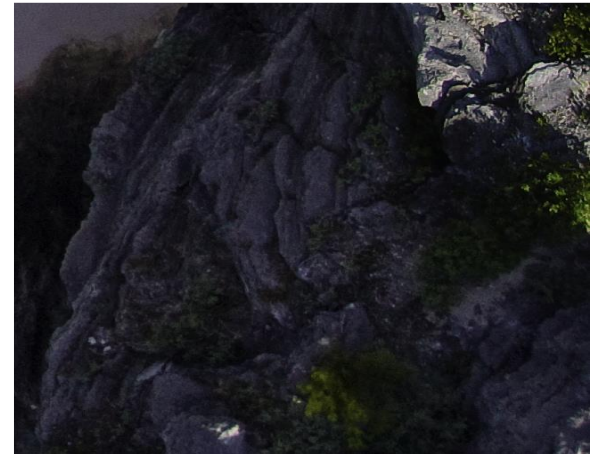
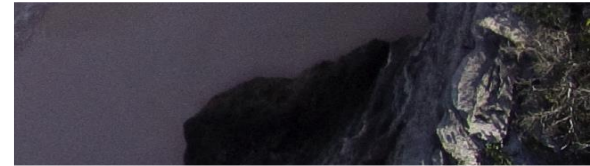




ESG Digest #13

July 2023



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Research: 88% of enterprises in Kazakhstan are not familiar with ESG

87.7% of Kazakhstani companies are not familiar with the ESG principles, according to a survey conducted by the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan.

The largest share of enterprises which are familiar with ESG principles was recorded in Zhetysu (25.5%), Ulytau (23.1%), Pavlodar (21.7%), Atyrau (21.1%) and West Kazakhstan (18.5%) regions. The worst indicators are shown by the North Kazakhstan, Turkestan and Almaty regions.

The analysis shows that 72% of enterprises do not adhere to environmental criteria for sustainable development, 69% do not adhere to corporate governance criteria. At the same time, only 29% of companies do not comply with the social criteria of sustainable development, while 71% take this ESG parameter quite serious.

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Research: Half of Board members report lacking skills to address climate issues

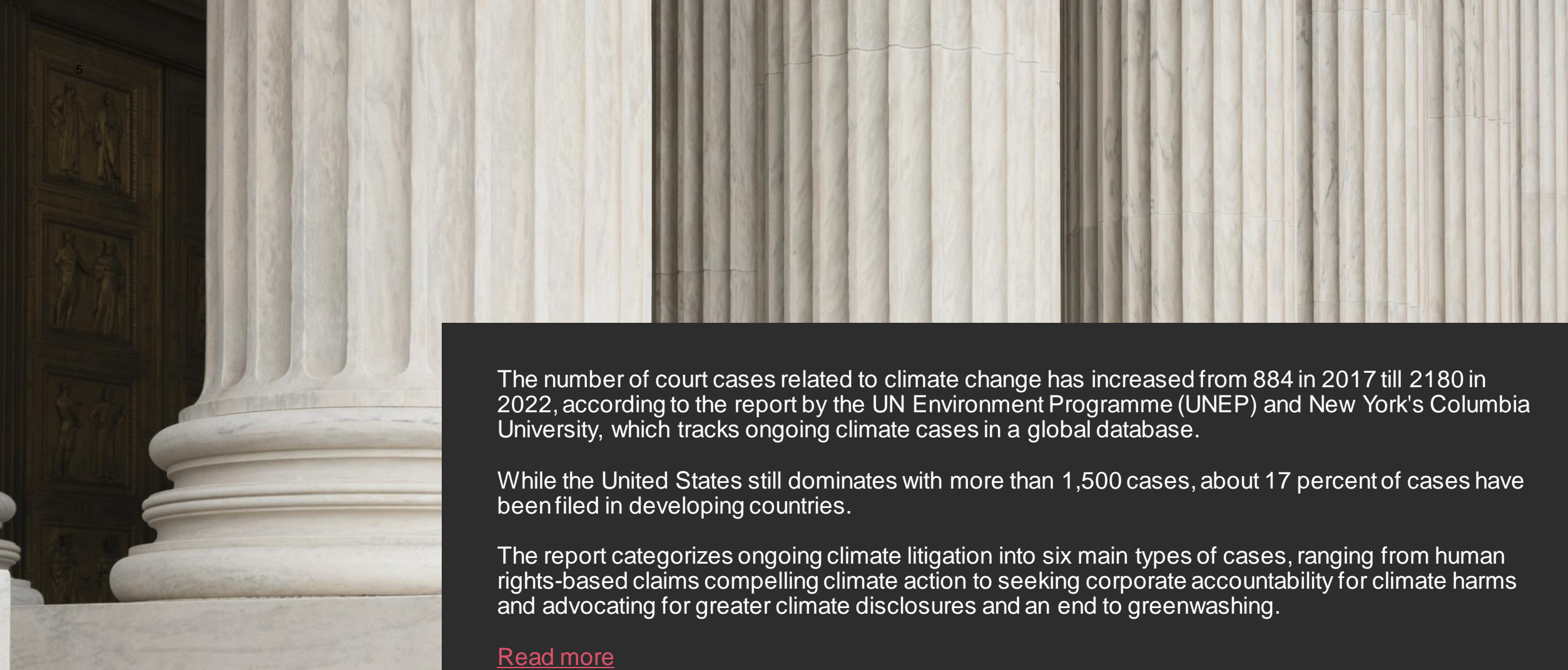
Nearly half of board members report lacking skills and expertise in their organizations for addressing climate issues, even as most acknowledge that a strong ESG strategy can lead to better financial outcomes, according to a new survey by advisory, broking and solutions company WTW and the Nasdaq Center for Board Excellence.

