

Contents:

- PwC Kazakhstan Unveils Fifth Edition of TOP 50 ESG Disclosure Companies in Kazakhstan
- Key Renewable Energy News in December in Kazakhstan
- PwC Report: More Than Half of Financial Institutions in the Asia-Pacific Region Have Set ESG Targets
- Singapore Sustainable Finance Association Welcomes Verra to Strengthen Climate Action in Southeast Asia
- Net-Zero Asset Owner Alliance Calls for Mandatory Scope 3
 Disclosure
- EU Plans to Introduce a New "Omnibus" Regulation Aimed at Simplifying Sustainability Rules

- EFRAG Introduces New Voluntary Sustainability Reporting Standard for SMEs
- Switzerland Proposes Amendments to Climate Disclosure Ordinance, Aligning with International Standards
- Canada, China and Hong Kong Set Corporate Sustainability Disclosure Standards
- Canada Sets Ambitious GHG Emission Targets
- US Aims for 61-66% Emissions Reduction by 2035
- Japan Sets Emissions Reduction Goals and Plans to Double Renewable Energy Targets
- PwC Partners with Oracle to Simplify Sustainability Reporting

PwC

PwC Kazakhstan Unveils Fifth Edition of TOP 50 ESG Disclosure Companies in Kazakhstan

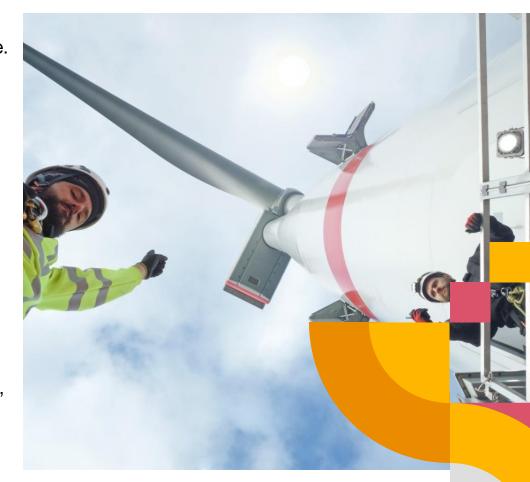


PwC Kazakhstan has published its annual ESG Disclosure Rating of the TOP 50 Kazakhstani companies excelling in non-financial information disclosure across five key blocks: ESG strategy, corporate governance, society, environmental impact, and reporting practices. This year, the evaluation expanded to include 98 companies, with participants achieving an A+ rating for the first time, aligning with best international standards, despite the increased requirements for non-financial disclosure practices.

The top ten companies showed significant improvement, with scores rising from 7.4 to 8.4 points. The ranking features diverse sectors such as mining and metallurgy, finance, oil and gas, energy, telecommunications, and transport. The average score for the top 50 companies, based on extended criteria, reached 6.0 points, higher than last year's score of 5.1 points.

Key Renewable Energy News in December in Kazakhstan

- In 2024, three new renewable energy facilities with a total capacity of 34.75 MW were commissioned in Kazakhstan, representing an investment of 13.7 billion tenge. Currently, Kazakhstan hosts 148 renewable energy facilities with a total installed capacity of 2903.7 MW. The renewable energy sector also provided 1809 jobs in 2024. Read more
- The Ministry of Energy approved fixed tariffs for electricity generated from renewable energy sources, effective December 21, 2024. The tariffs are set as follows: 22.68 tenge/kWh for wind power plants (excepting "Astana EXPO-2017"), 34.61 tenge/kWh for solar power plants, 41.23 tenge/kWh for hydroelectric power plants, and 32.33 tenge/kWh for biogas plants. These measures are expected to significantly contribute to the development of the renewable energy sector in the country. Read more
- The Ministry of Energy issued new amendments to The Rules for Organization and Conduct of Auction Bidding for Renewable Energy Projects, effective December 11, 2024. Key amendments include updated qualification requirements for auction participants, detailed content and procedures for submitting applications, types of financial securities required for participation, and conditions for their payment and return. Additionally, the amendments outline the procedure for summarizing results and determining winners. This order will come into force on February 16, 2025. Read more



PwC Report: More Than Half of Financial Institutions in the Asia-Pacific Region Have Set ESG Targets



PwC's latest report, "Sustainability Counts III – Financial Services Deep Dive," examines the progress of sustainability practices in the financial sector across the Asia Pacific region.

The study covers 129 listed companies from 14 jurisdictions, including Australia, China, Japan, and Singapore. Key findings highlight that over half of the surveyed institutions have set net zero targets, though the adoption of protocols like Science Based Targets initiative (SBTi) protocol remains low.

The report also notes a growing awareness of nature and biodiversity issues and the widespread use of external assurance for sustainability reporting. However, cybersecurity issues remain front of mind for financial institutions.

