



ESG Digest #33

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Global



PwC's 2025 Decarbonization Report: Companies Prioritize Low-Carbon Innovations Amid Economic Challenges

PwC's 2025 State of Decarbonization report highlights the ongoing commitment to sustainability despite economic pressures. The report shows there remains a strong commitment to sustainability as a source of business value. Notably, 83% of companies are investing in R&D for low-carbon products, which can boost revenue by 6-25%. Scope 3 emissions, indirect emissions from a company's value chain, are increasingly targeted through supplier engagement. The report also notes a rise in climate commitments, with over 4,000 companies reporting through CDP (Carbon Disclosure Project) in 2024. This trend underscores the resilience and strategic importance of ESG initiatives.

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China's Sovereign Green Bonds Debut in the UK



China is set to issue its inaugural sovereign yuan-denominated green bonds in the UK, valued at CNY 6bn (USD 833mln). By listing debut green bonds in London, China aims to attract international investors and support national decarbonization goals. This move also highlights China's commitment to green transition.

The issuance aligns with global trends towards green finance, highlighting the importance of sustainable investment strategies in mitigating climate risks and promoting environmental stewardship.

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China Expands Carbon Market to Heavy Industries

China has pledged to expand its Emissions Trading System (ETS) to include the steel, cement, and aluminum sectors by the end of 2025. This move aims to cover 60% of the nation's carbon emissions, up from the current 40%, adding 1,500 enterprises to the carbon trading market.

The ETS allows companies to buy and sell carbon credits (permits to emit a certain amount of CO₂), incentivizing lower emissions. The government will also improve Monitoring, Reporting, and Verification (MRV) methods to ensure accurate emissions tracking.

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Tokyo and Gold Standard Forge Path for Corporate Decarbonization

Gold Standard CEO Margaret Kim and Tokyo Governor Yuriko Koike have signed a landmark Memorandum of Understanding (MoU) to advance corporate decarbonization. This agreement integrates Gold Standard Verified Emission Reductions (GSVERs) into Tokyo's new carbon credit trading platform, ensuring credible climate investments in line with the Zero Emission Tokyo Strategy.

Additionally, workshops and capacity-building programs will equip businesses with practical knowledge to develop ambitious, science-aligned climate strategies.

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Japan Introduces ISSB-aligned Sustainability Disclosure Standards

The Sustainability Standards Board of Japan (SSBJ) has issued its inaugural Sustainability Disclosure Standards to enhance transparency and international comparability. These standards include the Universal Sustainability Disclosure Standard, General Disclosures, and Climate-related Disclosures.

The initiative aligns with the International Sustainability Standards Board (ISSB) guidelines, ensuring consistency in sustainability reporting. By providing clear frameworks for climate-related disclosures (information on how climate change impacts a company), the SSBJ aims to support companies in effectively communicating their sustainability efforts and contribute to global sustainability goals.

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Germany's EUR 100bn Boost for Climate and Energy Transition

Germany's parliament has approved a EUR 500bn infrastructure and defense fund, with EUR 100bn earmarked for climate action and energy transition projects. This funding will support emissions reduction, sustainable infrastructure, and policies aimed at achieving climate neutrality by 2045.

Key investments include renewable energy projects, energy efficiency upgrades, and sustainable transport improvements. The initiative, backed by the Green Party, underscores Germany's commitment to long-term sustainability.

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UK Sets New Benchmark with Nature Finance Standards

The UK government has introduced new, world-leading nature finance standards to boost green investment and support economic growth. These standards, launched by the British Standards Institution (BSI), provide clear guidelines and aim to prevent greenwashing. Projects supported by these standards include wetland restoration, water quality improvement, flood resilience, and habitat creation.

The initiative is part of the UK's Plan for Change, which seeks to make the country a global leader in nature markets.

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CDP and EFRAG Align Climate Disclosure Standards



CDP (Carbon Disclosure Project) and EFRAG (European Financial Reporting Advisory Group) have published a comprehensive correspondence mapping between the CDP question bank and the European Sustainability Reporting Standard (ESRS E1). ESRS E1 focuses on climate change disclosures, including policies, targets, and impacts.

