

# Elevating Environmental, Social, *and* Governance Reporting *in* Emerging Markets

*Aligning IFC Disclosure Requirements  
with Other International Standards*

**Handbook**

January 2025



## About IFC

IFC – a member of the World Bank Group – is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2024, IFC committed a record \$56 billion to private companies and financial institutions in developing countries, leveraging private sector solutions and mobilizing private capital to create a world free of poverty on a livable planet. For more information, visit [www.ifc.org](http://www.ifc.org).

## About this Work

© 2025 International Finance Corporation. All rights reserved.

2121 Pennsylvania Avenue, NW  
Washington, DC 20433 USA  
Internet: [www.ifc.org](http://www.ifc.org)

The material in this work is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. IFC encourages the dissemination of its work and will normally grant permission to reproduce portions of the work promptly, and when the reproduction is for educational and non-commercial purposes, without a fee, subject to such attributions and notices as we may reasonably require.

IFC does not guarantee the accuracy, reliability, or completeness of the content included in this work, or for the conclusions or judgments described herein, and accepts no responsibility or liability for any omissions or errors (including, without limitation, typographical errors and technical errors) in the content whatsoever or for reliance thereon. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgment on the part of IFC or any other member of the World Bank Group concerning the legal status of any territory or the endorsement or acceptance of such boundaries. The findings, interpretations, and conclusions expressed in this volume do not necessarily reflect the views of the Executive Directors of the members of the World Bank Group or the governments they represent.

The contents of this work are intended for general informational purposes only and are not intended to constitute legal, securities, or investment advice, an opinion regarding the appropriateness of any investment, or a solicitation of any type. IFC or its affiliates may have an investment in, provide other advice or services to, or otherwise have a financial interest in, certain of the companies and parties referred to in this work.

All other queries on rights and licenses, including subsidiary rights, should be addressed to IFC's Corporate Relations Department, 2121 Pennsylvania Avenue, NW, Washington, DC 20433, USA.

International Finance Corporation is an international organization established by Articles of Agreement among its member countries and a member of the World Bank Group. All names, logos, and trademarks are the property of IFC, and you may not use any of such materials for any purpose without the express written consent of IFC. Additionally, "International Finance Corporation" and "IFC" are registered trademarks of IFC and are protected under international law.



## ACKNOWLEDGMENTS

This report was produced by IFC's Beyond the Balance Sheet program on sustainability and climate reporting and IFC's Integrated ESG Advisory Program in Europe and Central Asia. This undertaking was led by Ralitzia Germanova, Corporate Governance Officer and Lead on IFC's Beyond the Balance Sheet program, and Vladimir Hrle, Senior Consultant on IFC's Integrated ESG Advisory Program and Team Lead for Serbia; and was overseen by Charles Canfield, IFC Corporate Governance Manager, and Caroline Bright, IFC's Regional ESG Advisory Lead for Europe, Central Asia, Middle-East and Pakistan.

The research was funded by the State Secretariat for Economic Affairs (SECO), Switzerland.

Special recognition goes to Mott MacDonald for conducting the study and providing valuable research contributions and subject matter expertise: Karen Dinucci, Mott MacDonald Technical Director; Tom Critchley, Mott MacDonald Climate Change Consultant; Lou Rudolph, Mott MacDonald Consultant; and Ellen Dennison, Mott MacDonald Senior Stakeholder and Public Liaison Coordinator.

### **We are grateful to all survey interview participants:**

- > **Patrick de Cambourg**, Chair, Sustainability Reporting Board, European Financial Reporting Advisory Group (EFRAG)
- > **Saskia Slomp**, CEO, European Financial Reporting Advisory Group (EFRAG)
- > **Pedro Faria**, Environmental Leader, European Financial Reporting Advisory Group (EFRAG)
- > **Samuel Prestidge**, International Financial Reporting Standards Foundation (IFRS)
- > **Laura Espinach Tort**, Global Reporting Initiative (GRI)
- > **Anthony Miller**, UN Trade and Development (UNCTAD)
- > **Tiffany Grabski**, UN Trade and Development (UNCTAD)
- > **Pietro Bertazzi**, Carbon Disclosure Project (CDP)
- > **Guilherme Cassaro**, Carbon Disclosure Project (CDP)
- > **Irina Ivanova**, Kyrgyz Stock Exchange (KSE)
- > **Madina Kassymbayeva**, Kazakhstan Stock Exchange (KASE)
- > **Alessandra Melis**, Taskforce on Nature-related Financial Disclosures (TNFD)
- > **Vesselina Haralampieva**, European Bank for Reconstruction and Development (EBRD)
- > **Hoang Thi Thuy Duong**, State Securities Commission of Vietnam
- > **Ana Raquel Paiva Martins**, Brazilian Development Bank (BNDES)
- > **Chowdhury Liakat Ali**, Bangladesh Bank
- > **Lebogang Senne**, Pan-African Federation of Accountants (PAFA) (currently IFRS Foundation)
- > **Adina Relicovschi**, European Investment Bank (EIB)
- > **Rasha Dayyat**, Amman Stock Exchange (ASE)
- > **Edwin Ongera**, Capital Market Authority Kenya

