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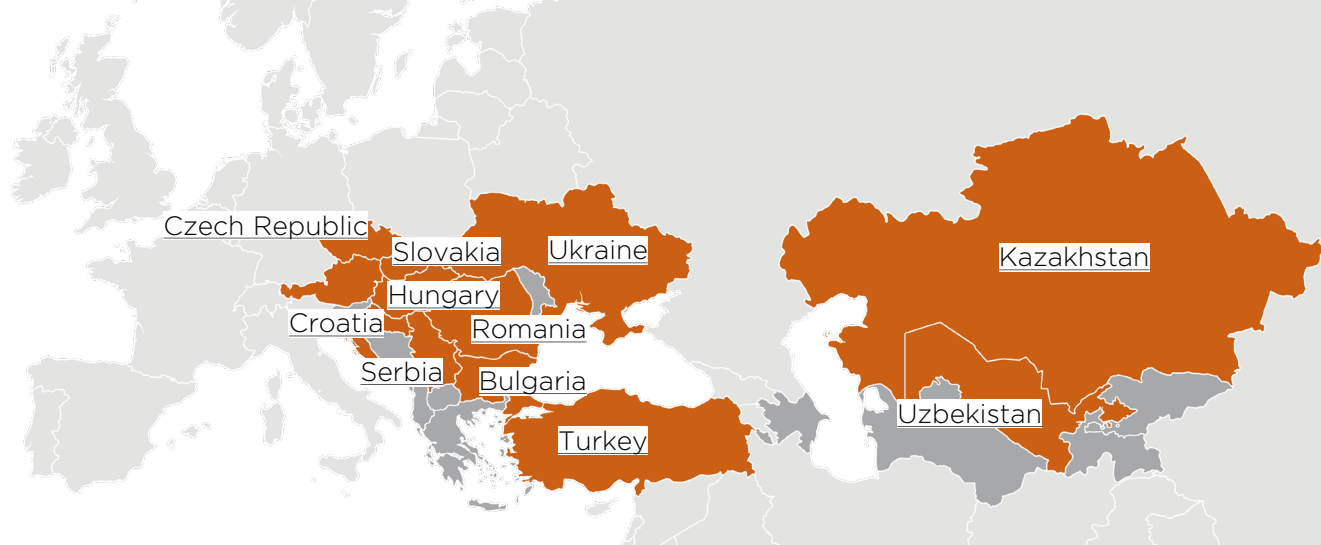
**KINSTELLAR**

## **ESG legal update:** Central and Eastern Europe and Central Asia regions

OVERVIEW OF OTHER KEY ESG AREAS 

This issue brings together **key ESG developments** from across our region, thanks to the insights of our local experts.

Click on each jurisdiction on the map to jump directly to its ESG update. ↓



## ESG in CEE and Central Asia : Regulatory Uncertainty and the Impact of Omnibus I

The end of 2024 and the beginning of 2025 marked a period of uncertainty in the ESG regulatory landscape. Across both Kinstellar's EU and non-EU jurisdictions, stakeholders awaited the **Omnibus I package**, expected to introduce significant changes to ESG compliance and reporting frameworks.

The release of **Omnibus I** in late February 2025, the implementation of key directives, particularly the **Corporate Sustainability Reporting Directive (CSRD)** and the **Corporate Sustainability Due Diligence Directive (CSDDD)**, all brought new uncertainties. Regulators are now reassessing their legislative roadmaps, with potential delays in national transpositions and even postponements of already implemented ESG regulations.

## Shared ESG Challenges and Collaborative Efforts Across Jurisdictions

This quarter's ESG developments highlight several common challenges and coordinated efforts across the region, both in Kinstellar's EU Member States and non-EU jurisdictions such as Kazakhstan, Ukraine, Turkey, Serbia and Uzbekistan.

**Delays in Sustainability Reporting** - In Bulgaria, CSRD implementation has been delayed by one year, impacting the reporting obligations of large public-interest companies and SMEs. Meanwhile, Ukraine is gradually phasing in sustainability reporting obligations by 2030.

**Energy and Climate Policy Alignment** - Countries such as Romania, Serbia, and Slovakia are refining their National Energy and Climate Plans (NECPs), while Uzbekistan has declared 2025 the "Year of Environmental Protection and Green Economy", with a focus on expanding renewable energy.

