

March 2025

Dismissing the Skeptics, the UNGC and PRI Join Forces for Continuing Sustainable Development

On March 6, 2025, the United Nations Global Compact (UNGC) and Principles for Responsible Investment (PRI) [convened](#) the Executive Roundtable on Sustainable Finance – Driving Leadership in Sustainable Finance for a Resilient Future in Singapore.

Discussions revolved around two main topics: financing for development and biodiversity & climate finance. The former was triggered by the Sustainable Development Goals (SDGs) financing gap in the Asia-Pacific region, with the latter instigated by deepening global environmental concerns. Speakers highlighted the importance and need for *“embedding sustainability into business and investment strategies, companies and financial institutions can accelerate progress toward a more resilient and equitable global economy”* (Neha Das, Head of Asia & Oceania, UN Global Compact). Presenters also urged investors to consider sustainability-related factors in their investment and ownership decisions to enable sustainability advancement.

The roundtable call led businesses and investors to action across several fronts, including the incorporation of sustainability-related factors in corporate strategies, the encouragement of sustainable investment and the adoption of standardized reporting on biodiversity and climate-related financial risks.

SBTi Defies Controversy and Revises the Corporate Net-zero Target Standard

Pushing forward despite previous controversies,* on March 18, 2025, the Science Based Targets initiative (SBTi) [published](#) a draft of its revised Corporate Net-Zero Standard V2 for public consultation.** The Standard covers six key topics:

1. Corporate net-zero commitment (by no later than 2050);
2. Determining performance in the target base year;
3. Target setting - that are public, science based, measurable and time-bound;
4. Addressing the impact of ongoing emissions;
5. Assessing and communicating progress; and
6. SBTi claims.

The draft introduces several changes, notably requiring separate targets for Scope 1 (direct operational) and Scope 2 (indirect energy) emissions, which were previously aggregated. The revised Standard would also shift from renewable-specific electricity targets to technology-neutral zero-carbon electricity requirements and introduce standardized progress measurement methodologies and a performance-based target renewal process.

The draft also addresses the controversy that emerged in 2024 when SBTi proposed expanding the use of environmental attribute certificates for Scope 3 emissions. SBTi clarified the established boundaries in the revised version, disallowing companies from using carbon credits originating outside their value chains to satisfy emissions reduction targets.

* For more information, please see our [GSS News Digest of August 2024](#).

** The SBTi founded in 2015 to organize and promote the practice of science-based environmental target setting. Its first Corporate Net-Zero Standard was published in 2021.

IFRS S1 Continues to Gain International Traction in 2025

In addition to major developments in IFRS S1 and S2 Standards implementation that unfolded across multiple fronts in 2024 (see our GSS News Digests of [April 2024](#) and [December 2024](#)). Many jurisdictions continue to consult and adopt the standards. Early this year, Mexico joined the movement when its Banking and Securities Commission (CNBV) [published](#) a [resolution](#), mandating issuers to prepare sustainability reports aligned with IFRS S1 and S2. This March, Japan advanced its sustainability reporting landscape with the Sustainability Standards Board of Japan (SSBJ) [releasing](#) its first IFRS-aligned disclosure standards for Japanese listed companies. It is expected that these will become mandatory for Tokyo Stock Exchange Prime Market-listed firms under securities laws. More countries are expected to follow this global trend as sustainability reporting standardization gains further momentum worldwide.