



ESG Digest #38

August 2025



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Regional



Central Asia Joins UN Global Compact to Drive Responsible Growth



Central Asia has joined the UN Global Compact, connecting over 140 companies across five countries to the world's largest corporate sustainability initiative. The new regional network aims to promote responsible business practices and support alignment with the UN Sustainable Development Goals. Companies will gain access to tools, training, and partnerships to improve transparency, decarbonization, and social impact. With a young population and growing demand for ethical business, the region is well-positioned to lead in sustainable development. The move is expected to attract investment and strengthen cross-border cooperation.

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Central Asia Countries Unites for 2026 Environmental Summit

Environmental ministers from Central Asian countries met in Aktau to coordinate preparations for the 2026 Regional Environmental Summit. The meeting resulted in agreement on the updated summit concept and a draft joint declaration on regional cooperation in ecology and sustainable development. Participants also aligned on a list of regional initiatives covering green technologies, biodiversity, climate adaptation, and water management. A green startup exhibition showcased innovations in energy efficiency, waste recycling, and clean technologies. The parties confirmed their commitment to continued collaboration ahead of the summit, which will be held in Astana in April 2026.

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Kazakhstan Advances Climate Strategy with NDC 3.0 Dialogue in Astana

Kazakhstan held a two-day climate dialogue in Astana to present progress on its updated Nationally Determined Contributions (NDC 3.0) under the Paris Agreement. Organized by the Ministry of Ecology with support from international partners, the event gathered government officials, experts, businesses, and civil society to discuss emission reduction, adaptation, and green investment. The agenda also covered sustainable agriculture, climate education, and financing mechanisms. The second day focused on mobilizing public and private resources for climate projects. The dialogue marked a key step toward finalizing Kazakhstan's renewed climate strategy.

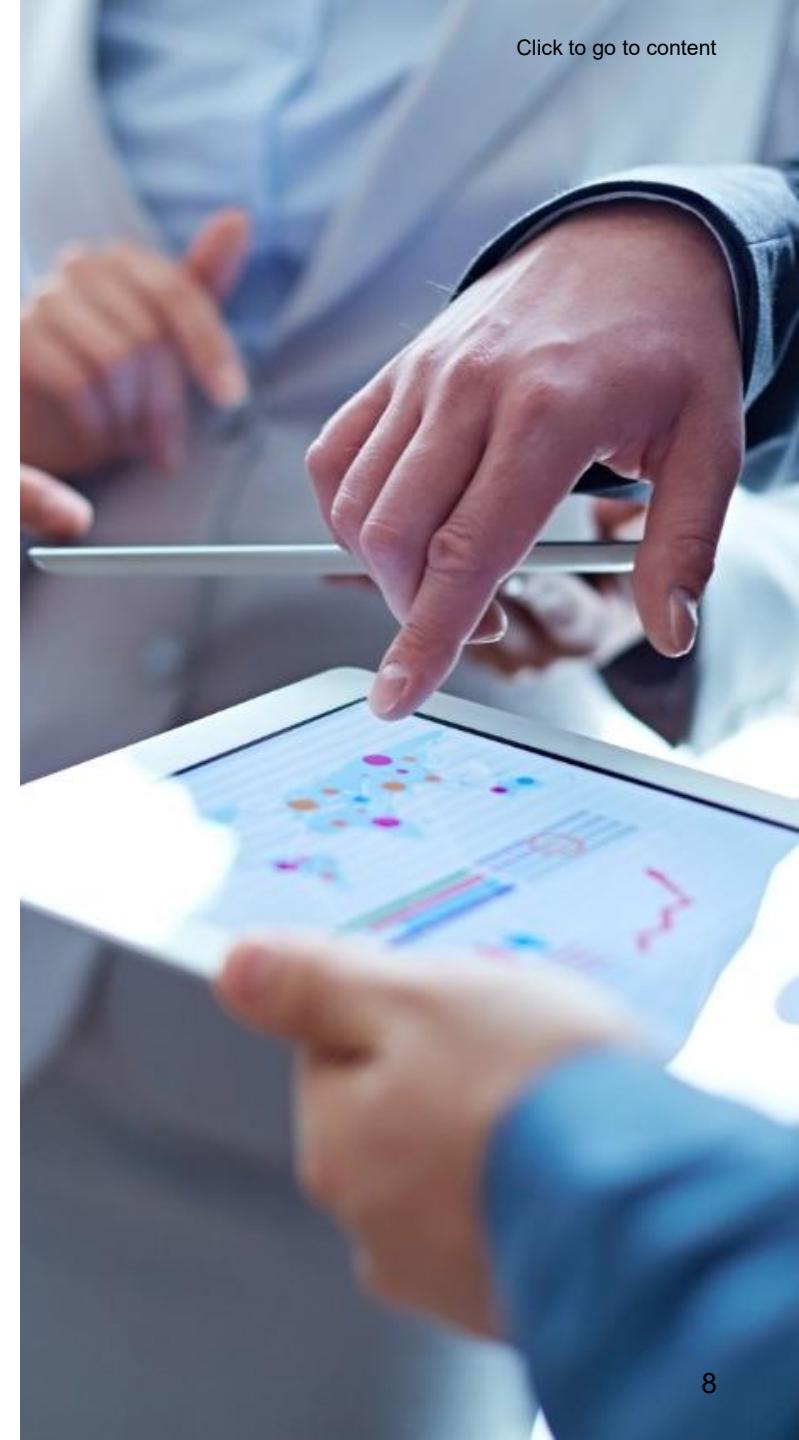
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Georgia Updates Banking Supervision Strategy with Focus on Sustainability