**Cross-Border Green Initiatives** - Regional collaboration is evident in projects such as the Green Energy Corridor, connecting Azerbaijan, Georgia, Romania, and Hungary, and the Kazakhstan-Uzbekistan renewable energy initiatives, both aimed at enhancing energy security and the reduction of carbon footprints.

**Industrial and Carbon Compliance Adjustments** - Countries such as Serbia and Turkey are preparing for the impact of the EU Carbon Border Adjustment Mechanism (CBAM), which will impose new requirements on exports into the EU.

As **Omnibus I** reshapes the regulatory environment for ESG compliance, Kinstellar will continue to track local legislative responses across both Kinstellar's EU and non-EU jurisdictions. Our future newsletters will provide jurisdiction-specific updates on the evolving regulatory landscape throughout 2025.

**For insights into how these changes may impact your business, feel free to reach out to our team.**

## Bulgaria

### National energy and climate plan (NECP)

In accordance with the requirements of Regulation (EU) 2018/1999 and the applicable national legislation, Bulgaria has prepared a draft updated NECP for the period 2021-2030, which defines national goals across five areas - decarbonization, energy efficiency, energy security, the internal energy market, as well as scientific research, innovation, and competitiveness.

The updated version of the plan has been published on the [website](#) of the European Commission and reflects numerous proposals received during the preliminary consultations and exchanges with the European Commission, as well as through active and constructive dialogue with all interested parties, namely representatives of business, the non-governmental sector, academia, and neighbouring countries.

This current version of IPEC is undergoing an environmental assessment procedure, and upon successful completion, will be submitted for approval to the Council of Ministers.

### Delayed commencement of reporting under CSRD

On 19 February 2025, the Bulgarian Parliament adopted an amendment to the Accountancy Act through which sustainability reporting, as required under the CSRD, was delayed by one year. After these amendments, large public-interest companies that have more than 500 employees will have to prepare their first sustainability reports for the year 2025 instead of 2024. Other large enterprises will follow with their first reports covering 2026 instead of 2025, and the last group covering small and medium enterprises will prepare their first sustainability reports covering 2027 instead of 2026. The amendments to the Accountancy Act have been promulgated in the Bulgarian State Gazette and entered into force on 28 February 2025.

## Croatia

### Circular economy advancements

The Croatian Ministry of Economy and Sustainable Development has unveiled a the principle of extended producer responsibility (EPR) comprehensive Waste Management Plan for the period 2023 to 2028. A key component of this plan is the introduction of a Regulation on Waste Management Fees and Return Fees, which is expected to be adopted in the first half of 2025. This regulation is designed to calculate fees for waste management through the principle of extended producer responsibility (EPR).

The scope of the regulation covers a wide range of products, including tires, vehicles, electrical and electronic devices, oils, batteries, accumulators, packaging, single-use plastic products, and plastic-containing fishing gear. The goal is to ensure that producers take responsibility for the lifecycle of their products, from creation through to disposal.



## Green financing initiatives

In late November 2024, the European Investment Bank (EIB) announced the provision of an EUR 200 million loan to the Croatian Bank for Reconstruction and Development (HBOR). This significant funding initiative is aimed at supporting Croatian small and medium-sized enterprises (SMEs), mid-sized companies (Mid-Caps), and public entities involved in projects that address climate change and promote environmental sustainability.

The loan is designed to foster investments in green projects, enabling businesses and organizations to adopt more sustainable practices. The funding will specifically support initiatives that focus on reducing carbon emissions, improving energy efficiency, and accelerating the transition to renewable energy sources. Through this partnership, the EIB and HBOR aim to strengthen Croatia's environmental sustainability efforts, particularly within the private and public sectors, by offering financial resources to those who are striving to meet climate-related goals.

## Sustainability reporting requirements

In early 2025, Croatia took a significant step towards enhancing corporate transparency and accountability by introducing mandatory sustainability reporting for businesses. Initially, the requirement applies to 50 selected companies, with the Ministry of Finance publishing a list of these entities. These companies are now obligated to submit comprehensive sustainability reports for the fiscal year starting January 1, 2024.

