

January 2025

## Global Sustainability Standards Find Common Ground in IFC Study

On January 27, 2025, the International Finance Corporation (IFC) [released](#) a new benchmarking analysis comparing its Disclosure and Transparency (D&T) Framework with leading global sustainability reporting standards, including IFRS S1 and S2, ESRS and GRI. The [Elevating Environmental, Social, and Governance Reporting in Emerging Markets Handbook](#) reflects strong alignment between the IFC's updated framework and these major standards, particularly through its new four-pillar system covering Governance, Strategy, Risks/Impacts/Opportunities and Performance/Metrics/Targets.

IFC's Corporate Governance Methodology is fully compatible with IFRS governance requirements, facilitating the efforts of emerging market companies, banks and regulators to prepare for alignment with global standards while reducing administrative reporting burdens.

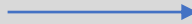


Table 2.2. Level of alignment of strategic purpose and approach of different international ESG frameworks and standards in comparison to the IFC D&T Framework.

	INTERNATIONAL FINANCE REPORTING ISSB STANDARDS (IFRS S1 AND S2)	EUROPEAN SUSTAINABILITY REPORTING STANDARDS (ESRS)	GLOBAL REPORTING INITIATIVE (GRI)
PURPOSE	Yellow	Yellow	Red
SCOPE	Yellow	Yellow	Yellow
INTENDED USERS (INCLUDING RELEVANCE TO EMERGING MARKET USERS)	Red	Red	Yellow
INTENDED DISCLOSURE AUDIENCE	Yellow	Yellow	Red
SECTOR FOCUS	Green	Green	Green
ESG TOPICS ADDRESSED	Green	Green	Green
GEOGRAPHICAL APPLICABILITY	Yellow	Yellow	Green
MATERIALITY APPROACH	Yellow	Yellow	Red

Legend: Green: STRONG alignment/similarities; Yellow: SOME alignment/similarities; Red: WEAK alignment/similarities

## AI Powers New ESG Tool for Tokyo Market

Japan Exchange Group (JPX) [issued](#) a new Sustainability Information Search Tool designed to enhance ESG disclosure practices among Tokyo Stock Exchange-listed companies. The Tool, powered by Cierpa & Company's AI technology, enables users to search across 38 ESG topics within Prime Market-listed companies' documentation, including annual reports and websites. The Tool targets TSE listed companies exclusively and operates only in Japanese, aiming to simplify sustainability disclosure research and comparison.

While aiming to support sustainability disclosure practices, industry observers raise concerns about the Tool potentially leading to "copycat" disclosure rather than advancing the market toward authentic and innovative reporting.

## Top 1% Shows How Climate Action Works

CDP released its first [Corporate Health Check report](#), showing a wide gap between corporate climate ambition and action. Only 1% of assessed companies reached the highest performance level in environmental strategy. The report reveals that while 80% of firms meeting climate targets link executive pay to environmental goals, only 1% achieve comprehensive leadership across climate and nature initiatives. CDP evaluated companies representing 67% of global market value, finding just one in ten companies embedding Earth-positive decision-making throughout their business models,\* with successful firms integrating four key elements: executive pay linkage, carbon pricing, climate transition plans and value chain engagement.

\* Earth-positive "means acting in ways that protect and restore the environment and reduce negative impacts on the planet, alongside achieving business objectives."