The National Bank of Georgia has released the updated 2025 edition of its Supervisory Strategy, as part of the three-year plan for 2023–2025. The new edition includes both the 2024 report on the implementation of supervisory measures and the detailed action plan for 2025, setting out specific activities and timelines. The Bank's supervisory priorities remain unchanged for the cycle, focusing on stronger risk management, promotion of competition, financial innovation, alignment with international standards, and greater transparency. Developed with input from the private and civil sectors, the updated document provides clarity for financial institutions, investors, and stakeholders on the steps to be taken in the final year of the plan. The National Bank also announced plans to begin drafting a new Supervisory Strategy for 2026–2028.

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Uzbekistan Expands Circular Economy With New Waste Management Reforms



Uzbekistan has been carrying out large-scale reforms in waste management and the circular economy since 2020, with over UZS 2tl invested in the sector over the past three years. A dedicated Waste Management and Circular Economy Agency was created in 2024, and major investments have expanded logistics with 1,200 new vehicles and collection sites across mahallas. Opening the industry to private enterprise has enabled nearly 500 new companies, supported by tax rates cut to 1% and exemptions on imported equipment. Waste-to-energy plants backed by Chinese investors are now under construction in six regions, while medical waste facilities have begun operating in Tashkent. At a presentation in August 2025, officials outlined further plans to expand recycling infrastructure, introduce digital tracking of collection services, and promote environmental awareness.

