ESG Digest #31

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PwC CEO Survey Reveals Climate Investments Significantly Boost Revenue

According to the 28th Annual PwC CEO Survey, climate investments are six times more likely to lead to revenue increases than decreases. Additionally, two-thirds of CEOs reported that climate investments help reduce or have a neutral impact on costs.

The survey, which gathered insights from 4,701 CEOs worldwide, notes that nearly 60% of CEOs expect global economic growth to rise in 2025.

The survey also highlights the early productivity gains from Generative AI, with one-third of CEOs reporting increased revenue and profitability from Generative AI over the last year, and half expect their investments in the technology to increase profits in the year ahead. However, the pace of business reinvention remains slow, with only 7% of revenue in the past five years coming from new businesses.

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EBA Issues Final ESG Risk Guidelines, Mandating Financial Institutions' Compliance by 2026

The European Banking Authority (EBA) has released the final guidelines on managing ESG risks. The guidelines, developed in accordance with key EU regulatory documents, provide instructions for financial organizations on identifying, assessing, managing, and monitoring ESG risks.

The provisions of the guidelines will apply to large financial institutions starting from January 11, 2026.

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24 U.S. State Governors Respond to USA's Paris Agreement Withdrawal with Climate Commitments

President Donald Trump signed an executive order on January 20, 2025, directing the United States to withdraw from the Paris Agreement, citing the accord's misalignment with U.S. values and economic interests.

In response, 24 U.S. states, members of the US Climate Alliance, reaffirmed their commitment to the Paris Agreement goals, emphasizing the importance of climate action and sustainable development, despite federal policy shifts. These states aim to reduce greenhouse gas emissions by at least 50-52% by 2030 and 61-66% by 2035, building on the targets set by the previous administration.

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Moody's Forecasts USD 1tn Sustainable Bond Market in 2025

Moody's Ratings has projected that the global issuance of sustainable bonds will reach USD 1tn in 2025. This forecast includes green, social, sustainability, sustainability-linked, and transition bonds. Despite political headwinds, particularly from the new U.S. administration, the focus on sustainable development and clean energy investments is expected to drive this growth.

Green bonds are anticipated to dominate, with a record issuance of UDS 620bn, supported by climate mitigation initiatives and policy support.

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Australian Government Allocates USD 1.24bn for Green Aluminium Production

The Australian government has committed USD 1.24bn to support the aluminium industry's transition to renewable energy sources by 2036.

This initiative, known as the Green Aluminium Production Credit, aims to reduce emissions and promote sustainable practices within the industry. The funding will provide financial incentives for smelters to adopt renewable energy, ensuring long-term job security and economic growth.

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Shanghai Stock Exchange Enhances ESG Reporting Framework with New Sustainability Disclosure Guides

The Shanghai Stock Exchange (SSE) has introduced two new supplementary guides to enhance the understanding and application of its ESG Guidelines. These guides provide practical templates and detailed explanations to help companies improve their sustainability reporting, focusing on climate risks, carbon emissions, and sustainability governance.

In 2024, 52% of SSE-listed companies disclosed ESG reports, marking a 6% increase from the previous year. The SSE aims to further develop ESG guidance to support high-quality disclosures and strengthen China's sustainable finance landscape.

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Switzerland Sets Ambitious New Emission Reduction Targets for 2035

The Federal Council of Switzerland has approved new greenhouse gas reduction targets under the Paris Agreement. By 2035, Switzerland aims to cut emissions by at least 65% compared to 1990 levels, with an average reduction of 59% between 2031 and 2035. These targets align with the Swiss Climate and Innovation Act and the net-zero goal by 2050.

The Federal Council also amended the long-term climate strategy, detailing measures in the Climate and Innovation Act, the revised CO2 Act, and the Electricity Supply Act. Switzerland will submit its new targets and updated strategy to the UN Framework Convention on Climate Change by February 10.

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EU Unveils Competitiveness Compass

The European Commission's Competitiveness Compass outlines three core areas for action to boost the EU's competitiveness: innovation, decarbonisation, and security. The Compass aims to make Europe a leader in future technologies and clean products, while becoming the first climate-neutral continent.

Innovation: The EU aims to close the innovation gap by fostering start-ups, promoting industrial leadership in high-growth sectors, and driving AI development through initiatives like 'AI Gigafactories'.

