is building a multi-layered sustainability ecosystem.

Businesses and investors need to understand that sustainability in the Kingdom is becoming a fundamental part of the national policy framework. Opportunities are likely to grow in areas such as clean technologies, resource efficiency solutions, sustainable agriculture, and ESG-aligned industrial development. However, participation will increasingly depend on alignment with national environmental priorities, strong governance practices, and measurable impact frameworks. Economic diversification and sustainability can work together as key pillars of the national strategy, laying the groundwork for long-term competitiveness, resilience, and inclusive growth in the region.



Environment Agency – Abu Dhabi (EAD) launches Hamdan bin Zayed: The World’s Richest Seas Initiative to increase fish stocks and support food security

The Environment Agency – Abu Dhabi (EAD) has unveiled the Hamdan bin Zayed: The World’s Richest Seas Initiative. This program aims to significantly increase fish stocks in the emirate and achieve one of the highest global densities by 2030.

The initiative cements Abu Dhabi’s position as a global benchmark for the sustainable management of natural resources. By strengthening scientific monitoring and assessment programs, building local and international partnerships that safeguard marine ecosystems and ensure their long-term resilience, and supporting the national food security system through the sustained growth and renewal of natural resources, it ensures that the sea will remain a vital lifeline for the community for generations to come.



Uniquis’ POV

EAD continues to launch and implement initiatives that integrate sustainability into marine ecosystems. The Hamdan bin Zayed: The World’s Richest Seas Initiative provides an integrated framework that brings together the protection of marine habitats with the development of fish stocks. It strengthens the sustainable use of natural resources in line with the highest international standards, firmly anchoring the contribution of fisheries to national food security.

Other EAD’s efforts to enhance productive marine habitats include Abu Dhabi Coral Gardens which aims to establish new marine sites and underwater gardens through the

deployment of 40,000 artificial reef modules, with the number set to rise to 80,000 by 2030, Coral Rehabilitation Project which aims to increase the number of cultivated coral colonies to 4 million, and the Abu Dhabi Mangrove Initiative which targets the planting of 50 million mangrove trees by 2030. These initiatives harness advanced technologies and artificial intelligence applications for monitoring, analysis, and the identification of optimal development sites, ensuring the greatest possible environmental impact; hence, they contribute to building a sustainable food system rooted in healthy marine ecosystems.



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.

India's INR 20,000 Crore CCUS Push: A Defining Moment for Industrial Decarbonization

This analysis draws on insights shared by Anu Chaudhary, Partner and Global Head of Sustainability & Climate Consulting, in a featured article published in *Energetica India Magazine*. Read the full article [here](#).

India's Union Budget 2026 signals a change in the country's decarbonization approach by allocating INR 20,000 crore to develop Carbon Capture, Utilization, and Storage (CCUS) technology. Although renewable energy and green hydrogen have been prominent in recent climate discussions, this investment underscores the importance of alternative technological solutions to enable industrial decarbonization, especially in hard-to-abate sectors such as steel, cement, refining, and chemicals.

Heavy industries account for a substantial share of India's greenhouse gas emissions, and for many of these sectors, process emissions cannot be fully eliminated solely through electrification or renewable energy substitution. CCUS offers a bridging solution, capturing carbon dioxide at source, enabling its reuse in industrial applications, or storing it permanently to prevent atmospheric release. By earmarking significant capital support, the government is positioning CCUS as a strategic pillar in India's pathway to net zero by 2070. India is acknowledging that decarbonizing heavy industry cannot rely solely on renewable energy expansion and energy efficiency improvements, instead calling for a diversified technology portfolio that includes carbon management solutions alongside green hydrogen, electrification, and circular economy models.

CCUS projects generally face high initial costs, lengthy payback periods, and infrastructure hurdles, such as transport and storage networks. This level of investment demonstrates a strong commitment, providing early support for a technology that remains capital-intensive and commercially uncertain. Public funding at this stage can kickstart pilot projects,

boost ecosystem growth, and attract future private investment. For energy-intensive sectors already complying with India's Carbon Credit Trading Scheme (CCTS) and preparing for external pressures like the EU Carbon Border Adjustment Mechanism (CBAM), CCUS may increasingly become part of long-term competitiveness planning.

However, the effectiveness of this investment depends on regulatory clarity, strong monitoring systems, and integration with carbon market mechanisms. Questions about carbon-pricing signals, storage liability, verification standards, and incentives for utilization pathways will determine whether CCUS moves from demonstration projects to scalable infrastructure. International experience shows that policies such as tax credits, contracts for difference, or guaranteed offtake agreements can significantly affect project viability. Nonetheless, companies face both opportunities and responsibilities with this development. Early adopters of CCUS may gain a regulatory edge, better emissions performance, and improved access to green financing. On the other hand, delayed action could raise transition risks as compliance rules become stricter. Companies in carbon-intensive sectors should start by assessing feasibility, exploring partnerships, and planning long-term investments aligned with emerging CCUS policies.

