



Meijburg & Co  
Tax & Legal

# KPMG ESG Tax Tracker

Enabling informed decision-making  
in a world undergoing rapid  
regulatory transformation

July 2025



# Companies face an accelerating climate policy challenge

Governments must fulfill their commitment to reduce greenhouse gas emissions as they strive to control and mitigate climate change

Current global policies are drastically inadequate. They will result in:

 **8.8%**

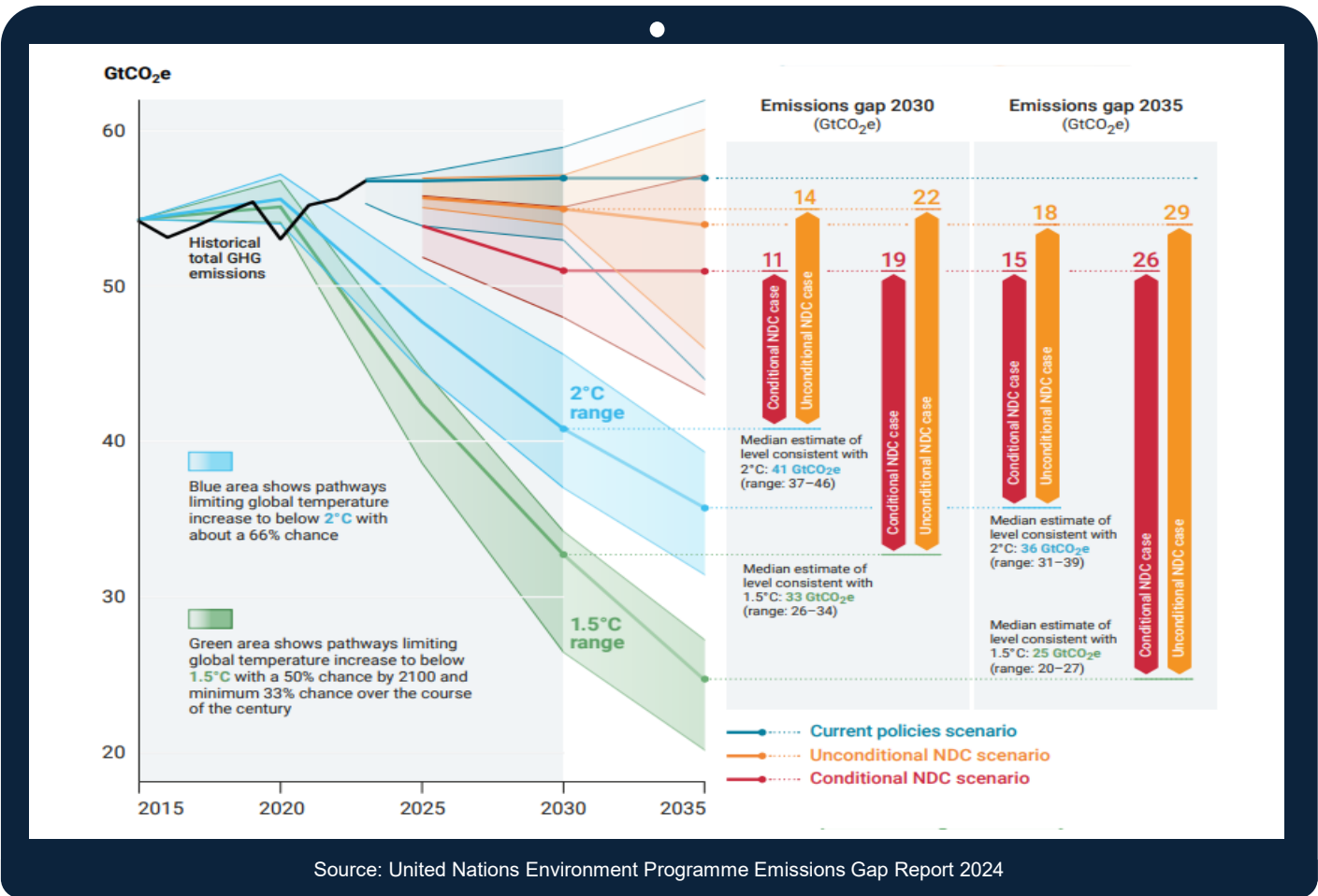
increase in global emissions by 2030 compared with 2010 levels, based on current commitments in Nationally Determined Contributions

