

THE GREEN CLOCK

ESG MATTERS

MONTHLY NEWSLETTER

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Editor's Note

Dear Readers,

Welcome to the Seventh Edition Vol. 2 of our newsletter, '**The Green Clock: ESG Matters**'. As the global focus on sustainability intensifies, businesses increasingly recognise the importance of integrating ESG considerations into their operations. From reducing carbon footprints to enhancing social impact, companies embrace a more holistic approach to value creation beyond financial performance. This edition explores the latest trends, developments, and best practices in sustainability and responsible corporate conduct. We also look closely at key sustainability trends shaping the business world, from the rise of renewable energy to the growing emphasis on diversity and inclusion. We hope you find this edition of our newsletter informative and inspiring as we journey towards a more sustainable and responsible future.

Warm regards,

[T S Vishwanath]

Beyond Compliance: How SMEs Can Ride the ESG Wave

Environmental, Social, and Governance (ESG) frameworks are increasingly shaping the way businesses operate across the globe. In India, the conversation has largely been centred on large corporations, especially since SEBI's Business Responsibility and Sustainability Reporting (BRSR) requirements have made ESG disclosure mandatory for the top 1,000 listed entities. However, the future of ESG adoption in India will not depend on listed companies alone. With micro, small, and medium enterprises (MSMEs) contributing nearly 30 percent to India's GDP¹ and employing over 110 million people, their participation is indispensable. The challenge lies in helping SMEs integrate ESG principles despite their limited financial, human, and technological resources.

For SMEs, ESG often appears as an additional compliance burden, something meant for larger firms with global investors. Yet, the reality is that ESG can be a driver of competitiveness and resilience. Supply chain linkages are a prime example. Many Indian SMEs act as suppliers to large corporations that are themselves bound by ESG commitments. Multinational companies increasingly demand ESG alignment across their value chains, covering carbon footprint, labour practices, and governance standards. For SMEs, adopting ESG practices is not just about pleasing regulators but also about staying relevant in global and domestic supply chains.



Practical integration of ESG in SMEs begins with small, measurable steps rather than sweeping overhauls. On the environmental front, SMEs can focus on improving energy efficiency, managing waste better, and adopting affordable renewable solutions like rooftop solar. Even basic measures such as switching to energy-efficient machinery or digitising invoices to cut down paper use can make a cumulative difference. Social impact can be strengthened through simple initiatives such as ensuring occupational health and safety, providing skill training to workers, and encouraging diversity in hiring. Governance,

often overlooked, can start with maintaining transparent financial records, adopting codes of conduct, and setting up basic grievance redressal mechanisms.

¹ <https://www.pib.gov.in/PressNoteDetails.aspx?NotelId=154772&ModuleId=3>

Globally, some promising models demonstrate how SMEs can embrace ESG in resource-light ways. In Germany, the Mittelstand (small and medium-sized businesses) have leveraged industry associations and regional clusters to share ESG resources, cutting down individual costs. In Japan, SMEs have benefited from government-supported ESG toolkits that standardise reporting and practices. Indian industry associations like CII and FICCI are beginning to create ESG frameworks tailored for smaller businesses, while banks are experimenting with sustainability-linked loans that reward SMEs for achieving specific ESG milestones.

Technology can also be a powerful enabler. Cloud-based ESG reporting tools, affordable carbon calculators, and digital compliance platforms are making ESG adoption less costly and more accessible. As ESG-focused investors and lenders increase in India, SMEs that can demonstrate sustainable practices will gain preferential access to finance, strengthening their long-term viability.

The key, therefore, is to shift the narrative for SMEs from compliance to competitiveness. Instead of positioning ESG as a regulatory checkbox, it should be seen as a pathway to market access, risk resilience, and brand credibility. For policymakers, this means creating capacity-building programs, subsidised technology access, and simplified ESG disclosure templates tailored to SMEs. For larger corporations, it means extending mentorship and incentives to suppliers who align with ESG goals.



India's sustainability journey cannot be carried forward by big business alone. SMEs, with their deep linkages to communities and industries, must become active participants in this transformation. By starting small, leveraging collective support, and reframing ESG as a growth strategy, SMEs can ride the ESG wave not just to survive in a changing economy, but to thrive in it.

heavily dependent on fossil fuels. As Indian firms increasingly tap global financing for decarbonisation, alignment with such evolving standards will be crucial.

Philippines Plans Carbon Credit Policy for Energy Sector



The Philippines is drafting a Carbon Credit Policy for its energy sector to strengthen its role in international carbon markets and accelerate the clean energy transition. The policy, led by the Department of Energy, will set rules for generating and trading credits while aligning with Paris Agreement commitments. It aims to attract private investment into renewables and emissions-reduction projects, building on a 2024 carbon credit pact with Singapore. A public consultation with 120 stakeholders was scheduled for August 19, 2025, to

finalise roles, responsibilities, and mechanisms for implementation.