Decarbonisation: The Clean Industrial Deal and Affordable Energy Action Plan will address high energy prices and promote clean tech and circular business models.

Security: The EU will diversify supply chains with Clean Trade and Investment Partnerships to secure raw materials, clean energy, sustainable fuels, and clean tech globally.

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WEF Global Risks Report 2025 Highlights Escalating Geopolitical and Environmental Challenges

The Global Risks Report 2025, presented at the World Economic Forum in Davos, is based on assessments from over 900 experts. The report covers three time periods: 2025, up to 2027, and the following decade. It highlights an increasingly fragmented global landscape with escalating geopolitical, environmental, social, and technological challenges.

The most significant risks for 2025 are state-based armed conflicts, extreme weather conditions, geoeconomic confrontations, the spread of disinformation, social polarization, and economic downturns.

In the long-term perspective up to 2035, the greatest concerns are environmental risks, such as extreme weather events, loss of biodiversity and ecosystem collapse, critical changes in Earth's natural systems, and resource scarcity.

Подробнее

Energy Transition Insights for 2025

The RMI's strategic insights for **Energy Transition in 2025** chart a promising path forward. With falling costs for solar modules and EV batteries, coupled with rising annual capacity additions from solar and wind in 2024, clean tech and renewables are poised to make significant strides.

The UN Department of Economic and Social Affairs (UN DESA) **World Economic Situation and Prospects 2025** report emphasizes the energy transition, dedicating its thematic chapter to the crucial role of critical minerals. The report highlights increased demand for minerals like copper, cobalt, lithium, nickel, and rare earth elements due to the rapid adoption of renewable energy technologies.

Given the rising demand for critical minerals and cleantech as highlighted by global organizations, mining companies are increasingly seeking credible certifications to meet the need for verified responsible practices and heightened sustainability standards. Leading assurance frameworks like **Copper Mark, Molybdenum Mark, Nickel Mark, and Zinc Mark** promote responsible practices in their respective value chains.

Eurasia

Kazakhstan Secures 11 Billion Cubic Meters of Water for Irrigation and Advances Digital Water Management Plan

Kazakhstan will receive 11 billion cubic meters of water this spring, which will flow into the Shardara Reservoir in the Turkistan Region via the Syr Darya River. Of this, 1.6 billion cubic meters will be directed to the Aral Sea. This volume of water will be used for the irrigation period of the current year and to maintain the ecosystems in the southern regions of the country.

This agreement was reached with Uzbekistan, Tajikistan, and Turkmenistan during the 88th meeting of the Interstate Commission for Water Coordination of Central Asia (ICWC) held this month in Dushanbe.

Furthermore, Kazakhstan plans to enhance its water management through a comprehensive digitization plan. The initiative will integrate data from 17,736 rivers, 2,949 small lakes, and other water bodies into a single digital platform, to be developed by the end of 2025. This system aims to improve water accounting, management transparency, and emergency forecasting.

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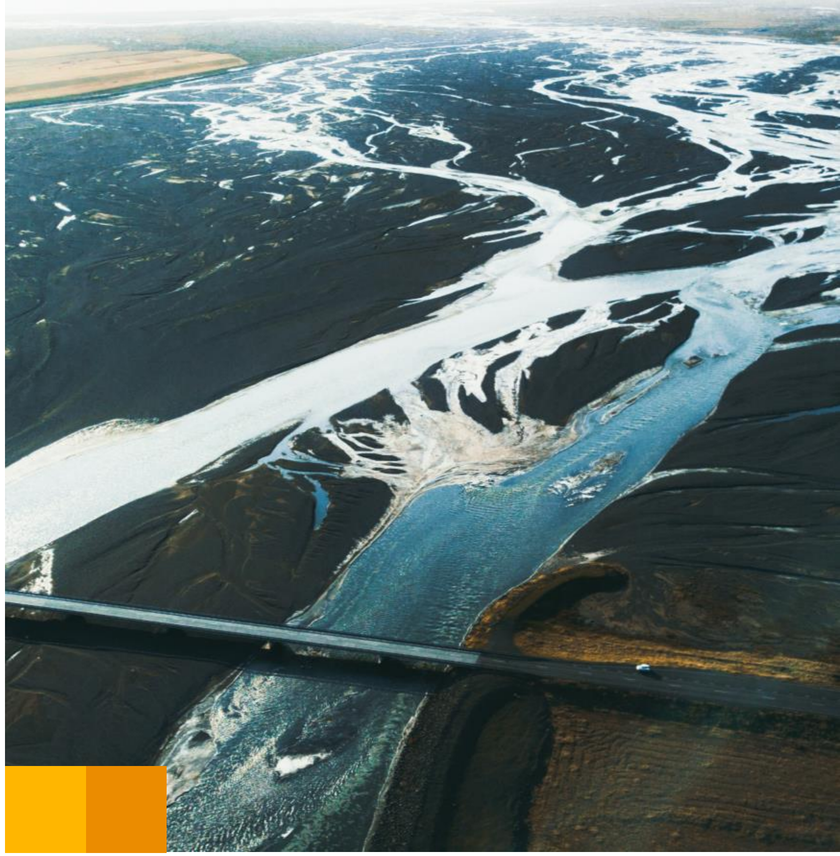