This mapping highlights the high degree of interoperability between the two frameworks, simplifying climate-related disclosures. Companies can now efficiently align their reporting with both CDP and ESRS E1 requirements, reducing complexity and enhancing transparency.

[Read more](#)

IFAC Elevates Sustainability Competence in Accountancy



The International Federation of Accountants (IFAC) has revised its International Education Standards (IES) to embed sustainability throughout professional accountants' training. Key enhancements include integrating sustainability concepts into initial professional development, introducing new assurance learning outcomes, and strengthening business acumen. This initiative ensures accountants are equipped to support high-quality sustainability reporting and contribute to global sustainability goals.

[Read more](#)

New IEA report: Global Energy Demand Surges Amidst Electrification and Heatwaves

The International Energy Agency (IEA) reported that global energy demand grew by 2.2% in 2024, nearly double the average annual increase of 1.3% over the past decade. This surge was driven by a significant rise in electricity consumption, which increased by 4.3%, nearly double the annual average of the past ten years. The growth was fueled by record global temperatures, increased industrial activity, and the electrification of transport. Over 80% of the demand increase came from emerging and developing economies, despite slower growth in China.

Renewable energy and natural gas covered most of the additional energy needs, with renewable power capacity reaching a new annual record of 700 gigawatts.

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New CBI Framework Enhances Credibility of Social & Sustainability Bonds

The Climate Bonds Initiative (CBI) has released an updated methodology for assessing social and sustainability (S&S) bonds. This new framework aims to increase transparency and mitigate impact washing in post-issuance reporting. Key updates include a detailed mapping of eligible use of proceeds (UoP) categories with corresponding ICMA indicators and a 10% margin of flexibility to address potential uncertainties. These enhancements are designed to bolster the credibility of S&S bonds and support the growth of the green and sustainable debt market.

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Regional



UN Regional Center for Sustainable Development Goals to Open in Almaty

The United Nations General Assembly has unanimously adopted a resolution to establish a Regional Center for Sustainable Development Goals (SDGs) for the countries of Central Asia and Afghanistan. The initiative was led by Kazakhstan on behalf of the Central Asian states. A total of 152 UN member states supported the resolution, underscoring its importance and international consensus.

The center will be located in Almaty and will serve as a key platform for coordinating international efforts, sharing best practices, and implementing joint projects. This significant step enhances cooperation and sustainable development in the region, while also supporting the economic development of Afghanistan.

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New UN ESCAP Report Highlights Tajikistan's Potential for Thematic Bond Market Development

The latest report by the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) highlights Tajikistan's potential for developing a thematic bond market, focusing on green, social, and sustainability bonds. To meet climate goals, Tajikistan needs to invest an additional 7% of its GDP annually, about USD 1bn.

Green bonds are vital for financing environmental projects but require robust capital markets and regulatory frameworks. The report evaluates Tajikistan's current market, highlights regional successes and provides recommendations for development of green bond policy and regulatory framework such as developing a national taxonomy, offering tax incentives, and enhancing international collaboration to foster a sustainable bond market.

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New Carbon Market Development Project Launched in Kazakhstan with World Bank Support



The Ministry of Ecology and Natural Resources of Kazakhstan, in collaboration with JSC "Zhasyl Damu" and the World Bank, has initiated a project to develop the carbon market. The project's goal is to enhance the emissions trading system and integrate carbon pricing mechanisms into the country's economic strategy. The project will be funded by a USD 4.8mIn grant from the World Bank until 2028.

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Uzbekistan Plans to Implement Energy Efficiency Measures



President Shavkat Mirziyoyev held a meeting on March 26, 2025, to discuss improving energy consumption efficiency and rational use of energy resources.

The plan includes modernizing outdated industrial equipment and implementing energy-saving measures across various sectors. By 2030, Uzbekistan's population is expected to reach 41 million, doubling the economy and increasing energy demand by 1.5 times. Initiatives include replacing old equipment, building small solar power plants, and installing energy-saving streetlights. The goal is to save 1.1 billion cubic meters of gas and 2.6 billion kilowatt-hours of electricity this year.

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