Singapore Sustainable Finance Association Welcomes Verra to Strengthen Climate Action in Southeast Asia

Verra, a leading carbon credit registry for the voluntary carbon market and operator of the Verified Carbon Standard (VCS), the world's leading greenhouse gas crediting program, has officially joined the Singapore Sustainable Finance Association (SSFA). This partnership aims to accelerate climate action across Southeast Asia by leveraging Verra's expertise in carbon markets, transition finance, and biodiversity.

As a key player dedicated to establishing Singapore as a global hub for sustainable finance, the SSFA will benefit from Verra's commitment to maintaining high standards of integrity and transparency within carbon markets. In return, Verra gains access to valuable industry insights and partnerships, which will further support projects that contribute to the region's transition to a low-carbon economy.



Net-Zero Asset Owner Alliance Calls for Mandatory Scope 3 Disclosure

The UN-convened Net-Zero Asset Owner Alliance (NZAOA), a member-led initiative of 89 institutional investors managing USD 9.5tn, committed to aligning their portfolios with net-zero goals, has released a paper emphasizing the need for top-down regulatory mandates to address Scope 3 emissions. With evolving regulations like the EU's CSRD and new frameworks in Japan and California, the NZAOA stresses the urgency for standardized disclosure.

The report identifies barriers such as limited data quality and inconsistent accounting frameworks. It offers actionable advice for asset owners, including seeking improved emissions disclosures, shifting investments to issuers with Scope 3 targets, and engaging with sectors with significant emissions.



EU Plans to Introduce a New "Omnibus" Regulation Aimed at Simplifying Sustainability Rules

The EU plans to introduce a new "Omnibus" regulation aimed at simplifying sustainability rules by combining the Corporate Sustainability Reporting Directive (CSRD), the EU Taxonomy, and the Corporate Sustainability Due Diligence Directive (CSDDD). This move is driven by calls for less burdensome regulations.

Set for release on February 26, 2025, the new regulation has sparked concerns about potential deregulation. Critics worry that simplification might weaken regulations, adding uncertainty for companies preparing their first CSRD reports.



EFRAG Introduces New Voluntary Sustainability Reporting Standard for SMEs





The European Financial Reporting Advisory Group (EFRAG) has introduced the Voluntary Sustainability Reporting Standard for SMEs (VSME). This standard target non-listed micro-, small- and medium-sized (SMEs) outside the mandatory scope of the EU Corporate Sustainability Reporting Directive (CSRD).

The VSME is designed to replace multiple, uncoordinated ESG data requests with a standardized set of disclosures, facilitating access to sustainable finance and supporting the transition to a sustainable economy.

Switzerland Proposes Amendments to Climate Disclosure Ordinance, Aligning with International Standards

The Swiss Federal Council initiated a consultation on amending the Ordinance on Climate Disclosures, aiming to align with international reporting standards.

The Ordinance has been in force since 1 January 2024 with the obligation for large companies to report on climate matters by implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The consultation, open until 21 March 2025, proposes that large companies meet climate reporting obligations using internationally recognized standards such as ISSB or ESRS, replacing the TCFD framework.

The bill also introduces requirements for net-zero roadmaps, tailored to financial companies and real economy enterprises. Additionally, reporting must be in an electronic format suitable for international platforms. The amended ordinance is set to take effect on 1 January 2026.

Read more



cember 2024

Canada, China and Hong Kong Set Corporate Sustainability Disclosure Standards

In December, significant steps were made in sustainability reporting in Canada, China and Hong Kong.

Canada introduced the Canadian Sustainability Disclosure Standards (CSDS 1 and CSDS 2), developed by the Canadian Sustainability Standards Board (CSSB), requiring compliance from large companies starting in 2025, with additional transition relief for Scope 3 emissions reporting.

Read more



China's Ministry of Finance has released the first Corporate Sustainability Disclosure Standards, to be in line with global ESG standards.

ESG reporting will be mandatory for large public companies from 2026, with full implementation planned for 2030.

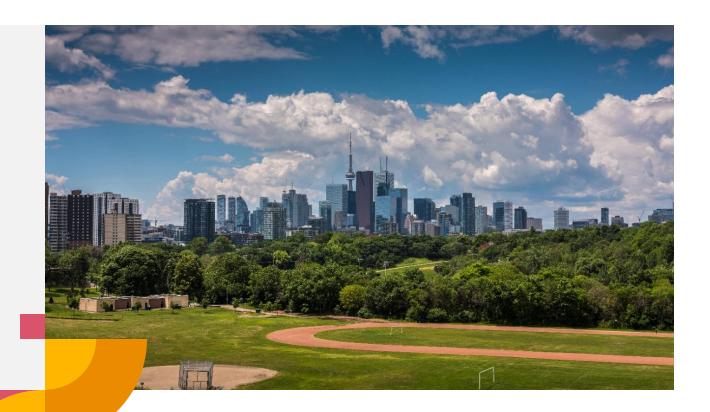
Read more

The Hong Kong government has announced a comprehensive roadmap for sustainability disclosure, mandating publicly accountable entities (PAEs) to adopt the ISSB framework. According to the roadmap, the Hong Kong Institute of Certified Public Accountants (HKICPA) will release ISSB-aligned standards by the end of 2024, effective from August 1, 2025. Full compliance for large PAEs is expected by 2028.