World Bank Recommends Introducing Carbon Tax in Kazakhstan

The World Bank has released an Economic Update on Kazakhstan titled “Funding the Future: Boosting Revenues for Lasting Investments,” emphasizing a comprehensive tax reform agenda to address fiscal challenges and support the country's development goals.

One of the measures suggested by the World Bank includes modernizing the current excise tax system by introducing a carbon-based excise tax for transport fuels and later expanding it to all fuels based on carbon content. This reform would efficiently raise revenue, support development goals, and align with carbon neutrality by 2060.

Additionally, this approach would help Kazakhstan capture revenue otherwise lost under the EU's Carbon Border Adjustment Mechanism (CBAM).

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The first public facility to sell surplus solar energy is a school in Shymkent

Under a memorandum between School No. 65 and Solarway Energy LLP, a 50 kW solar power plant has been installed on the roof of the educational institution. This project enables annual savings of approximately 70,000 kWh of electricity, equivalent to KZT 4.7mln, and reduces greenhouse gas emissions by 60,000 kg of CO_2.

School No. 65 became the first public facility to sell excess electricity to the grid, signing a contract with Energopotok LLP.

The project is implemented under a law signed by the President to develop small-scale renewable energy facilities in Kazakhstan, which encourages small generation and monetization of excess electricity.

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Uzbekistan Aims to Boost Renewable Energy Share to 50% by 2030

On January 28, President Shavkat Mirziyoyev held a meeting to discuss the development of the electric power industry for the period 2025–2035. The plan includes the construction of new power plants, including thousands of micro-hydropower stations, and aims to attract investments up to USD 4bn.

Over the past eight years, electricity production has increased by 38%, reaching 81.5 billion kWh. By 2030, the share of green energy in total generation is expected to exceed 50%. The country plans to commission 3,000 micro-hydropower stations and small solar and wind power plants. Additionally, efforts will be made to reduce the cost of electricity and losses to 8–9%.

Furthermore, in 2025, at least 40% of electricity consumption by households, small businesses, and social institutions is expected to be covered by renewable energy sources. The government plans to allocate UZS 2tn to incentivize the installation of solar panels and water heaters on 100,000 facilities and 150,000 homes.

[Read more]

Mongolia and EBRD Partner to Promote Renewable Energy Development

The Government of Mongolia and the European Bank for Reconstruction and Development (EBRD) have signed a Memorandum of Cooperation to advance renewable energy and climate goals in Mongolia. This partnership aims to support solar, wind, and energy storage projects, with the EBRD providing technical assistance and feasibility studies. The agreement includes constructing up to 300 MW of solar power generation facilities and developing a roadmap for a low-carbon energy sector. This initiative aligns with Mongolia's energy sector reforms to enhance sustainability and competitiveness.

