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POLICY ADVISORY & RESEARCH

THE GREEN CLOCK

ESG MATTERS

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Contents

Editor's Note

Dear Readers,

This edition brings together some of the most consequential shifts shaping global sustainability, trade, and clean-energy markets. The EU's struggle to meet its Green Deal target on organic agriculture underscores a widening gap between ambition and implementation. However, it also creates strategic openings for exporters like India that can meet rising demand with credible certification and robust traceability.

Across Asia and the Middle East, carbon markets are rapidly evolving: Indonesia's massive project pipeline and Saudi Arabia's doubling market signal a new era of competition where only high-integrity credits will thrive. For businesses, this calls for stronger Measurement, Reporting, and Verification (MRV) systems, better climate-risk strategy, and a readiness to engage with multiple emerging carbon hubs.

At home, India's clean-energy and green-industry transition is accelerating. From Hindustan Zinc's low-carbon EcoZen metal to MNRE's push for grid-integrated renewable systems and Jharkhand's ambitions in EVs and energy storage, the domestic landscape is shifting from incremental progress to structural transformation. Together, these developments highlight a clear message: competitiveness in the coming decade will rest on sustainability leadership, technological readiness, and the ability to align with global market expectations.

I encourage readers to share their feedback and suggestions on the Newsletter to make it more useful.

Warm regards,
[T S Vishwanath]

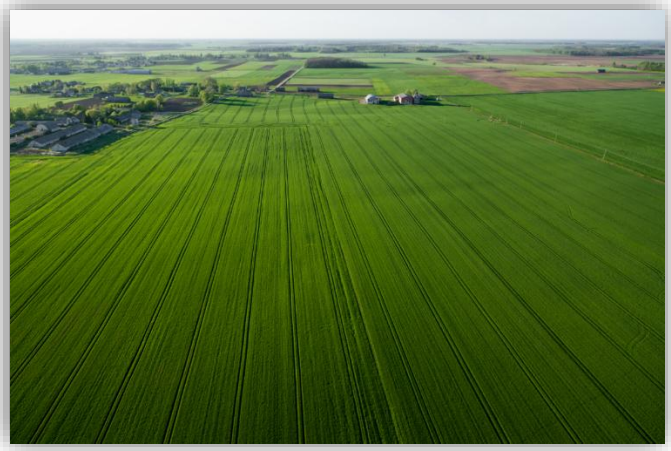
Feature Story

EU's Green Deal's Target Slipping Away Despite Increase in Organic Farmland[1]

The EU's Green Deal's 25% target of organic farmland by 2030 seems far away, despite its steady increase to 10.8% of total agricultural area. This could provide India with the opportunity to significantly expand exports of organic spices, tea, rice, herbs, millets, and processed foods.

EU unlikely to meet its target for organic land under the Green Deal

The European Environment Agency (EEA) reports that organic farming in the EU has grown from 5.9% of agricultural land in 2012 to 10.8% in 2023, covering around 17.4 million hectares. Despite this progress, the EU is unlikely to meet its 25% target for organic land under the Green Deal by 2030. According to the EEA, the growth rate needs to more than double — from a compound annual rate of 5.7% (2012–2023) to 12.7% through 2030 — requiring conversion of 3.26 million hectares per year.



While countries like Austria (27%), Estonia (22.8%), Portugal (22.5%), and Italy (18.8%) are among the leaders in organic share, others, such as Malta, Bulgaria, Ireland, and Poland, lag far behind. The EEA warns that current policy support and demand are unstable — with declining figures in some member states in 2023 — and calls for more strategic, ambitious measures to accelerate the shift.

Potential Implications for Exporters in India

A. Export Opportunity: With the EU far behind its goal of 25% organic farmland by 2030, Europe will continue depending on imported organic products. India can significantly expand exports of organic spices, tea, rice, herbs, millets, and processed foods.

B. Chance to Position India as a Global Organic Processing Hub: Since the EU will not meet its domestic production needs, European industries will keep importing ingredients. India can move from raw produce to value-added organic processing, such as spice blends, herbal extracts, oils, and organic packaged foods—capturing higher margins.