WTW and Nasdaq surveyed 349 board members across 44 countries. The survey found that 75% of board members recognized value in sustainability-focused initiatives. By ESG focus area, top priorities cited by respondents included human capital at 82% followed by governance at 70%, while only half ranked environmental and climate in their top-three priorities.

Despite acknowledging the value of a strong ESG strategy, only 62% of respondents agreed that their boards have dedicated sufficient time and resources to governance of their ESG priorities.

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The number of court cases related to climate change has increased from 884 in 2017 till 2180 in 2022, according to the report by the UN Environment Programme (UNEP) and New York's Columbia University, which tracks ongoing climate cases in a global database.

While the United States still dominates with more than 1,500 cases, about 17 percent of cases have been filed in developing countries.

The report categorizes ongoing climate litigation into six main types of cases, ranging from human rights-based claims compelling climate action to seeking corporate accountability for climate harms and advocating for greater climate disclosures and an end to greenwashing.

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Research: Climate change lawsuits more than double in five years

A woman with blonde hair and glasses, wearing a red button-down shirt, is leaning over a desk in a modern office. She is looking down at a laptop. On the desk, there are several white wind turbine models. The office has large windows and modern lighting fixtures.

AVPN launches \$3 mln Asian fund for youth wellbeing

The Singapore-headquartered Asian Venture Philanthropy Network (AVPN) has launched a \$3 mln fund focused on the mental wellbeing of youth in Asia. The fund's purpose is to help young people feel confident about themselves and able to go out and execute their dreams.

The first investors into the Asian Youth Mental Wellbeing Fund include Chevron and Yayasan Hasanah, the foundation of the Malaysian government's sovereign wealth fund, Khazanah Nasional. The aim of the fund is to raise the first \$3 mln within three years from philanthropists and the private sector.

The call for applications for the AVPN Asian Youth Mental Wellbeing Fund will open this September.

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UK tightens emissions caps for aviation, power sectors beginning 2024

The UK announced a series of reforms for its Emissions Trading Scheme (ETS), including the introduction of tighter emissions limits for the aviation and power sectors and other energy intensive industries beginning in 2024. The UK ETS Authority also announced that new sectors will be added to the ETS, including the domestic maritime transport sector from 2026, and the waste incineration and waste from energy sectors from 2028.

According to ETS, companies to be in line with the set limits on greenhouse gas (GHG) and purchase extra allowances for every tonne of emissions. Companies that are successful in reducing emissions below the cap limit can sell emissions allowances on the secondary market to other industry participants.