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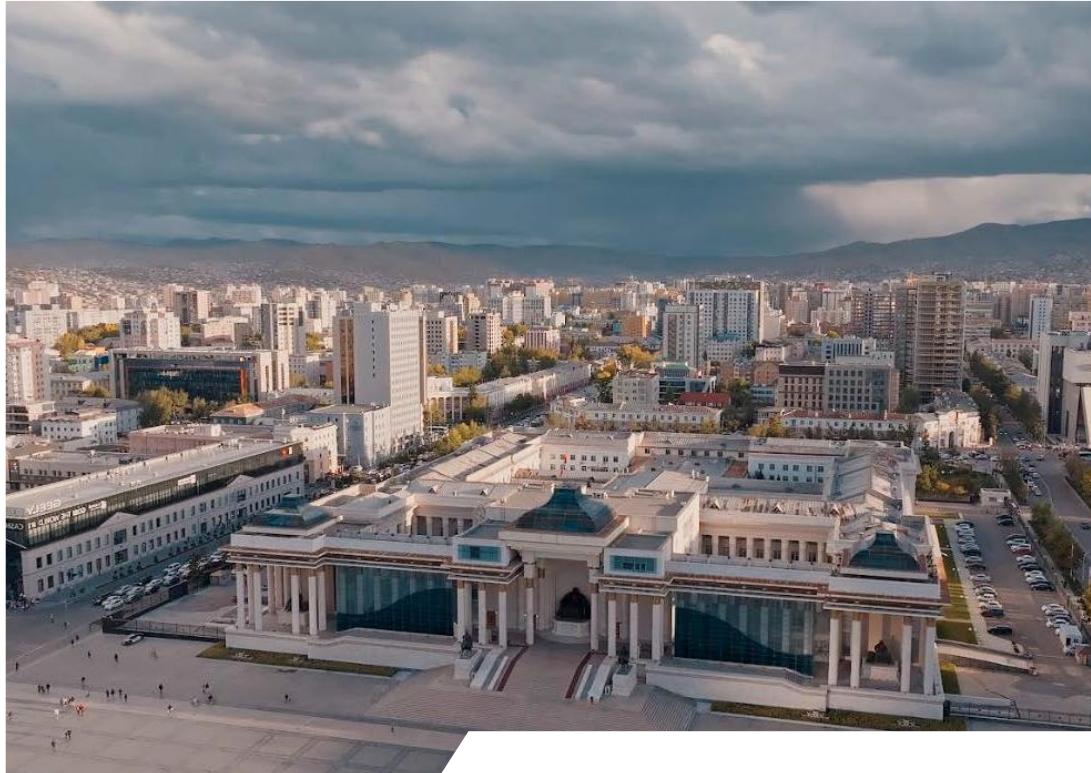
Azerbaijan Launches 445 MW Solar Plant

Construction began on Azerbaijan's largest solar power plant in Bilasuvar, with a capacity of 445 MW and sited on 1,454 hectares of state-owned land. Once operational, it's expected to generate approximately 897 million kWh of clean electricity annually, powering about 179,000 households. The plant will also cut CO₂ emissions by 367,000 tons each year and save 193 million cubic meters of natural gas, marking a major boost to the country's renewable energy goals and energy security.

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Mongolia is Introducing a New E-platform to Receive Reports on Environment Violations



Mongolia's Ministry of Environment and Climate Change began developing an electronic platform to enable citizens and agencies to report environmental violations directly. The platform will feature an interactive map for transparent tracking of reported incidents and, following nationwide consultations with regional authorities, is set to be launched after a public training session in September.

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Global



EBA Instructs Regulators to Hold off on Enforcement of ESG Disclosure Requirements for Banks

The European Banking Authority issued a no-action letter advising regulators not to prioritize enforcing the new Pillar 3 ESG disclosure requirements for banks amid ongoing uncertainty. The decision comes as the EU's forthcoming Omnibus initiative may significantly reshape sustainability reporting standards. This temporary enforcement hold aims to prevent overlap, reduce compliance strain - especially on smaller institutions - and allow time for clearer, streamlined rules.

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EFRAG Releases Proposed Simplified European Sustainability Reporting Standards



EFRAG published revised Exposure Drafts of the European Sustainability Reporting Standards (ESRS), marking a significant simplification of EU sustainability reporting under the Corporate Sustainability Reporting Directive (CSRD). The updates eliminate all voluntary disclosures and cut total reporting datapoints by 68%, far exceeding earlier reduction estimates. This effort is part of the European Commission's Omnibus simplification package, aimed at easing the regulatory burden while maintaining alignment with key frameworks like CSDDD, the Taxonomy Regulation, and CBAM.

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China Releases New Green Finance Taxonomy

China's top financial regulators unveiled a unified Green Finance Endorsed Project Catalogue—merging separate standards for green bonds and loans into one framework (excluding equities). Effective October 1, the taxonomy expands eligible projects to include energy conservation, carbon reduction, ecological restoration, resource recycling, plus new categories like green services, trade, and consumption. The move is aimed at boosting market liquidity, cutting identification costs, and streamlining green investment across the financial system.