[1] Agriculture, more EU land goes organic, but Green Deal target is at risk. Source: https://www.eunews.it/en/2025/11/04/agriculture-more-eu-land-goes-organic-but-green-deal-target-is-at-risk/

News From the World

Indonesia Goes Big on Carbon: Massive 40-Project Pipeline to Shake Up Global Market[2]

Indonesia plans to showcase 40 major carbon-credit projects at COP30, targeting the sale of over 90 million credits across forestry, energy, and waste sectors. For countries like India, this surge in supply is expected to intensify competition and raise the bar for project quality, MRV systems, and integrity standards across emerging economies.

Indonesia reviving its carbon market

Indonesia has announced plans to bring in 40 carbon projects offering more than 90 million credits for sale, covering forestry, energy, and waste sectors at the COP30 climate summit. The move comes as Indonesia seeks to revive its carbon market and attract international investment ahead of the summit in Belém.

These projects are positioned for both domestic and potentially global crediting mechanisms, signaling Indonesia's ambition to play a major role in the voluntary carbon market and nature-based mitigation. The initiative reflects growing interest in "forest credits" and large-scale issuance events. For stakeholders—especially exporters of any sectors, including agriculture or forestry—this indicates both opportunities (for credit revenue) and risks (regulation, market integrity) as carbon-market architecture evolves.

Implications for Businesses in India

Opportunities for India: Indonesia's aggressive expansion of carbon-credit supply has direct competitive implications for India. In view of the initiative, India must strengthen quality, transparency, and MRV to remain competitive in the voluntary carbon market.

[2] COP30: Indonesia lines up 40 carbon projects, targets 90 million credits for sale. Source: https://carbon-pulse.com/452734/

Saudi Arabia's Carbon Market Set to Double by 2026

Saudi Arabia's voluntary carbon market is projected to reach approximately 15 million credits traded by end-2026, effectively doubling current volumes. This rapid scaling signals that Gulf region carbon-credit supply and pricing dynamics will shift significantly — with implications for Indian exporters, climate-finance practices and regional competition.

Saudi expected to trade 15 million credits by the end of 2026

Saudi Arabia's voluntary carbon-credit trading platform, run by Voluntary Carbon Market Co. (a joint venture between the Public Investment Fund and the Saudi stock exchange), expects to trade 15 million credits by end-2026, effectively doubling its current size.[3]

The exchange is part of Saudi Arabia's broader net-zero by 2060 strategy. According to acting CEO Fadi Saadeh, the platform now hosts companies that together account for around 70% of Saudi corporate emissions, along with international firms from Brazil, China, France, Japan, and the U.S. To help participants, the company has also launched an advisory service that guides corporations on using carbon credits within their net-zero plans.

Implications for Businesses in India

- *Export risk mitigation & value-chain branding*: Indian exporters of manufactured goods (especially high-carbon inputs) will increasingly need to show credible offsetting or low-carbon sourcing to appeal to global buyers. The rise of alternative carbon-market hubs means Indian firms cannot rely solely on domestic or European mechanisms. They must integrate global developments in their carbon-risk strategy.
- *Need to build domestic carbon-market readiness*: Indian businesses should monitor policy shifts, engage in capacity-building (MRV, verification, digital traceability) and consider how international carbon markets affect their export competitiveness or sourcing risks.

[3] Saudi carbon market projected to double trading volumes, https://www.semafor.com/article/11/03/2025/saudi-carbon-market-projected-to-double-in-2026

Green and Growing: ESG Resilience Signals a New Investment Normal in APAC[4]

ESG adoption among Asia-Pacific (APAC) investors remains high, with 97% of those already in ESG strategies staying committed despite market headwinds. In comparison, global ESG adoption stands at 87%. Key investment themes driving this resilience include energy transition, nature-related issues and artificial intelligence, indicating that ESG is now embedded in strategic investment planning.

APAC shows remarkable resilience in ESG adoption

According to Capital Group's ESG Global Study 2025, ESG investing remains deeply entrenched among Asia-Pacific (APAC) investors: 97% of those already using ESG strategies plan to maintain or increase their ESG allocations over the next year. This shows remarkable resilience given that global ESG adoption has dipped slightly from its 2023–24 peak (from 90% to 87%).