# Czech Republic

## Corporate Sustainability Due Diligence Directive (CSDDD) Transposition

In December 2024 the Czech government approved its legislative plan for 2025. According to the current schedule the Ministry of Justice is drafting a bill that transposes the obligations of the Corporate Sustainability Due Diligence Directive (EU) 2024/1760 (CSDDD). The proposed Act on Corporate Due Diligence in Sustainability is scheduled to be submitted to the government by October 2025.

## Corporate Sustainability Reporting Directive (CSRD) Transposition

The amendment to the Accounting Act transposing the last set of obligations under the Corporate Sustainability Reporting Directive (EU) 2022/2464 (CSRD) (which has yet to be fully transposed into Czech law and which was submitted to Parliament at the end of August 2024) has finally begun to be debated. The draft legislation passed its first reading in February 2025 and will be subject to a second reading following the Budget Committee's deliberations in March.

However, it remains unclear how the recent proposals by the EU Commission on the ESG omnibus package will affect the above-specified transposition acts, in particular due to the proposed postponements of the transposition deadline for the CSDDD and of the postponement of the reporting obligation under the CSRD.

## Significant Emissions Reductions

Preliminary data from the National Inventory Report for 2023, published by the Ministry of the Environment, indicates a record 15% decrease in annual emissions, equivalent to 99 million tons of CO<sub>2</sub>. This marks the largest year-on-year reduction since the 1990s.

The energy sector contributed a 7-million-ton decrease, while industry and construction reduced emissions by 3 million tons. However, emissions from transport continued to rise. The overall emissions drop aligns the Czech Republic with its European climate commitments, with further reductions needed to reach the 2030 target of 85.7 million tons. Since 1990, emissions have already fallen by 47% and the Czech Republic is on track to achieve its target of at least a 55% reduction by 2030, which is in line with European green transformation targets.

## Approval of the Updated National Energy and Climate Plan (NECP)

The government has approved the National Energy and Climate Plan (NECP) for 2021-2030, aligning Czech policy with the EU's "Fit for 55" package. This strategic document does not introduce any new obligations, but summarizes the measures necessary for the Czech Republic to meet its existing commitments to reduce greenhouse gas emissions and modernize the energy sector.

The plan targets a minimum share of 30.1% for renewable energy sources and sets the phase-out of coal for electricity and heat production by 2033. Key measures include the expansion of renewable energy, especially wind power, the decarbonization of centralized heat production, and the development of nuclear energy, including the use of small modular reactors. A new reactor at Dukovany should be operational by 2036 and additional reactors at Temelín by 2039 and 2041. The plan also includes provisions for hydrogen imports and carbon capture technologies.

## Hungary

### Changes to Environmental Product Fees and the Extended Producer Responsibility (EPR) System

As of 2025, Hungary has implemented significant regulatory changes to its environmental product fees and Extended Producer Responsibility (EPR) system. For product streams subject to EPR obligations, environmental product fees have been eliminated, thereby reducing redundant administrative burdens.

### Introduction of Selective Textile Waste Collection

In accordance with European Union regulations, selective textile waste collection has become mandatory in Hungary from 2025. MOHU MOL Hulladékgazdálkodási Zrt., the Hungarian waste management concessionaire, is responsible for coordinating collection schemes through the EPR system. The majority of collected textile waste will either be recycled or utilized for energy production.

## Amendment to the ESG Act

From 2025, the obligation to prepare sustainability reports is extended to include large private enterprises in addition to publicly listed companies, while excluding corporate investments and exposures from its scope. For large enterprises of public interest, the scope assessment will now cover the previous two financial years. Companies must report contracts with ESG contributors within 15 days, conduct annual risk assessments, and have any modified ESG reports audited. Additionally, they are required to provide free training programs for their suppliers, and materiality assessments must be made public unless they compromise trade secrets. The Supervisory Authority for Regulated Activities will publish ESG reports annually by September 30.

## Kazakhstan

### Adoption of a Water Code

On 5 March 2025, the Kazakhstan Parliament adopted a new Water Code, aimed at prioritizing the protection of water resources and introducing the principle of water conservation. The Code establishes five key principles, including rational water use, the economic value of resources, and public involvement in water management. Additionally, the Code mandates the development of a Master Plan for Integrated Water Resources Management and compulsory safety measures for hydraulic structures. Amendments have also been introduced to address climate change, including flood and drought management algorithms.