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Germany Approves Ambitious Bill to Fast-Track Carbon Storage Infrastructure

Germany's federal cabinet approved a reform bill designating CO₂ capture, transport, and storage projects as matters of "overriding public interest," significantly streamlining planning and approval processes. The law allows industries like cement, lime, and gas-fired power to store CO₂ offshore, under the seabed, or inland, and permits repurposing existing gas pipelines for CO₂ transport. This ambitious move accelerates the country's path to carbon neutrality by 2045 while supporting its hard-to-decarbonize sectors.

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Qatar Expands Green Finance Strategy with First Sovereign Green Bonds



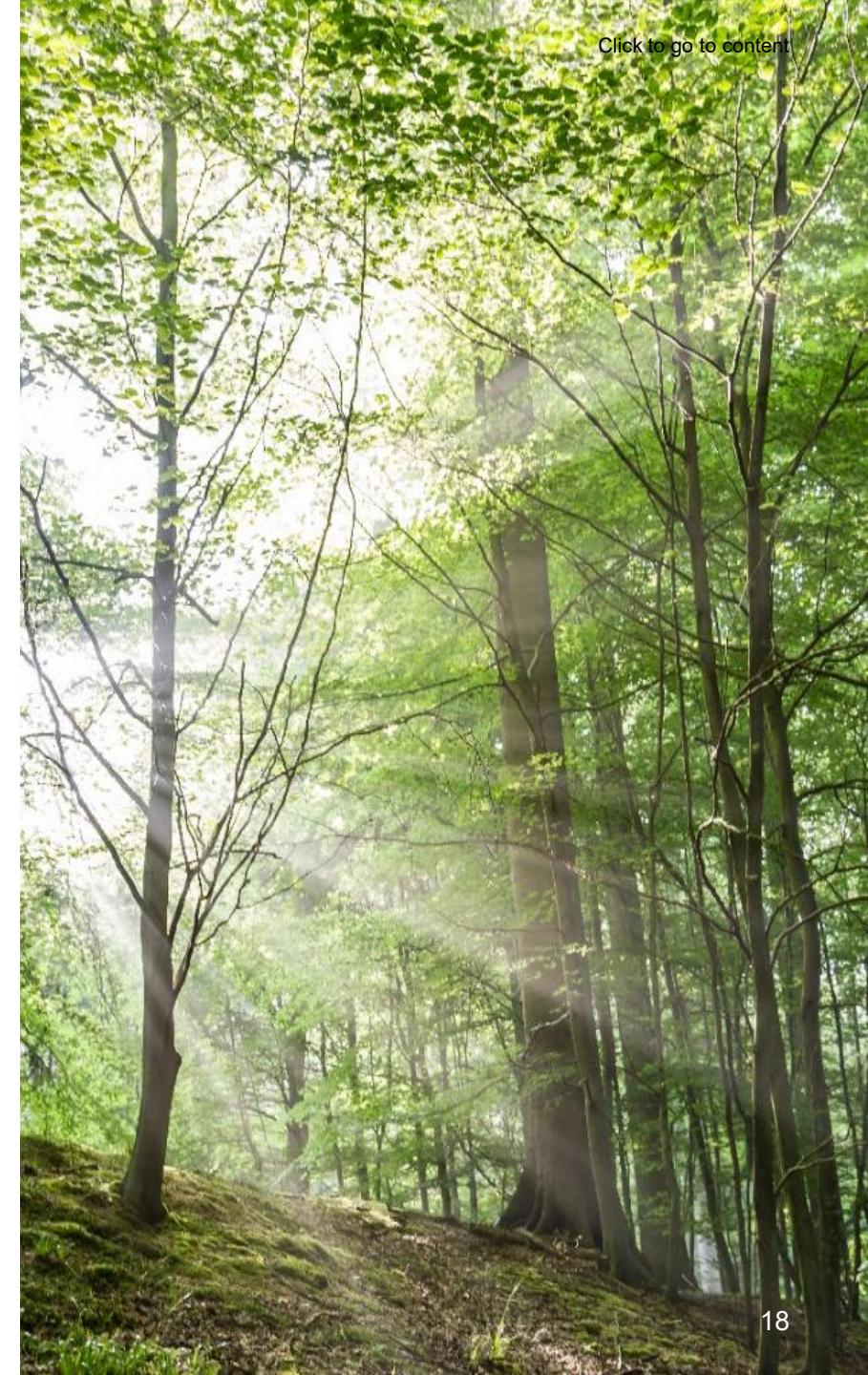
Qatar launched its first-ever sovereign green bonds, issuing a USD 2.5bn dual-tranche offering - USD 1bn over five years and USD 1.5bn over ten - with record-low spreads for the Middle East, Central & Eastern Europe, and Africa. The issuance drew over USD 14bn in demand, more than 5.6 times the amount offered, and was honored as “Deal of the Year” at the Global Banking and Markets: Middle East Awards 2025. Qatar has also updated its sovereign green assets register and released its first green bond allocation report to elevate transparency and accountability in its sustainable finance strategy.