Free allocation of allowances for industry is guaranteed until 2026.

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Consultation on Code of conduct for ESG Ratings and data product providers are opened

The ESG Data and Ratings Working Group (DRWG), an industry group formed at the request of UK regulator the Financial Conduct Authority (FCA), announced today the launch of a draft voluntary Code of Conduct for ESG ratings and data providers. The DRWG has also established a consultation into the draft Code, which will remain open until October 5, 2023.

The new code of conduct comes as pressure builds to regulate providers of ESG ratings and data. Key aims of the code include improving the availability and quality of information for investors at both the product and entity level, improving transparency, governance and systems and controls in order to enhance market integrity, and fostering better comparability of products and providers in order to improve competition in the ESG data and ratings space.

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An aerial photograph of a ship at sea. The water is a deep blue, and there is a large, colorful oil spill in the background, showing various shades of blue, green, and yellow. The ship is a white vessel with a dark hull, and it appears to be a supply or support vessel. The spill is a large, irregular shape with a complex, fractal-like pattern, extending across a significant portion of the upper and middle sections of the image. The ship is positioned in the lower-left quadrant of the image, moving towards the right. The overall scene is a stark contrast between the natural blue of the ocean and the artificial, colorful pollution.

Global shipping to adopt a new Greenhouse Gas Strategy

The International Maritime Organization announced the adoption of the Strategy on Reduction of GHG Emissions from Ships, including new goals to reach net zero emissions from international shipping “by or around” 2050, and to ensure the uptake of low GHG emission fuels by 2030.

In addition to the net zero goal, the new strategy included a series of interim targets, including a 20% reduction by 2030, and a 70% reduction by 2040, on a 2008 basis. The strategy also set an ambition for at least 5% of the energy used by international shipping to be zero or near-zero GHG emissions technologies, fuels or energy sources.

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Singapore proposes mandatory climate reporting for both public and private companies

Public and large private companies in Singapore will be required to provide climate-related disclosures aligned with the IFRS' newly published ISSB disclosure standards. Currently, Singapore only requires listed companies in select sectors including finance, agriculture, food, forest products and energy to provide TCFD-aligned climate reporting, with all other listed issuers required to apply TCFD on a 'comply-or-explain' basis.

According to a statement by the regulators, the proposal for mandatory climate reporting aims to maintain Singapore's position as a global business hub, while also contributing to the Singapore Green Plan 2030.

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IFRS to take over responsibilities of the TCFD

The IFRS Foundation's International Sustainability Standards Board (ISSB) will take over responsibility for monitoring progress of companies' climate-related disclosures from the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD) as of next year, following a request from the FSB.

The TCFD recommendations were published in June 2017, and have until now effectively been serving as the industry standard for climate-related disclosure. The TCFD recommendations were also broadly incorporated into the requirements of the ISSB's climate related disclosure standard. Thus, the publication of the new ISSB standards can be seen as a culmination of the work of the TCFD.

[Read more](#)

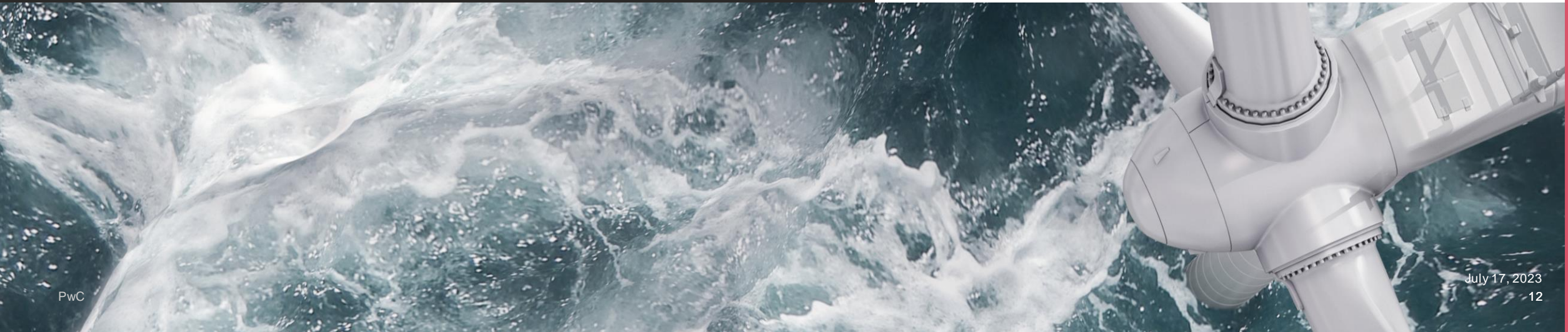
USA announces investments in clean hydrogen and climate and clean tech project