### Nuclear Power Plant Construction

In October 2024, Kazakhstan held a referendum, in which the majority of citizens supported the construction of a nuclear power plant (NPP) to meet the country's growing electricity needs. As of February 2025, the Interdepartmental Commission for the Development of the Nuclear Industry continues to evaluate proposals from leading global suppliers of reactor technology. The shortlist includes CNNC (China), Rosatom (Russia), KHNP (South Korea), and EDF (France), each offering different reactor technologies. Key priorities for the project include safety, reliability, and environmental sustainability of the future NPP.

## Romania

### Updates to the National Hydrogen Strategy

The National Hydrogen Strategy (the "NHS") was subject to public debate on 3 February 2025 and is now in the final stages of its strategic environmental assessment ("SEA"). Various environmental experts and governmental representatives attended the debate, which featured presentations on the main findings and conclusions of both the environmental report and the appropriate assessment study for the NHS. This public debate marks the final phase of the SEA procedure, after which the Ministry of Environment, Water, and Forests will issue the respective environmental permits.

## Corporate Sustainability Reporting Directive (CSRD) Transposition

On 5 March 2025, a Decree Promulgating the Law transposing Article 2 of the Corporate Sustainability Reporting Directive (CSRD) was published in the Official Gazette of Romania. It will enter into force on 15 March 2025. While the companies' reporting obligation had already been incorporated into Romanian law as of 26 January 2024, additional legislation had to be adopted to finalise the legal framework under the CSRD. The European Commission initiated infringement proceedings against Romania for failing to fully transpose the directive. With this legislative step, Romania aims to meet CSRD requirements in order to avoid sanctions stemming from infringement procedures.

## Energy strategy for 2025-2035

In November 2024, the Romanian Government adopted a Government Decision approving Romania's Energy Strategy for 2025-2035, with a perspective extending to 2050. The new Romanian Energy Strategy for 2025-2035 sets out the vision and fundamental objectives for the development of the national energy sector.

The strategy aims to develop the energy sector observing conditions with respect to security, accessibility and sustainability, ensuring economic competitiveness, and aligning with EU climate targets for 2030, 2040 and 2050.

## Progress on the Green Corridor project

In recent months, significant progress has been made on the Green Corridor project, which aims to construct a direct electricity cable connecting Azerbaijan, Georgia, Romania, and Hungary. In January 2025, the Romanian National Electricity Transmission Company Transelectrica S.A. ("Transelectrica") announced registration with the Trade Registry of a joint venture GECO Power Company - Green Energy Corridor Power Company, a limited liability company based in Romania. This company, managed by an Azerbaijani national, will be jointly controlled by Transelectrica, Azerbaijan's state energy company Azerenerji, Georgia's transmission and system operator JSC Georgian State Electrosystem (GSE), and Hungary's state energy conglomerate MVM and will implement the Green Corridor project.

Recently, the 10th session of the Ministerial/Steering Committee for implementing the "Strategic Partnership Agreement on the Development and Transmission of Green Energy between the Governments of the Republic of Azerbaijan, Georgia, Romania, and Hungary" took place in Budapest. The committee reviewed the development of Azerbaijan's renewable energy potential, the progress and prospects of the Green Corridor project, and issues related to the activities of the Green Energy Corridor Energy Company (GECO). The discussions also included Bulgaria's participation in the project, the current status of the technical and economic feasibility study conducted by CESI, and cooperation with the European Union on project financing



## Serbia

### Release of an Integrated National Energy and Climate Plan

Serbia is taking significant steps towards a sustainable future with the release of its Integrated National Energy and Climate Plan (INECP), outlining targets up to 2030 and a vision for 2050. This plan emphasises reducing greenhouse gas emissions, increasing energy efficiency, and promoting renewable energy sources. Key objectives include a 40% reduction in carbon emissions and expanding renewable energy's share to 45% by 2030, positioning Serbia towards completion of green transition targets.

As part of the objectives set in the INECP, the Ministry of Mining and Energy has completed the second round of auctions for the allocation of market premiums for renewable energy projects, which were announced in November 2024. The 424.8 MW quota for solar and wind power plants was awarded successfully.

### Impact of CBAM on export

With the EU's recent adoption of the Carbon Border Adjustment Mechanism (CBAM), Serbian industries that export to the EU will face new environmental compliance requirements. The CBAM imposes carbon-related tariffs on imports from non-EU countries, encouraging alignment with the EU's strict carbon regulations. Serbian businesses, particularly in energy-intensive sectors, are likely to face additional costs if they fail to adopt sustainable practices.