 **Over 3°C**

global warming compared with pre-industrial levels, based on currently implemented policies. Need to achieve 1.5°C to avoid the most catastrophic effects of climate change

A review of **1,500 climate policies** in 41 countries concluded that effective policy interventions might have reduced emissions by **0.6 to 1.8 GtCO<sub>2</sub>** compared to a scenario with no action.

Policy instruments that were implemented are carbon pricing, subsidies, building codes, energy efficiency



**\$187 – 359 bn**

is the annual adaptation finance gap quoted by UN

## Major reform in the pipeline

Many governments are already considering similar measures to ground-breaking climate policies such as the EU Carbon Border Adjustment Mechanism and US Inflation Reduction Act. This will have implications across complex supply chains, well beyond the implementing jurisdiction.



# Strategic ESG tax insights: Global developments and fiscal trends

In the evolving landscape of global sustainability, the intersection of tax policy and ESG imperatives has emerged as a critical lever for driving systemic change. Governments and multilateral institutions have accelerated the integration of ESG principles into fiscal frameworks, introducing a suite of tax measures designed to incentivize sustainable investment, penalize environmentally detrimental practices, and enhance transparency in corporate governance over past 12 months. This slide provides a curated overview of the most salient ESG-related tax developments during this period, offering strategic insights for tax professionals and ESG consultants navigating this dynamic regulatory environment..



01

## ESG-aligned fiscal measure in EU

- The EC allocated €992 million to boost the production of renewable hydrogen throughout the EEA under EU ETS.
- The EU Green Deal Industrial Plan earmarked €250 billion in state aid, tax-based incentives and subsidies for clean tech manufacturing.

02

## Key announcements and global pledges

- The Global Energy Storage Pledge aims to mobilize \$100 billion in tax credits and subsidies for grid resilience by 2030.
- OECD BEPS Pillar 2 implementation includes ESG-aligned minimum tax rules affecting 135+ jurisdictions.

03

## Actions: International Carbon Market Standards

- The UN Carbon Market Standards under Article 6 are expected to facilitate \$50 billion in cross-border carbon credit trades by 2027.

04

## COP 29: Key developments

- A new climate finance target agreed in COP29, setting an ambitious goal to mobilize \$300 billion annually by 2035—tripling the previous commitment.
- Proposals to levies on hard-to-abate sectors such as airlines and shipping to incentivize cleaner technologies and more sustainable logistics and travel.

**USD 1.3 trillion** is intended to be mobilized annually by 2035 from public and private sources to support developing countries, ensuring coordinated efforts to scale up climate finance under New Collective Quantified Goal (NCQG).

Distribution of Green Climate Fund approval in 2025 by finance type



Grant-based finance leads climate fund approvals in 2025, reflecting a strategic shift toward non-debt instruments for equitable and resilient climate action.

**Source:** “Project Portfolio”, Green Climate Fund, [Link](#); “THINGS TO KNOW ABOUT CLIMATE FINANCE”, Heinrich Böll Foundation, 2025, [Link](#); “Sovereign ESG Data Portal”, World Bank Group, [Link](#); “Top-down Climate Finance Needs”, Climate Policy Initiative, 2025, [Link](#); all accessed on 21 May 2025

# Global developments in ESG-related taxes, incentives and grants

**The KPMG ESG Tax Tracker provides insight into the global ESG and Sustainability landscape for taxes, incentives and grants.**

Within this rapidly changing regulatory landscape, governments across the globe are introducing tax measures and incentives to positively influence behaviors that are impacting the environment and contributing to climate change. From a global perspective, we are seeing the implementation of environmental taxes, such as new carbon and plastic taxes, the expansion of the scope of carbon pricing systems, and various funding opportunities to support green investments, such as sustainable energy transitions.