The biggest perceived risks to ESG investments in the near term are geopolitical instability (81%), global economic headwinds (67%), and regulatory changes (62%).

Investors are also observed to be refining their ESG approaches: nearly half (48%) now apply ESG criteria to private markets. Key investment themes include energy transition, water, and health. Nature-based strategies are especially popular in APAC, with 71% of respondents engaging on nature issues.

Implications for Indian businesses

- *Stronger Demand for ESG-Compliant Suppliers*: With APAC investors showing resilience in ESG commitments, Indian companies that demonstrate strong ESG credentials—such as low-carbon operations, transparent governance and sustainable sourcing will be better positioned to attract investment and participate in supply chains.
- *Need for Reliable ESG Data and Compliance*: With investment decisions hinging on credible ESG data, Indian companies must enhance measurement, reporting and verification systems. Weak or opaque ESG claims may exclude them from capital or partnership opportunities.
- *Risk of Lagging if ESG is Not Treated as Core of Business*: For Indian businesses, treating ESG as a peripheral function rather than integrated into strategy may lead to missed opportunities in investment, procurement and partnerships as regional investors continue to value ESG resilience.

[4] Study finds ESG resilience among Apac investors, https://fundselectorasia.com/study-finds-esg-resilience-among-apac-investors/

News From India

EcoZen: India's First Green Zinc Revolution Cuts Carbon by 75%

Hindustan Zinc has launched a new low-carbon zinc brand, 'EcoZen', that reduces carbon emissions by over 75% compared to conventional zinc. Produced using renewable energy and backed by certified life-cycle assessments, it offers a greener alternative for galvanised steel and industrial applications.

Launch of lower-carbon-intensity brand by Hindustan Zinc

Hindustan Zinc has introduced **EcoZen**, Asia's first low-carbon zinc, which delivers over 75% lower carbon intensity compared to conventional zinc.[5] Produced using renewable energy and certified under REACH standards, EcoZen is designed for clean supply chains in industries like automotive, renewable energy, and infrastructure. For every tonne of EcoZen-galvanised steel, it helps avoid around **400 kg of CO_2 emissions**.

This innovation reflects the company's commitment to sustainable and circular manufacturing. EcoZen maintains high performance and strength, making it a viable green-metal alternative without compromising quality. With a distribution network spanning over 40 countries, Hindustan Zinc aims to scale EcoZen globally, supporting industrial decarbonization and contributing to climate-friendly manufacturing.

Implications for Indian businesses

- *Availability of low-carbon materials*: Businesses (especially in steel, construction, automotive, and infrastructure) now have access to a zinc product that significantly reduces embedded carbon in their materials. This enables them to make stronger sustainability claims, comply with tightening regulations (domestic & international), and appeal to environmentally conscious buyers.
- *Export advantage*: With global markets demanding lower-carbon footprint materials, Indian businesses that adopt EcoZen or similar products may gain export advantages (e.g., eco-labelling, green procurement criteria, tender advantages). This also aligns with India's "Viksit Bharat" vision of clean industrial growth.

[5] EcoZen by Hindustan Zinc Reduces Carbon Footprint by over 75%. Source: https://www.constructionworld.in/policy-updates-and-economic-news/ecozen-by-hindustan-zinc-reduces-carbon-footprint-by-over-75--/81047

India's Clean Energy Shift: From Capacity Boom to Smart Integration

India's renewable-energy strategy is entering a new phase by shifting to deeper integration, grid readiness, energy storage and dispatchability. This transition emphasises building a resilient clean-energy architecture to support the target of 500 GW+ of non-fossil capacity by 2030. This is expected to create new opportunities in storage, grid services and sustainable power procurement.