For Indian businesses, this development highlights how emerging economies are positioning themselves in global carbon markets with clear, sector-specific frameworks. While India has introduced the Carbon Credit Trading Scheme (CCTS) in 2023, the Philippines' proactive focus on international cooperation and private sector mobilisation could set competitive benchmarks

News From India

Macquarie, GCF Back USD 405 Million EV Push in India

Macquarie Asset Management (MAM) has raised USD 405 million for Vertelo, its India-based fleet electrification platform, which is its largest EV investment in Asia to date. The raise includes USD 200 million in concessional capital from the Green Climate Fund (GCF) and USD 205 million from institutional investors such as Allianz Global Investors, Australian Ethical, and MAM's Green Energy Transition Solutions Fund. Vertelo, launched in April 2024, offers end-to-end EV fleet services covering leasing and financing, charging infrastructure, fleet management, energy



optimisation, and end-of-life solutions. It has already partnered with leading OEMs, including Tata Motors, MG Motors, JBM, Switch Mobility, Eicher Volvo, and Eka Mobility.

For Indian businesses, this deal underscores how blended finance models mixing concessional and commercial capital are unlocking large-scale climate investments in emerging markets. The funding provides both capital depth and de-risking, signalling confidence in India's EV transition. For SMEs in logistics, transport operators, and component suppliers, Vertelo's expansion could create new opportunities to integrate into the growing EV ecosystem. At the same time, it highlights the importance of credibility and scale in attracting international climate finance lessons that could inform how Indian companies structure future decarbonisation and clean mobility projects.

AWS, Gentari Ink PPA for 80MW Wind Project in Tamil Nadu



Gentari and Amazon Web Services (AWS) have signed a Power Purchase Agreement for an 80MW wind project in Tamil Nadu, expected to generate 300,000 MWh of renewable energy annually starting mid-2027. The deal builds on the companies' 2023 collaboration to scale utility-scale clean energy and supports AWS's global net-zero 2040 target alongside Gentari's mission to deliver practical, scalable renewable solutions.

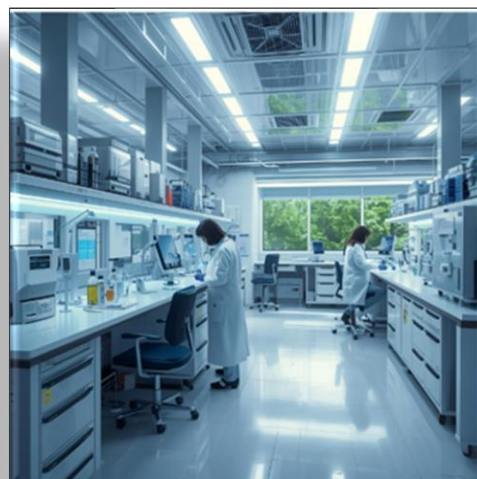
For India, the agreement highlights how big tech and global energy players are deepening commitments to India's renewable ecosystem, leveraging long-term PPAs to drive clean capacity additions. Such partnerships not only help meet corporate climate targets but also create downstream opportunities for Indian developers, suppliers, and grid service providers. As global firms increasingly localise their decarbonisation strategies, Indian businesses across the energy and technology value chain stand to benefit from the credibility, financing, and scale these collaborations bring.

India's First ESG Lab Launched in Mumbai

Maharashtra Chief Minister Devendra Fadnavis unveiled India's first-ever Environmental, Social, and Governance (ESG) Lab in Mumbai, urging students to gear up for a rapidly evolving, technology-driven future shaped by climate change, AI, and quantum computing. The lab, inaugurated during a robotics competition organised by STEM Learning and Brilio at the P. L.

Deshpande Academy in Prabhadevi, aims to foster sustainability-focused education through hands-on learning and innovation. event.

This groundbreaking initiative signals the growing recognition that ESG is being embedded in education and innovation frameworks across India. Companies can begin engaging with ESG curriculum initiatives in universities and institutions, offering mentorship, internships, or project collaboration opportunities. This aligns them with India's broader sustainability trajectory and ensures their long-term competitiveness in a future where ESG fluency is increasingly a baseline expectation.





VeK is a policy advisory and research firm, distinguished by its data-driven approach to analyse policy and regulatory developments in India and globally. For Further Information, please contact: Leah Miriam George, Senior Associate at +91 7994722955 or email at leah@vekpolicy.com



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