Companies must not only remain compliant, but should also take advantage of the accompanying incentives and grants available to them. To this end, the KPMG ESG Tax Tracker provides insight into the global ESG landscape with regard to environmental taxes, incentives and government grants. Does Japan have a carbon tax? Has the Italian plastic tax been delayed again? What corporate tax relief does Nigeria have for renewable energy providers? KPMG's ESG Tax Tracker provides answers to all these questions and more.

The ESG Tax Tracker not only details existing legislation, but also contains information regarding upcoming regulations that are under consideration by governments through formal political processes or are in the process of being promulgated. In addition, by using the in-depth information gathered from our in-country subject-matter

specialists, we can help you understand and monitor regulatory developments, and critically assess the related opportunities and underlying obligations. We can help you remain abreast of these developments to ensure that your business is ideally positioned in this ever-changing environment.

The ESG Tax Tracker, which is regularly updated, is based on our global ESG Regulatory Database, covers more than 80 countries and leverages off our global network and ESG specialists. Should you wish to obtain information about a jurisdiction that does not appear in the database, please contact your local designated KPMG advisor or one of the specialists listed at the end of this document.

*Taxes, incentives and grants are only included in our tracker if applicable in six or more jurisdictions. The KPMG ESG Tax Tracker contains high level information that is subject to change and has been compiled to the best knowledge and with the best efforts of KPMG professionals. Please note that legislation is currently changing rapidly, which means that certain information may be outdated.*





# KPMG ESG Tax Tracker – Updated version July 2025 (1)

	(In)direct taxes					Carbon pricing		Environmental taxes										Incentives				
	Personal income tax (deductions/ relief/ benefits)	Corporate income tax (deductions/ relief/ benefits)	VAT (exemptions & reductions)	Excise duty (refunds/ exemptions/ reductions)	Wage tax & wage relief	Carbon tax	CO2 pricing	Waste tax & landfill tax	Energy / Electricity tax	Coal tax	Water tax & water usage fee	Air passenger tax	Tax on greenhouse gases	Petroleum fuel tax	Plastics tax	Air pollution tax	Vehicle tax (exemptions & concessions)	Renewable energy (consumers)	Sustainable energy (producers)	Electric vehicles	New innovative projects and environmentally friendly investments	Green power and CHP/photovoltaic installations
<div><div></div> Implemented</div> <div><div></div> Considered</div> <div><div></div> n/a</div>																						
EMEA																						
Albania																						
Algeria																						
Angola																						
Armenia																						
Austria																						
Belgium																						
Cyprus																						
Croatia																						
Czech Republic																						
Denmark																						
Estonia																						
European Union																						
Finland																						
France																						
Germany																						
Ghana																						
Gibraltar																						
Greece																						
Greenland																						
Hungary																						
Ireland																						
Israel																						
Italy																						
Jordan																						
Kuwait																						