India's approach to renewable energy shifting from megawatts added to systems integration

After years of record additions in solar and wind generation, India's renewable-energy sector is now pivoting from "megawatts added" to "systems integrated." The Ministry of New and Renewable Energy (MNRE) has acknowledged this shift, noting that future growth will depend less on simply building capacity and more on ensuring the grid can absorb, dispatch and manage clean power reliably.[6]

Key elements of this new phase include strengthening transmission and distribution infrastructure, building large-scale energy-storage and hybrid platforms, upgrading market and regulatory frameworks (such as Renewable Purchase Obligations), and enhancing domestic manufacturing of critical components. The aim is to underpin India's ambitious goal of more than 500 GW of non-fossil energy by 2030 with robustness in system operations, not just scale of deployment.

Implications for Businesses in India

- *Opportunity for storage, hybrid, and grid-services businesses*: Companies in battery manufacturing, inverter systems, hybrid solar+wind+storage plants, micro-grids and grid-balancing services are positioned to benefit strongly. As the emphasis moves to integration and dispatchability, demand for such technologies will ramp up.
- *Supply-chain and manufacturing push*: With the shift toward system maturity, localisation of manufacturing (solar modules, batteries, storage systems, grid-hardware) becomes key. Indian businesses in component manufacturing, EPC, O&M and adjacent services will find increased demand and incentives.

[6] India's Renewable Energy Integration Strategy Enters a New Phase. Source: https://www.businessworld.in/article/india-s-renewable-energy-integration-strategy-enters-a-new-phase-578318

- *New business models emerge*: Aggregated rooftop storage systems, demand-response services, virtual power plants, and circular economy models (reuse of batteries, second-life storage) will become more prominent—presenting avenues for SMEs and service providers.

Jharkhand Poised to Become India's EV and Battery Powerhouse

A new report by the Institute for Energy Economics and Financial Analysis (IEEFA) — 'Jharkhand's Just Transition: A roadmap for economic growth and diversification' reveals that Jharkhand has the potential to become a major manufacturing hub for electric vehicles (EVs), batteries and energy storage systems (ESS). The study projects a net gain of around ₹6.7 lakh crore to the state's budget by 2070 if the transition is managed well.

Jharkhand emerging as India's EV and Battery Powerhouse

Jharkhand is making its case for the next wave of India's clean-manufacturing transformation.[7] According to a report by the Institute for Energy Economics and Financial Analysis (IEEFA), the state's combination of heavy-industry infrastructure, critical-mineral endowments, and growing renewable-energy capacity position it ideally to become a national hub for EV manufacturing, battery production and large-scale energy-storage systems.

This pivot also aligns with India's broader push to build domestic supply chains for next-generation mobility and clean-energy infrastructure.

Implications for Indian Businesses

- *Manufacturing & Supply-Chain Opportunities*: Businesses in EV component manufacturing, battery cell production, energy-storage system (ESS) manufacture and ancillary supply-chains (casing, modules, wiring, BMS) stand to gain by setting up in or partnering with operations in Jharkhand. The state's mineral base (e.g., for lithium, cobalt, and manganese) and industrial infrastructure add advantage.
- *Export & Domestic Growth*: For businesses targeting global markets, setting up manufacturing in Jharkhand may help access both domestic demand (rising EV uptake in India) and exports, especially as global trade tensions push buyers toward diversified, India-based supply chains.

[7] Jharkhand can emerge as hub of EVs, battery energy storage systems: Report. Source: https://www.deccanherald.com/india/jharkhand/jharkhand-can-emerge-as-hub-of-evs-battery-energy-storage-systems-report-3785603

Upcoming International Climate Change Events

Major Upcoming Climate Change & Events in December 2025

1. World Conference on Climate Change and Global Warming (WCCCGW), 5 December 2025, Giza, Egypt.
2. UN Environment Assembly – UNEA-7, (Focus: Advancing sustainable solutions, resilient ecosystems, technology for environmental risk management), 8–12 December 2025, Nairobi, Kenya
3. International Conference on Climate Change & Biodiversity Conservation, 12 December 2025, Melbourne, Australia.
4. 10th Global Summit on Climate Change, 17–18 December 2025, Paris, France.
5. International Conference on Climate Change and Global Warming (ICCCGW). 25–26 December 2025, Bangkok, Thailand.

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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: Suresh P. Singh, Senior Director at +91 94607 36459 or email at suresh@vekpolicy.com