The preparation of this report would not have been possible without the contributions and peer reviews of the following parties, whose insights were indispensable to the findings of the research:

**IFC/World Bank:** Martine Valcin, Merima Zupcevic, Rong Zhang, Patrick Kabuya, Madina Zhanuzakova, Jana Mudronova, Giorgio Miguel Saavedra, Paolo Lombardo, Justin Pooley, Mikko Venermo.

**Mott MacDonald:** Adrian Bliss, Alicia Sabin, Helen Meekings, Fiona Quinlan-Wells, Pete Giddings, Zoe Duvall.

We also thank our editor, Tim Spence, and our designer, Christopher Mattox.



# TABLE OF CONTENTS

Acknowledgments .....	<b>i</b>
Acronyms .....	<b>vii</b>
Executive Summary .....	<b>viii</b>
<b>1. Introduction .....</b>	<b>1</b>
<b>1.1 IFC D&amp;T Framework: benchmarking context and purpose .....</b>	<b>4</b>
<b>1.2 Regulatory and mandatory requirements and best practice standards, tools     and guidance .....</b>	<b>7</b>
<b>1.3 Methodology .....</b>	<b>7</b>
1.3.1 Standards for analysis .....	<b>7</b>
1.3.2 Analysis approach .....	<b>8</b>
1.3.3 Stakeholder engagement .....	<b>9</b>
1.3.4 Presentation of results .....	<b>9</b>
1.3.5 Prioritization of the standards .....	<b>10</b>
<b>2. Strategic alignment review: purpose and approach of different standards .....</b>	<b>11</b>
<b>2.1 Introduction .....</b>	<b>11</b>
<b>2.2 Results of the benchmarking analysis: strategic alignment review .....</b>	<b>12</b>
<b>2.3 Key findings .....</b>	<b>16</b>
<b>3. General sustainability reporting requirements .....</b>	<b>20</b>
<b>3.1 Introduction .....</b>	<b>20</b>
<b>3.2 Results of the benchmarking analysis: high-level content review .....</b>	<b>22</b>
3.2.1 ISSB/IFRS S1 comparison with IFC D&T Framework .....	<b>22</b>
3.2.2 ESRS 1 & 2 alignment and comparison with IFC D&T Framework .....	<b>24</b>
3.2.3 GRI alignment and comparison with IFC D&T Framework .....	<b>26</b>
3.2.4 Stakeholder views .....	<b>28</b>

<b>4. Topic-related sustainability disclosure requirements</b>	<b>31</b>
<b>4.1</b> Introduction	<b>31</b>
<b>4.2</b> Results of the benchmarking analysis: detailed content review	<b>33</b>
4.2.1 ISSB/IFRS S2 alignment and comparison with IFC ESG Standards and IFC Climate Governance	<b>33</b>
4.2.2 ESRS alignment and comparison with IFC ESG Standards and IFC Climate Governance	<b>33</b>
4.2.3 GRI alignment and comparison with IFC Performance Standards on Environmental and Social Sustainability and IFC Climate Governance	<b>36</b>
<b>5. Overall findings</b>	<b>38</b>
<b>5.1 Key Outputs</b>	<b>40</b>
<b>6. Support, tools, and further collaboration</b>	<b>42</b>
<b>Appendices</b>	<b>47</b>
A. Detailed General Requirements components alignment with IFC D&T Framework	<b>47</b>
B. Detailed “Climate” comparison between ISSB, ESRS, GRI and IFC D&T Framework	<b>59</b>
C. Detailed “Environmental” comparison between ISSB, ESRS, GRI and IFC Performance Standards on Environmental and Social Sustainability	<b>61</b>
<b>C.1</b> ISSB/IFRS S1 alignment and comparison with IFC Performance Standards on Environmental and Social Sustainability	<b>62</b>
<b>C.2</b> ESRS topic standards alignment and comparison with IFC ESG Standards	<b>63</b>
<b>C.3</b> GRI alignment and comparison with IFC Performance Standards on Environmental and Social Sustainability	<b>65</b>
D. Detailed “Social” comparison between ESRS, GRI and IFC Performance Standards on Environmental and Social Sustainability	<b>66</b>
<b>D.1</b> ESRS alignment and comparison with IFC Performance Standards on Environmental and Social Sustainability	<b>67</b>
<b>D.2</b> GRI alignment and comparison with IFC Performance Standards on Environmental and Social Sustainability	<b>71</b>
E. Detailed “Governance” comparison between ESRS, GRI, and IFC ESG Standards	<b>73</b>
<b>E.1</b> ESRS alignment and comparison with IFC ESG Standards	<b>73</b>
<b>E.2</b> GRI alignment and comparison with IFC ESG Standards	<b>75</b>