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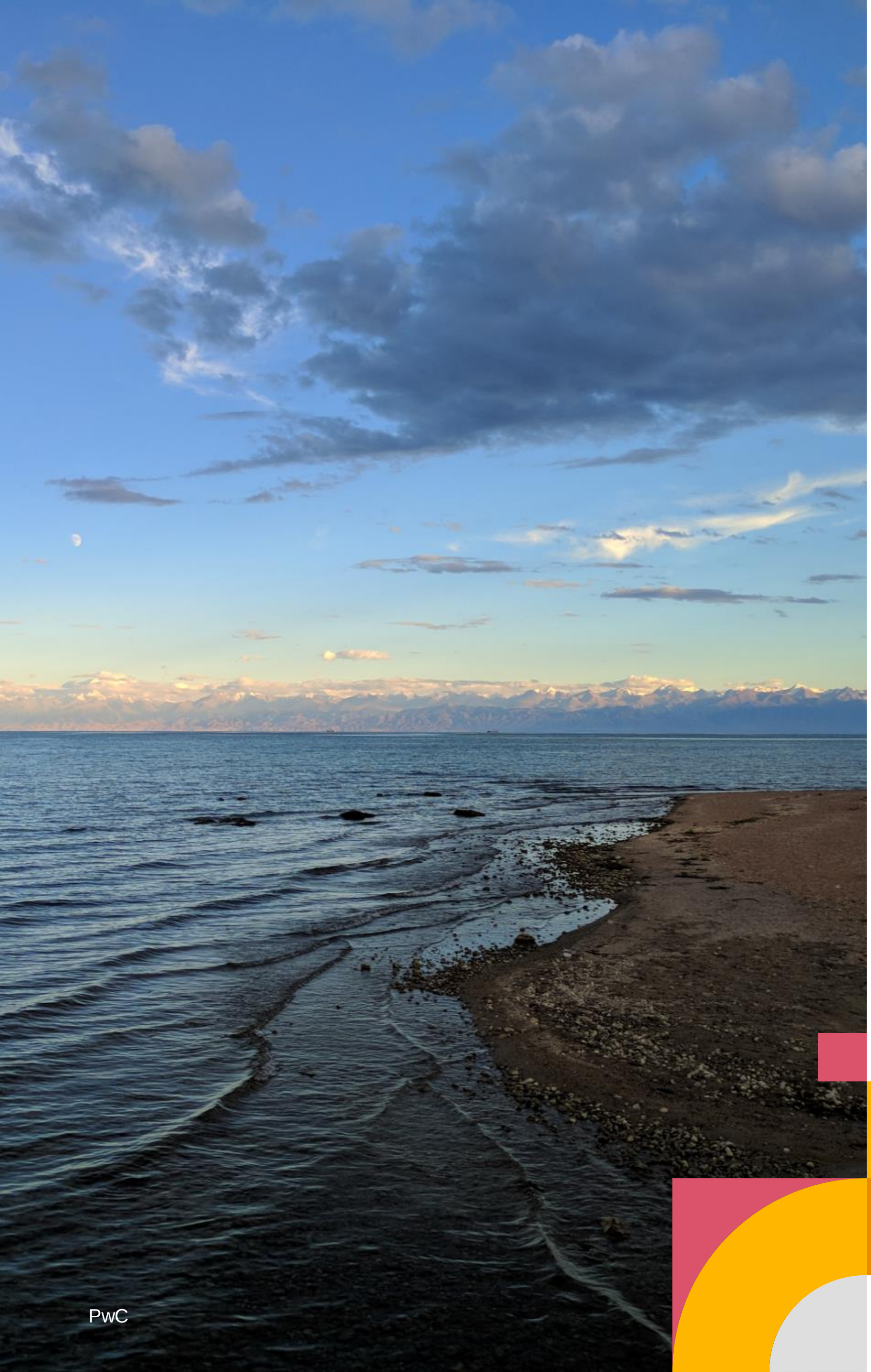

The Green Energy Fund of Kyrgyzstan has received approximately USD 1.3mln from renewable energy entities

The Green Energy Fund of Kyrgyzstan has summarized its results for the second half of 2024, signing 42 agreements for the lease of land plots with a total area of 3,964 hectares for renewable energy projects. Of these, 31 plots are designated for small hydropower plants with a capacity of 351.97 MW, and 11 plots for solar power plants with a capacity of 1,634.5 MW. Over the past six months, lease revenues amounted to KGS 113mln, compared to zero in the previous year. The Green Energy Fund currently holds 68 plots, of which 15,000 hectares are ready for transfer to investors.

A draft resolution on the guaranteed purchase of electricity from renewable energy facilities has been developed and submitted to the Ministry of Energy for further approval.

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