The U.S. Department of Energy announced plans to invest \$1 billion in a clean hydrogen demand side initiative, aimed at helping the development of Regional Clean Hydrogen Hubs (H2Hubs) and mitigating the risk of investment for clean hydrogen development projects. The initiative will help provide revenue certainty through mechanisms that could include pay-for-delivery contracts, offtake backstops, and feasibility funding to support analysis by offtakers, among others.

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USA announced the launch of two new programs through the U.S. Environmental Protection Agency and totaling \$20 billion, aimed at financing climate and clean energy projects at the community and small business level. The new programs include the \$14 billion National Clean Investment Fund and the \$6 billion Clean Communities Investment Accelerator.

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Australia releases a series of rules for climate related reporting, sustainability claims and decarbonization

The government of Australia is planning to implement standardized, internationally-aligned reporting requirements for companies and financial institutions. So, enterprises will be required to make disclosures regarding governance, strategy, risk management, targets and metrics – including greenhouse gasses. Reporting requirements would apply as soon as 2024 for large businesses, with smaller entities phased in over the following three years.

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Australian Competition and Consumer Commission announced the publication of new environmental and sustainability claims draft guidance, aimed at improving the integrity of green claims made by companies and protecting consumers from greenwashing. The rules are focused on eight key principles, including ensuring that any environmental claims accurate, true and factually correct; having evidence to back up claims; avoiding broad and unqualified claims (such as “eco-friendly” or “sustainable”); using clear and easily understandable language etc.

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The government of Australia plans to develop sectoral decarbonization plans, starting with six key emissions-intensive sectors, such as electricity and energy, industry, construction, agriculture and land, transport, and resources. To develop the plans the government would work with industry, the climate movement, experts, unions and the community. The Climate Change Authority will also be requested to develop sector pathways which will help inform the plans.

[Read more](#)

ING, EIB launch €600 mln Sustainable Finance Program for SMEs



Global bank ING and the European Investment Bank (EIB) announced the launch of a new sustainable finance program aimed at providing €600 mln in new low-interest loans to small and medium-sized enterprises (SMEs) in Belgium, the Netherlands and Luxembourg to enable investments with a positive climate and environmental impact, such as electric vehicles, sustainable production, and green buildings projects.

According to the banks, applications must meet ING's credit conditions and align with sustainability goals, with eligibility criteria, based on the EU Taxonomy, ensuring funds are used for climate and environmental improvements.

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Canada released a framework for eliminating inefficient fossil fuel subsidies, making it the first G20 country to deliver on a 2009 commitment to rationalise and phase out government support for the sector.

The framework will apply to existing tax measures and 129 non-tax measures, but any ongoing multi-year subsidy agreements that are already in place will not be canceled.

The new framework ensures that the only federal support for oil and gas goes to projects that decarbonize the sector and result in significant greenhouse gas emissions reductions

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Canada to phase out public fossil fuel financing