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ICVCM Approves Verra's Biochar and Forest Carbon Methods for High-Integrity Credits

The Integrity Council for the Voluntary Carbon Market (ICVCM) endorsed Verra's biochar and forest management methodologies as meeting its high-integrity Core Carbon Principles. The biochar method locks carbon for centuries, while the forest approach uses dynamic baselines based on real-world data to improve accuracy. This marks a major step forward for nature-based carbon solutions and strengthens confidence in high-integrity credits.

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SBTi highlights Asia's leadership in rapid growth of validated science-based targets worldwide



Between late 2023 and mid-2025, the number of companies committing to both near-term and net-zero science-based targets surged by 227%, effectively more than tripling, while near-term targets alone saw a 97% increase. Asia emerged as the fastest-growing region, with a 134% rise in companies adopting validated targets, where China led the way with a staggering 228% increase. Industrials, Consumer Discretionary, and Materials sectors dominate adoption, pushing the global shift toward credible, strategic climate planning.

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Plastic pollution treaty talks adjourned without consensus

After 10 days of intense negotiations in Geneva, Intergovernmental Negotiating Committee (INC) talks to forge a legally binding global treaty on plastic pollution were adjourned without agreement, reflecting deep divisions over production limits versus waste management. Despite this setback, UNEP Executive Director Inger Andersen confirmed that member states remain committed to continuing the process and refining their positions. The session's ambitious agenda - spanning design standards, hazardous chemicals, finance, and compliance - highlighted the complexity ahead, even as resolve to reach a deal persists.

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Global Finance Hubs Compete to Dominate Green Investment

London, Abu Dhabi, and Singapore advanced their roles in sustainable finance with new bond programs, regulatory incentives, and major climate funds. London's Transition Finance Council anchors its green finance ambitions, Abu Dhabi's USD 30bn Alterra fund targets emerging markets, and Singapore is pushing an Asia taxonomy and carbon-credit infrastructure. Together these hubs are competing to capture a sustainable finance market expected to reach trillions by the 2030s.

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China to Impose Absolute Carbon Emissions Caps by 2027

China plans to introduce absolute caps on carbon emissions within its national emissions trading system (ETS) starting in 2027. According to a statement from the State Council and the Central Committee of the Communist Party, the new limits will initially apply to sectors with relatively stable emission levels. This move marks a transition from intensity-based metrics to fixed emission thresholds, bringing China's ETS closer to international standards and enhancing its effectiveness in reducing greenhouse gases. The shift is expected to improve transparency, strengthen market confidence, and support China's long-term goal of achieving carbon neutrality by 2060. By 2030, the ETS system is expected to be fully established at the national level.

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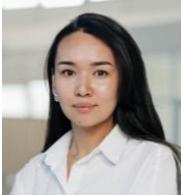
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