## LIST OF FIGURES

Figure 1.1. Bringing together corporate and financial market disclosures.....	<b>2</b>
Figure 1.2. The IFC Disclosure and Transparency Framework.....	<b>5</b>
Figure 1.3. Summary of the analysis approach.....	<b>8</b>
Figure 2.1. Responses to the Question: Please rate how aligned you think the IFC D&T Framework is with the following reporting standards from your personal perspective.....	<b>19</b>
Figure 3.1. IFC D&T corporate value creation pillars.....	<b>21</b>
Figure 3.2. Responses to the Question: Which of the four pillars do you think currently provides the best reporting guidance in the IFC D&T Framework?.....	<b>28</b>
Figure 3.3. Responses to the Question: Please rank the following standard/framework setters on how useful they are to emerging market users for sustainability reporting guidance.....	<b>29</b>
Figure 3.4. Responses to the Question: Please rank the following pillars on how useful they are to emerging market users for sustainability reporting.....	<b>29</b>
Figure 6.1. Responses to the Question: Please rate the following formats to facilitate wider communication of the report research outputs.....	<b>45</b>
Figure 6.2. Responses to the Question: Please rate the following formats to facilitate wider communication of the report research outputs.....	<b>45</b>

## LIST OF TABLES

Table 2.1. Summary of strategic purpose and approach of different international ESG frameworks and standards.....	<b>12</b>
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.....	<b>15</b>
Table 3.1. IFRS S1 level of alignment comparison with IFC D&T Framework.....	<b>22</b>
Table 3.2. ESRS 1 and 2 level of alignment comparison with IFC D&T Framework.....	<b>24</b>
Table 3.3. GRI disclosure requirements level of alignment comparison with IFC D&T Framework.....	<b>26</b>
Table 4.1. ISSB/IFRS S2 - IFC ESG Standards and Climate Governance alignment and comparison summary.....	<b>32</b>
Table 4.2. ESRS ESG Topics - IFC ESG.....	<b>34</b>
Table 4.3. GRI - IFC Performance Standards on Environmental and Social Sustainability and IFC Climate Governance alignment and comparison summary.....	<b>36</b>
Table A.1. Mapping IFRS S1, ESRS 2 and GRI based on the structure of the IFC D&T Framework.....	<b>48</b>
Table B.1. ISSB/ESRS/GRI alignment and comparison with IFC D&T Framework.....	<b>60</b>

Table C.1. ISSB/IFRS S1 - IFC Performance Standards on Environmental and Social Sustainability components alignment and comparison..... **62**

Table C.2. ESRS Environmental Topic Standards - IFC Performance Standards components alignment and comparison..... **63**

Table C.3. GRI Environmental Standards - IFC Performance Standards on Environmental and Social Sustainability component alignment and comparison. .... **65**

Table D.1. ESRS Social Topic Standards - IFC Performance Standards on Environmental and Social Sustainability components alignment and comparison. .... **67**

Table D.2. GRI Social Standards - IFC Performance Standards on Environmental and Social Sustainability components alignment and comparison. .... **71**

Table E.1. ESRS Governance Topic Standard - IFC ESG Standards components alignment and comparison. .... **74**

Table E.2. GRI Governance Standards - IFC ESG Standards component alignment and comparison..... **75**