EU Council adopts laws aimed at cutting emissions from transport

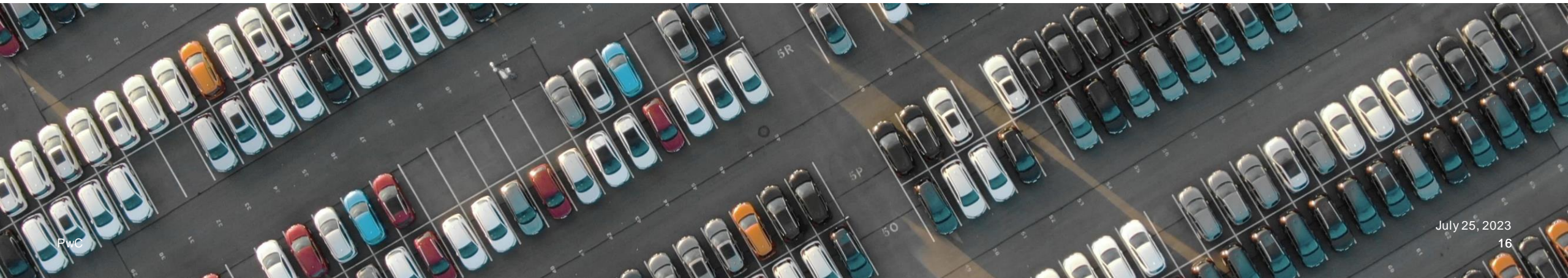
The European Council has approved a series of new laws designed to reduce emissions from road and maritime transport.

- The alternative fuel infrastructure regulation: aimed at enabling the transition to zero emission transport, and addressing consumer refueling concerns and mandates a significant increase in electric vehicle recharging and hydrogen refueling stations across Europe's main transport networks.
- The maritime transport-focused law, Fuel EU Maritime: aims to increase use of renewable and low carbon fuels for waterborne transport, and drive reductions in greenhouse gas emissions for the sector, starting with a 2% reduction in 2025.

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Also, The European Commission unveiled a new series of proposed rules aimed at accelerating the shift to electric heavy duty vehicles, attracting more freight shipping to rail, and helping shipping companies to communicate their carbon footprint.

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An oil pumpjack (jack-o'-lantern) is shown in a field at sunset. The pumpjack is a large, red metal structure with a long, horizontal arm that moves up and down to pump oil from the ground. The background is a vast, flat landscape under a sky with warm, orange and yellow light from the setting sun. The pumpjack is the central focus of the image, and its shadow is cast on the ground.

G20 fails to agree on fossil fuels

The Group of 20 energy ministers meeting in India ended without a consensus on the phase-down of fossil fuels.

While some countries agreed on the need to phase down unabated use of oil and gas, others (several countries from the Middle East, in particular) argued that concerns over emissions could be addressed by carbon removal technologies, like carbon capture, use and sequestration (CCUS) or other abatement technologies.