The CBAM brings immediate responsibilities for Serbian exporters, particularly in sectors such as steel, cement, fertilisers, and electricity. From 2023, companies in these industries must begin reporting their embedded carbon emissions on goods exported to the EU. While CBAM's full implementation with tariffs starts in 2026, Serbian companies must take immediate steps to meet reporting standards, such as calculating their direct and indirect emissions and preparing documentation to comply with the EU's rigorous transparency requirements.

Failure to comply with these new standards could result in additional tariffs, reducing competitiveness in the EU market. As CBAM ramps up, Serbian businesses will benefit from enhancing carbon reduction measures and developing strategic compliance processes, signalling their commitment to sustainable practices and securing their position in the EU marketplace.

### Impact of CSRD on businesses in Serbia

The CSRD has significant implications for Serbian businesses that have substantial activities or subsidiaries in the EU or those in the supply chains of EU-based companies. Serbian-based companies with EU ties will likely need to align their sustainability reporting with CSRD standards to maintain business relations with EU counterparts. This includes adopting transparent reporting practices on issues such as carbon emissions, labour practices, and governance risks which are also central to Serbia's national sustainability objectives.

While Serbia currently does not have a local equivalent to the CSRD, reporting obligations exist for large undertakings under the Serbian Accounting Law related to ESG. Presently, further alignment with CSRD standards may help Serbian companies meet EU expectations, gain a competitive edge, and attract ESG-focused investors looking for regional compliance with EU sustainability principles.

### **Industrial Emission Directive (IED Directive) Transposition**

In February 2025, the Ministry of Environmental Protection announced the preparation of a draft for a new Law on Integrated Pollution Prevention and Control.

The goal of adopting this new law is to align Serbia's legislative framework with the IED Directive, one of the key EU instruments regulating pollutant emissions from industrial facilities.

It is expected that the adoption of the new law will lead to a significant improvement in environmental protections against industrial pollution. The law will also enable the issuance of permits through a simplified procedure by applying general mandatory rules, and introduce an integrated approach that considers the overall environmental impact of facilities, ensuring a high level of environmental protection as a whole.

### **New Waste Prevention Plan: A Step Toward Sustainable Development**

In February 2025, the government adopted the Waste Prevention Plan, one of the strategic documents in waste management regulation, aimed at promoting the development of green technologies, new industries, and employment opportunities in the recycling sector, encouraging repairs, and sustainable product design.

With the adoption of this plan, Serbia has implemented the relevant provisions of the EU Waste Framework Directive.

### **Serbia Expands Green Bond Market with New Issuance**

Serbia has established its Green Bond Framework to ensure transparency and alignment with international standards for financing environmentally sustainable projects. The framework outlines criteria for project selection, allocation of funds, and reporting, reinforcing Serbia's commitment to responsible investment in renewable energy, energy efficiency, and sustainable infrastructure.

Serbia is advancing sustainable financing via a new corporate green bond issuance, demonstrating its commitment to environmental initiatives. This issuance is expected to draw interest from domestic and international investors, with funds directed toward projects in renewable energy, energy efficiency, and sustainable infrastructure.

## Slovakia

### Innovation and modernisation of water reservoirs

On 18 December 2024, the Government of the Slovak Republic passed a [resolution](#) with the title “Potential for the construction of pumped storage hydropower plants in Slovakia” aimed at improving Slovakia’s energy stability. The document approved by the government highlights a focus on the better use of the hydropower potential of the existing water infrastructure. One of the options is the modernisation of the existing Málinec reservoir with a suitable profile emerging at Detvianska Huta. The entire project is to be financially covered by the state authority responsible for the building and operation of waterworks in Slovakia, namely Vodohospodárska výstavba, from its own resources and without any impact on the state budget.

### Act on certain measures in the field of environmental burdens

An [amendment](#), currently subject to the legislative process aims to clarify the mechanism for determining the obliged person for the removal of environmental burdens. Under current laws the costs of such removal are borne by the originator, or obliged person; and, under certain conditions also by the state. The amendment specifies the mechanism for determining the obliged person, for example, in cases of the transfer of ownership of land on which an environmental burden is located and also the mechanism for determining the amount of any excess aid consisting in an increase in the value of the rehabilitated land, which the state is subsequently obliged to recover from its owner.