REGULATORY WATCH

Regulation around ESG continues to evolve rapidly. This section summarizes some of the latest regulatory developments across critical global markets, including the USA, 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

UK Financial Conduct Authority (FCA)

The FCA has released Consultation Paper CP26/5, proposing a significant update to sustainability reporting standards for listed companies – the UK Sustainability Reporting Standards (UK SRS). The proposed changes would replace existing rules rooted in the now-dissolved Task Force on Climate-related Financial Disclosures (TCFD) with a framework based on the International Sustainability Standards Board (ISSB) standards. The FCA is calling for stakeholder feedback, with responses due by 20 March 2026. A policy statement is expected to be published in Fall 2026, and the new rules are set to take effect from 1 January 2027.

The proposals will promote better transparency, especially for overseas companies, while reducing reporting redundancies. In this way, investors will be able to more easily access consistent, reliable information on sustainability risks and opportunities.

Notably, the government is considering a transitional relief period for companies to adapt to the new standards (e.g., Scope 3 emissions disclosures), showing that the UK is taking an important step toward improving corporate accountability in sustainability practices while acknowledging the challenges of implementing these complex reporting requirements.



Governing Body

Update

Uniquis' Impression

USA

California Air Resources Board (CARB)

CARB held a public hearing to consider implementation aspects to the proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Initial Regulation, among other regulatory developments, on 26 February 2026.

Public comments on CARB's SB 253 and SB 261 regulations reflect broad support for climate disclosure, but significant concern around implementation details, particularly Scope 3 emissions, reporting timelines, and administrative clarity.

Many stakeholders are requesting flexibility in emissions-intensity metrics, organizational boundaries, and first-year enforcement discretion, while others urge broader applicability across sectors such as insurance and government entities. Scope 3 reporting remains the most divisive issue, with supporters citing transparency and comparability benefits, and opponents arguing it is unreliable, burdensome, and economically disadvantageous.

The regulations were approved largely as proposed, with further evaluation of the applicability of SB 253 to insurance companies to come. CARB will likely hold additional workshops and publish further FAQs and guidance in the near future.

New York State Senate

New York lawmakers are moving to expand corporate climate transparency, with the State Senate passing the Climate Corporate Data Accountability Act (S9072A) on 28 January 2026. The bill would require large US-based companies operating in the state to disclose their Scope 1-3 greenhouse gas emissions. The proposal is not yet law; the next stage is being considered by the Assembly Committee.

The advancement of the Climate Corporate Data Accountability Act in the New York State Senate marks another significant step toward mandatory, Scope 1-3 emissions disclosure at the state level. If enacted, the bill would materially expand climate transparency requirements for large US-based companies operating in New York, reinforcing the growing expectation that value-chain emissions are integral to corporate accountability. Although the legislation has not yet been adopted into law, its progress reflects a broader trend in which states, such as California, are increasingly filling perceived gaps in federal climate disclosure mandates in the US.

Governing Body

Update

Uniquis' Impression

MIDDLE EAST

Oman Environment Authority

The Environment Authority (EA) in Oman has issued a formal notice requiring all licensed companies and establishments in Oman to comply with the Environment Protection and Pollution Control Law issued under Royal Decree No.114/2001, with a specific focus on updating and aligning their emergency response plans, particularly those related to oil and chemical pollution incidents, in line with approved best practices.

The key required submissions include company background information demonstrating capacity to respond to pollution incidents; detailed emergency plans for Tier 1 and Tier 2 oil spill response; and inventories of equipment, materials, and chemicals used in spill response, along with their locations across the Sultanate of Oman.

Additional requirements include details of trained personnel and emergency contact numbers, as well as copies of relevant certifications, such as ISO 9001 and ISO 14001. Companies that can respond to chemical pollution incidents must also submit lists of safety and rescue equipment used in such incidents.

Oman's requirement that all licensed companies update and submit their emergency plans is a key measure to promote and enhance environmental sustainability in the country.

An updated emergency response plan is crucial for mitigating risks to human health, safety, and the ecosystem by enabling swift, structured actions to contain incidents like oil or chemical spills. These plans ensure regulatory compliance, reduce economic damage, facilitate a rapid, sustainable recovery, and protect the company's reputation.

Oman's EA requirement for companies to update their emergency response plans aligns with measures and regulations taken by other countries in the Middle East to ensure proactive and corrective measures to counter or mitigate potential emergencies. For example, in May 2025, the Environment Agency – Abu Dhabi (EAD) issued a new regulation on environmental emergency preparedness and response in the emirate. The regulation empowers the agency to take immediate and decisive action in the event of potential environmental emergencies, minimizing their impact and ensuring proactive environmental protection through its established procedures.



About Uniquus Consultech:

Uniquus Consultech is a global tech-enabled consulting company that specializes in Accounting & Reporting, Governance, Risk & Compliance, Sustainability & Climate Consulting, and Tech 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 UST. Anu Chaudhary, a global sustainability and climate specialist with over 25 years of experience, serves as the Global Head of Sustainability & Climate Consulting.

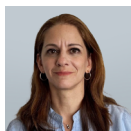
Uniquus has a global team of 700+ professionals led by 85+ Partners & Directors across eleven offices in the USA, the Middle East, and India. The company serves more than 400 clients, including marquee names in each of the markets it operates in.

Uniquus is committed to leveraging technology and an integrated global delivery model to provide best-in-class consulting services to its clients.

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



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