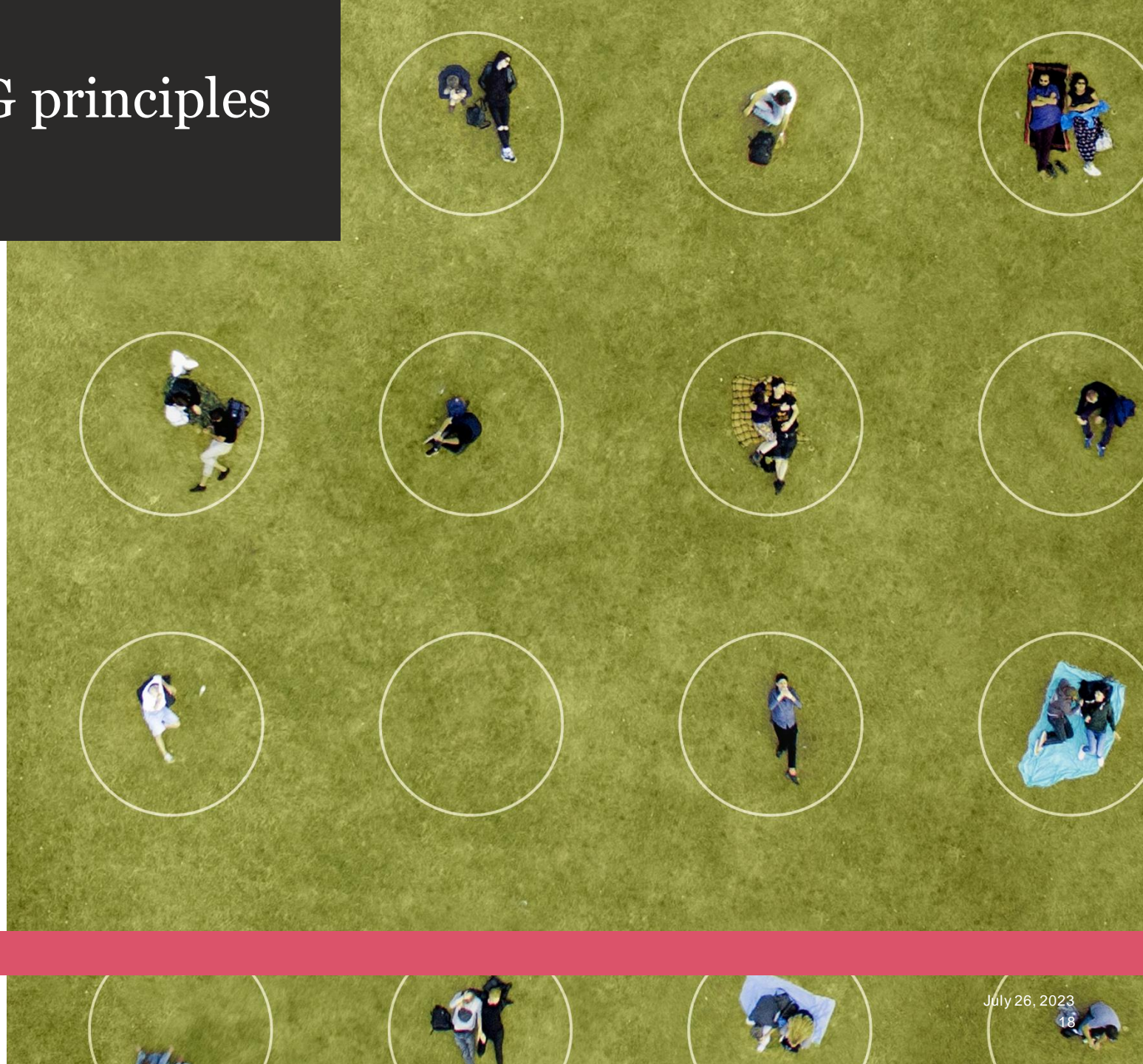
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Kazakhstan to integrate ESG principles in the financial market

Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan announced the plans to introduce ESG risk disclosure standards for financial institutions.

In addition, several new types of financial instruments will soon appear on the Kazakhstani market. A newly created legislative framework determines the registration procedure for social and sustainability bonds, as well as the disclosure requirements to verify that social, green and sustainability bonds proceeds were used as planned, which is line with internationally recognized principles and standards or a green taxonomy (for green bonds).

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If you have any questions or need assistance, please contact us:



Akbota Askanbay
Director
ESG Assurance Team
akbota.askanbay@pwc.com



Zhazira Zhanadilova
Senior Manager
ESG Advisory Team
zhazira.zhanadilova@pwc.com



Vassiliy Kalabin
Manager
ESG Advisory Team
vassiliy.kalabin@pwc.com



Saniya Begenova
Manager
ESG Advisory Team
saniya.b.begenova@pwc.com



Yelena Krupina
Senior Associate
ESG Advisory Team
yelena.krupina@pwc.com



PwC Offices in Eurasia

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Kazakhstan

Almaty
34, Al-Farabi Avenue

Astana
15/1, Kabanbay Batyr Avenue

Atyrau
55, Aiteke Bi Street
Tel: +7 (727) 330 3200

Azerbaijan

Baku
90A, Nizami Street
Tel: +994 12 497 2515

Mongolia
Ulaanbaatar
Sukhbaatar Square 2, SBD-8
Tel: +976 7000 9089

Uzbekistan

Tashkent
88A, Mustaqillik Avenue
Tel: +998 (71) 1206 101

Georgia
Tbilisi
12, Aleksidze Street
Tel: +995 (32) 25080 50

Armenia
Yerevan
2, Vazgen Sargsyan Str
Tel: +374-10-512151