LOCALISING ESG ORIENTED MANAGEMENT PRACTICES FOR INDUSTRIAL ENTERPRISES IN UZBEKISTAN

Iminova Nargizaxon Akramovna
Tashkent University of Information Technologies
named after Muhammad al-Khwarizmi
Head of the Department of Economics in the ICT Sector, Professor

Abstract. The paper discusses how environmental, social, and governance practices can be adapted to the operating conditions of industrial enterprises in Uzbekistan. Direct adoption of an extensive international indicator set may create a reporting burden without improving decisions. A staged localisation framework is proposed. It begins with material resource, workforce, and governance risks, links each indicator to existing enterprise data, and expands disclosure as data quality improves. The framework treats ESG information as a management input for economic resilience rather than as a separate reporting exercise.

Keywords: ESG, industrial enterprise, localisation, sustainability disclosure, economic resilience, Uzbekistan.

Introduction

Industrial enterprises face growing expectations to explain how environmental, social, and governance factors affect their performance. International standards provide a common language for disclosure, but enterprises differ in technology, ownership, regulation, data maturity, and access to finance. A long indicator list copied from another market may produce formal reporting without helping managers identify the most important risks.

This paper proposes a staged approach to localising ESG-oriented management practices for industrial enterprises in Uzbekistan. The analysis is conceptual and draws on sustainability disclosure standards, responsible business guidance, and the operating features of capital-intensive enterprises. Localisation is understood as the selection and adjustment of material indicators while preserving transparent definitions and comparable evidence.

Localisation framework

The first principle is materiality. An enterprise should begin with factors that can influence cash flows, access to finance, operating continuity, asset life, regulatory compliance, or stakeholder relations. For an energy or heavy-industry enterprise, these factors may include energy losses, fuel or electricity consumption, emissions, water use, occupational safety, workforce skills, procurement controls, and oversight of major investment projects.

The second principle is data feasibility. Each indicator should be tied to an existing document, meter, information system, or controlled survey. If an indicator cannot be reproduced or reconciled, it should remain outside external disclosure until the collection process is improved. The third principle is decision linkage. A reported value must correspond to an owner and a management action, such as an efficiency project, maintenance decision, safety intervention, supplier review, or investment revision.

Table 1

Staged localisation of ESG-oriented practices

Area	Initial local focus	Management use
Environmental	Energy and water intensity, losses, emissions, waste	Efficiency projects and compliance planning

© 2026 London International Monthly Conference on Multidisciplinary Research and Innovation. All Rights Reserved.

Social	Occupational safety, skills, turnover, critical staffing	Workforce and operational continuity decisions
Governance	Risk ownership, procurement controls, investment oversight	Accountability and capital allocation
Disclosure	Definitions, source data, reporting boundary	Consistent internal and external reporting

Source: developed by the author based on IFRS S1, IFRS S2, and OECD guidance.

Implementation can follow three stages. During the first stage, the enterprise establishes a baseline for a small set of material indicators and assigns data owners. During the second stage, ESG indicators are incorporated into budgeting, investment appraisal, procurement, and risk reporting. During the third stage, the enterprise expands external disclosure, compares performance over time, and introduces internal or external assurance where appropriate. Progression should depend on data reliability rather than on a fixed number of indicators.

Economic resilience provides a practical connection between ESG and core management. Lower energy intensity can reduce operating cost and exposure to resource constraints. Better safety management can limit downtime and compensation costs. Stronger investment oversight can reduce delays and unplanned expenditure. These outcomes are not automatic; they depend on the quality of the selected project and the way the indicator is used in decisions. For this reason, enterprises should avoid presenting every ESG activity as a direct financial benefit.

Conditions for application in Uzbekistan

Uzbek industrial enterprises often combine legacy assets, major modernisation needs, regulated elements, and financing from public or international sources. A workable ESG system should therefore align with existing accounting, environmental, labour-safety, and investment-control processes. Parallel reporting structures increase cost and can create inconsistent values. A single indicator dictionary and a common reporting calendar can reduce this risk.

The board or supervisory body should approve the material topics and review performance at least annually. Operating units should remain responsible for source data, while finance or sustainability staff coordinate definitions and consolidation. Internal audit can test whether reported values are traceable to source records. Where the enterprise lacks a mature digital system, a controlled manual process is acceptable at the initial stage, provided responsibilities and evidence are clear.

International comparability should be retained where it is useful. Units of measurement, reporting boundaries, calculation methods, and changes in methodology should be disclosed consistently. Localisation should not be used to hide adverse performance or exclude a material risk. Its purpose is to focus limited resources on information that is both decision-relevant and supportable.

Conclusion

ESG-oriented management practices can support industrial resilience when they are adapted to material local risks and reliable data. The proposed framework starts with resource efficiency, workforce continuity, governance controls, and transparent definitions. It then integrates the indicators into planning and risk processes before expanding public disclosure. This staged sequence is suitable for enterprises with uneven data maturity and substantial modernisation needs. It preserves the direction of international standards while keeping implementation proportionate and useful for management.

© 2026 London International Monthly Conference on Multidisciplinary Research and Innovation. All Rights Reserved.

References
1. IFRS Foundation. IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information. London, 2023.
2. IFRS Foundation. IFRS S2 Climate-related Disclosures. London, 2023.
3. OECD. OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Paris: OECD Publishing, 2023.
4. Elkington J. Cannibals with Forks: The Triple Bottom Line of 21st Century Business. Oxford: Capstone, 1997.
5. Porter M. E., Kramer M. R. Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility. Harvard Business Review. 2006. Vol. 84, No. 12. P. 78-92.
6. United Nations. Transforming Our World: The 2030 Agenda for Sustainable Development. New York, 2015.

© 2026 London International Monthly Conference on Multidisciplinary Research and Innovation. All Rights Reserved.