Canada Sets Ambitious GHG Emission Targets

Canada has announced a new climate goal to reduce greenhouse gas emissions by 45-50% below 2005 levels by 2035. This target builds on the existing 2030 goal of a 40-45% reduction. Canada will submit its new 2035 target as an updated Nationally Determined Contribution (NDC) in early 2025.

Prior to this commitment, Canada invested significantly in clean technologies for heavy-emitting industries. The Ministry of Energy and Natural Resources <u>allocated</u> CAD 12.5m to projects including carbon capture and clean fuels.



US Aims for 61-66% Emissions Reduction by 2035



Biden administration has announced a new climate target for the United States: a 61-66% reduction in economy-wide net greenhouse gas emissions by 2035 from 2005 levels. This target aligns with the goal of achieving net-zero emissions by 2050. The U.S. will formally submit this target as its next NDC under the Paris Agreement.

Additionally, the U.S. aims to reduce methane emissions by at least 35% from 2005 levels by 2035, recognizing methane reduction as a crucial step to mitigate near-term warming and complement CO2 reduction efforts.

Japan Sets Emissions Reduction Goals and Plans to Double Renewable Energy Targets

Japan plans to cut greenhouse gas emissions by 60% from 2013 levels by 2035, an increase from the previous 46% target for 2030. These initiatives are part of Japan's updated Nationally Determined Contributions (NDCs) ahead of the UN climate discussions in February 2025.

Additionally, Japan has set ambitious energy targets, aiming for 40-50% electricity generation from renewables by 2040, up from 22.9% share in 2023 and exceeding the target of 36-38% for 2030. This plan includes a significant role for nuclear power, targeting 20% of the energy mix.

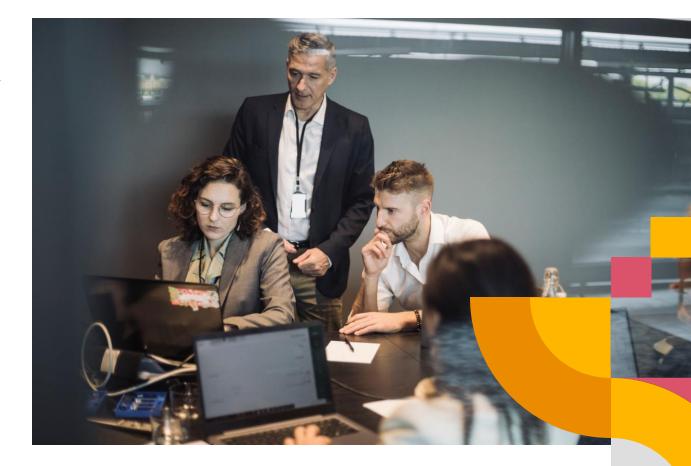


PwC Partners with Oracle to Simplify Sustainability Reporting

Starting in 2024, multinational businesses must adapt to new reporting standards, including OECD Pillar Two, EU Corporate Sustainability Reporting Directive (CSRD), and EU Carbon Border Adjustment Mechanism (CBAM) rules, requiring detailed sustainability data disclosures.

PwC Luxembourg's latest <u>report</u> reveals despite 55% of FY2024 companies facing data quality issues and 45% concerned about resources, over 80% have adopted or plan to adopt new technological solutions for CSRD reporting.

PwC is leveraging the Oracle Fusion Cloud Applications Suite, a comprehensive set of cloud-based applications designed to help businesses manage various aspects of their operations, to introduce new services aimed at simplifying and automating data consolidation and reporting processes.



The release was prepared by:

Anzhelika Mukhamadiyeva, Karina Abysheva

PwC contacts:



Timur Yeginzhanov Director Advisory timur.yeginzhanov@pwc.com



Botagoz Ibrayeva Manager **ESG** Advisory Team botagoz.ibrayeva@pwc.com

Please send your questions and enquiries to:



Anzhelika Mukhamadiyeva Senior Associate **ESG Advisory Team** anzhelika.mukhamadiyeva@pwc.com



PwC Offices in Eurasia

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

© 2024 PwC. All rights reserved. Not for further distribution without the permission of PwC. "PwC" refers to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL), or, as the context requires, individual member firms of the PwC network. Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgment or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm's professional judgment or bind another member firm or PwCIL in any way.