### Agreement with Switzerland for EUR 23 million to support national parks

The Ministry of Environment has [announced](#) cooperation that will bring an investment of EUR 22.9 million for the development of tourism, environmental education and biodiversity improvement in nine national parks in Slovakia. The financial contribution of EUR 22.9 million from a Swiss programme will be divided into two key areas - the development of sustainable tourism and the creation of supporting infrastructure; this will lead to the reconstruction of 13 information centres, field stations and eco-centres, including the construction of one new visitor centre in Červený Kláštor.

## Turkey

### Climate Law Proposal

Turkey’s first Climate Law (the “Climate Law Proposal”), which had long been awaited for legislative approval, was recently submitted to the Turkish Grand National Assembly by the Ministry of Environment, Urbanization, and Climate. The Climate Law Proposal sets out the basic principles of equity, climate justice, sustainability and transparency in the fight against climate change and introduces technical regulations for critical sectors such as the urbanisation, agriculture and food security. By implementing preventive measures, the Climate Law Proposal takes key steps toward achieving Turkey’s Green Development Vision and 2053 Net Zero Emission Target.

The Climate Law Proposal provides a detailed regulation on the establishment and functions of the Climate Change Presidency, along with the administrative units responsible for addressing climate-related issues. Under the Climate Law Proposal, the Climate Change Presidency will be responsible for overseeing greenhouse gas emissions reduction and climate change adaptation activities in line with the EU's Carbon Border Adjustment Mechanism and establish an Emissions Trading Scheme. Climate Change Coordination Committees, expected to become fully operational by the end of 2027 at the latest, will be established in each province with the participation of local governments and will prepare local climate change action plans.

One of the key innovations of the Climate Law Proposal is the establishment of a Border Carbon Regulatory Mechanism to oversee and regulate carbon emissions associated with imported goods within Turkey's Customs Territory. The reporting, scope, content, procedures, and principles related to this mechanism will be determined by the Ministry of Trade. Beyond promoting environmental sustainability, Turkey also aims to maintain its competitive advantage in international trade and prevent potential trade barriers by aligning with the European Union's carbon regulations.

### Regulation on the Management of Industrial Emissions

Turkey has taken another step forward in environmental protection by introducing a Regulation on the Management of Industrial Emissions, published in the Official Gazette dated January 14, 2025, and numbered 32782 (the "Emission Regulation"). The Emission Regulation, aligned with the European Union's Directive 2010/75/EU on Industrial Emissions, aims to reduce air, water, soil, noise, and odour pollution at the source by adopting integrated pollution prevention and control methods to minimize environmental impact. In this context, the Emission Regulation mandates that industrial facilities within its scope (e.g. those in the energy, metal, mineral, chemical, waste management, textiles, automotive, leather, paper, food, and livestock sectors) obtain a Green Transformation Certificate.

Industrial facilities will be assessed on their environmental performance in accordance with internationally recognized Best Available Techniques. Based on the evaluation results, they will be classified into grades A to F, and Green Transformation Certificates will be issued accordingly. These certificates, valid for five years, must be renewed periodically.

## Ukraine

On 1 February 2025, the **Law of Ukraine reintroducing the mandatory Monitoring, Reporting and Verification (MRV) of GHG Emissions**, came into effect. The mandatory MRV of GHG Emissions was suspended due to the declaration of martial law in Ukraine. Its reintroduction is an important precondition for establishing a Ukrainian GHG Emissions Trading System and industrial decarbonization, which is in line with EU approaches. The law restored obligations for those operating installations that produce or may produce GHG emissions, specifically concerning the MRV of GHG Emissions, and established certain exceptions.

In particular, installations that are not subject to controls, or have been damaged/destroyed, or are located on territories subject to temporary occupation, or which have officially announced the suspension of production, are outside of the scope of the law. Operators need not submit reports for 2021-2023, while reports for 2024 can be submitted by the end of 2025.