# KPMG ESG Tax Tracker – Updated version July 2025 (2)

	(In)direct taxes					Carbon pricing		Environmental taxes										Incentives				
	Personal income tax (deductions/ relief/ benefits)	Corporate income tax (deductions/ relief/ benefits)	VAT (exemptions & reductions)	Excise duty (refunds/ exemptions/ reductions)	Wage tax & wage relief	Carbon tax	CO2 pricing	Waste tax & landfill tax	Energy / Electricity tax	Coal tax	Water tax & water usage fee	Air passenger tax	Tax on greenhouse gases	Petroleum fuel tax	Plastics tax	Air pollution tax	Vehicle tax (exemptions & concessions)	Renewable energy (consumers)	Sustainable energy (producers)	Electric vehicles	New innovative projects and environmentally friendly investments	Green power and CHP/photovoltaic installations
● Implemented ● Considered ● n/a																						
EMEA (continued)																						
Latvia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Lithuania	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Luxembourg	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Malta	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Monaco	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Netherlands	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Nigeria	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Norway	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Poland	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Portugal	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Romania	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Rwanda	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Saudi Arabia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Serbia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Slovakia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Slovenia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
South Africa	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Spain	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Sweden	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Switzerland	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Tunisia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Türkiye	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Ukraine	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
United Kingdom	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Zimbabwe	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

# KPMG ESG Tax Tracker – Updated version July 2025 (3)

	(In)direct taxes					Carbon pricing		Environmental taxes										Incentives				
	Personal income tax (deductions/ relief/ benefits)	Corporate income tax (deductions/ relief/ benefits)	VAT (exemptions & reductions)	Excise duty (refunds/ exemptions/ reductions)	Wage tax & wage relief	Carbon tax	CO2 pricing	Waste tax & landfill tax	Energy / Electricity tax	Coal tax	Water tax & water usage fee	Air passenger tax	Tax on greenhouse gases	Petroleum fuel tax	Plastics tax	Air pollution tax	Vehicle tax (exemptions & concessions)	Renewable energy (consumers)	Sustainable energy (producers)	Electric vehicles	New innovative projects and environmentally friendly investments	Green power and CHP/photovoltaic installations
<div> <span>●</span> Implemented           <span>●</span> Considered           <span>●</span> n/a         </div>																						
AMERICAS																						
Argentina	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Barbados	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Brazil	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Canada	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Chile	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Colombia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Costa Rica	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Dominican Republic	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Mexico	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Panama	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Peru	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
USA	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Uruguay	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Venezuela	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Peru	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
ASPAC																						
Australia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Bahrain	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Bangladesh	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Cambodia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
China	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Hong Kong	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
India	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Indonesia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

# KPMG ESG Tax Tracker – Updated version July 2025 (4)

	(In)direct taxes					Carbon pricing		Environmental taxes										Incentives				
	Personal income tax (deductions/ relief/ benefits)	Corporate income tax (deductions/ relief/ benefits)	VAT (exemptions & reductions)	Excise duty (refunds/ exemptions/ reductions)	Wage tax & wage relief	Carbon tax	CO2 pricing	Waste tax & landfill tax	Energy / Electricity tax	Coal tax	Water tax & water usage fee	Air passenger tax	Tax on greenhouse gases	Petroleum fuel tax	Plastics tax	Air pollution tax	Vehicle tax (exemptions & concessions)	Renewable energy (consumers)	Sustainable energy (producers)	Electric vehicles	New innovative projects and environmentally friendly investments	Green power and CHP/photovoltaic installations
<div> <span>●</span> Implemented           <span>●</span> Considered           <span>●</span> n/a         </div>																						
<b>ASPAC (continued)</b>																						
Japan	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Lao People's Democratic Republic	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Malaysia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Mongolia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Myanmar	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
New Zealand	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Pakistan	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Papua New Guinea	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Singapore	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Sri Lanka	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
South Korea	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Taiwan	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Thailand	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Vietnam	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●





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## Why KPMG?

### Business Lens

KPMG's tax, incentives and climate policy experts advise you on your operations and supply chains, supporting an understanding of your exposure to ESG tax regulations and climate policy changes. This allows you to formulate strategic decisions in line with business needs and regulatory requirements.

### Full Spectrum Coverage

KPMG provides client-specific advice and detailed analysis of ESG tax regulations in different markets, offering holistic insights from tax and climate policy experts and a comprehensive summary of a broad range of ESG tax regulations and climate policies. Additionally, we provide insights on ESG tax coverage as well as an analysis of the anticipated impact on clients.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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