**A Strategy for the Implementation of Sustainability Reporting of 18 October 2024**, which aims to introduce sustainability reporting in Ukraine by 2030, has been published. For the first stage of the Strategy, the implementation two strategic goals has been set: developing a legislative framework (1) for the preparation and submission of sustainable development reporting in Ukraine in accordance with the ESRS; and (2) auditing, including control over quality. In addition, the Ukrainian Government has adopted the Steps Plan for the implementation of the Strategy up to 2026, pursuant to which a unified electronic format for sustainability reporting will be developed by September 2025. In line with the Strategy, the Ministry of Finance of Ukraine has prepared a **draft law on Amendments to the Law of Ukraine on Bookkeeping and Financial Reporting** and proposes to introduce the mandatory preparation, submission and publishing of reports on sustainable development by certain categories of legal entities. Specifically, the in-scope entities will be:

- ✓ large enterprises; medium-sized enterprises whose securities are admitted to trading on a regulated capital market; small enterprises whose securities are admitted to trading on a regulated capital market;
- ✓ and parent enterprises of large groups. The reporting obligation will be introduced gradually, with the first reporting period for the large legal entities being 2026, with 2028 being the first reporting year for the small and medium-sized enterprises.

On 29 November 2024, the Government of Ukraine adopted an **Order** outlining the **tasks for the achievement of Sustainable Development Goals up to 2030, and the relevant indicators**. The indicators form an important part of national policies and have to be taken into account by state agencies while developing program documents and regulatory acts. The indicators have to be monitored on an annual basis and the Ministries designated as coordinators of these activities, will have to submit annual reports on the status of progress towards the Sustainable Development Goals.

## Uzbekistan

### National policy on a green economy

Under Presidential Decree No. 16, dated 30 January 2025 (the “**Decree**”), 2025 was declared the “Year of Environmental Protection and Green Economy” in Uzbekistan.

The Decree outlines a comprehensive strategy to promote sustainability and green development in various sectors that include:

- increasing the share of renewable energy sources in electricity generation to 26% and in the total electricity generation capacity structure to 40% by the end of 2025;



- requiring five major industrial joint-stock companies with state participation, including Uzbekistan Airways, Uzbekistan Airports, Uzbekneftegaz, Almalyk Mining and Metallurgical Complex, and Navoi Mining and Metallurgical Company, to prepare and publish ESG reports by the end of 2025;
- establishing pilot industrial zones focused on environmentally friendly production in the Samarkand and Fergana regions;
- attracting consultants with expertise in environmental and green development issues;
- developing eco-passports and environmental master plans for regions and cities, as well as introducing an environmental rating system.

Additionally, the Decree sets a target for the minimum share of “green components” in regional and sectoral investment programmes, which should be at least 15% from 2025, rising to 30% by 2027, and reaching at least 55% by 2030.

### Introduction of “green companies”

The Decree stipulates that starting from 1 September 2025, a special certification platform for “green companies” will be introduced.

The criteria for obtaining “green company” status include:

- landscaping – establishing green belts and implementing drip, sprinkler, and container (bag) irrigation systems;
- energy efficiency – using energy-efficient equipment and energy-saving technologies;
- environmental impact reduction – implementing online monitoring of atmospheric emissions and implementation of pollution control measures;
- circular economy principles (7R) – integrating strategies such as Rethink, Refuse, Reduce, Reuse, Repair, Regift, and Recycle.

Certified “green companies” are set to benefit from a number of advantages, based on procedures yet to be adopted:

- exemption from environmental inspections;
- support for international market promotions;
- priority access to green property development projects on the Transparent Construction (in Uzbek: Shaffof Qurilish) platform;
- subsidies in the form of reimbursement of incurred costs: (a) for the installation of air monitoring stations (50%) and (b) for the installation of dust collectors, gas and water filters (70%).



## How we can help

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ESG represents the everyday world of compliance, risk assessment, litigation, deal-making and proactive strategy-building that organisations need to embrace in order to remain relevant, purposeful, and attractive to customers and investors. ESG issues form a critical part of decision-making processes in an increasing number of companies, their boards, and with investors worldwide. The expanding reach of regulatory requirements, combined with the growing public awareness of ESG issues, is causing companies across virtually every industry and sector to rethink their strategies and priorities.

From assessing and mitigating ESG risk, to capitalising on concrete ESG opportunities, Kinstellar's approach is both holistic and tailored to each industry sector that we cover. What's more, our own commitment to ESG values is central to our firm's culture and sets us apart from competitors.





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