## ACRONYMS

<b>CDSB</b>	Climate Disclosure Standards Board
<b>CSRD</b>	Corporate Sustainability Reporting Directive
<b>D&amp;T</b>	Disclosure & Transparency
<b>DNSH</b>	Do No Significant Harm
<b>EPA</b>	Equator Principles Association
<b>EFRAG</b>	European Financial Reporting Advisory Group
<b>EHS</b>	Environment, Health and Safety
<b>ESG</b>	Environmental, Social, and Governance
<b>ESRS</b>	European Sustainability Reporting Standards
<b>EU</b>	European Union
<b>GRI</b>	Global Reporting Initiative
<b>GSSB</b>	Global Sustainability Standards Board
<b>IFC</b>	International Finance Corporation
<b>IFRS</b>	International Financial Reporting Standards
<b>IIRC</b>	International Integrated Reporting Council
<b>ISSB</b>	International Sustainability Standards Board
<b>NFRD</b>	Non-Financial Reporting Directive
<b>PS</b>	Performance Standards
<b>RAG</b>	Red, Amber, Green
<b>SASB</b>	Sustainability Accounting Standards Board
<b>SFDR</b>	Sustainable Finance Disclosure Regulation
<b>SMEs</b>	Small and Medium-sized Enterprises
<b>TCFD</b>	Task Force on Climate-Related Financial Disclosures
<b>ToR</b>	Terms of Reference
<b>UN</b>	United Nations
<b>US SEC</b>	US Securities and Exchange Commission Climate-Related Disclosures
<b>WBG</b>	World Bank Group



## EXECUTIVE SUMMARY

As the level of interoperability between sustainability disclosure standards and frameworks increases, a global baseline for sustainability disclosures is evolving, and evidence from independent analyses indicates that there is already a high degree of alignment between the European Sustainability Reporting Standards (ESRS) and Global Reporting Initiative (GRI), as well as the ESRS and International Sustainability Standards Board (ISSB).

The analysis presented in this report adds to this work, providing a benchmarking assessment of the International Finance Corporation Disclosure and Transparency (IFC D&T) Framework against the ISSB, ESRS, and GRI reporting standards. The IFC D&T Framework components used in this study consisted of the D&T Toolkit: Beyond the Balance Sheet; the IFC Performance Standards on Environmental and Social Sustainability (IFC PSs), and the IFC Corporate Governance Methodology (collectively known as IFC ESG Standards); and the IFC Climate Governance Progression Matrix.

Whilst the ESRS and the ISSB sustainability disclosure requirements have become mandatory following their adoption in EU and ISSB worldwide jurisdictions, users of GRI Standards and the IFC D&T Framework are well positioned to comply with the legal requirements, as this benchmarking analysis demonstrates.




The objective of this analysis is to identify areas of alignment between IFC and ISSB, ESRS, and GRI standards to assist IFC D&T Framework users (companies, banks, stock exchanges, regulators, partners) in emerging markets to prepare for these requirements and ensure alignment with current sustainability disclosure standards. By leveraging IFC's presence in emerging markets, this effort aims to support businesses, stock markets, and other stakeholders in implementing the new ISSB and ESRS standards while bridging gaps between various standards and frameworks and reducing administrative burden associated with reporting.

This report can also be used for detection and prevention of greenwashing, as it helps companies improve their sustainability reporting and navigate through different standards and frameworks.

The approach adopted for this study involved assessing the alignment between the strategic purposes and approaches of the standards. This was followed by a high-level review of the topic areas covered, culminating in a detailed analysis of the specific texts of comparable guidance and requirements.

The report presents conclusions on the level of alignment between each section of the IFC D&T Framework and the other aforementioned standards. Summary tables indicate whether there was “strong,” “some,” or “weak” alignment between the IFC D&T Framework components and the i) strategic purpose, ii) general

requirements and iii) environmental, social, and governance topic requirements of each standard. Detailed tables containing further information on the level of alignment of specific topics are provided in the annexes. Key findings from the analysis include:

-  The updates made by IFC to various components of the D&T Framework have strengthened alignment with the ISSB Standards. The adoption of the four-pillar system—“Governance,” “Strategy,” “Risks, Impacts, and Opportunities,” and “Performance, Metrics, and Targets”—instills confidence in users that the guidance will enable them to align their reporting effectively with ISSB requirements. Additionally, the IFC Corporate Governance Methodology demonstrates strong alignment with IFRS governance reporting requirements.
-  The IFC D&T Framework has strong alignment with multiple areas of the ESRS General Sustainability Requirements. In general, the ESRS are more prescriptive and provide clearer information about what is expected to be disclosed. The IFC ESG Standards have some alignment with the ESG topics of the ESRS Environmental and Social Standards. The IFC Corporate Governance Methodology has strong alignment with ESRS governance reporting requirements. However, ESRS provides more clarity on reporting requirements related to payment practices, political influence and lobbying, and corruption and bribery avoidance.
-  The IFC D&T Toolkit has some alignment with most of the general organizational, governance and strategic requirements of GRI 2: General Disclosures and GRI 3: Material Topics. The IFC PSs have strong alignment with some Environment (GRI 300s) and Social (GRI 400s) Standard topics, but further guidance would be required for IFC users to align reporting with the Economic Performance (GRI 200s) topics, which currently has weak alignment.

As part of this benchmarking exercise, 16 interviews were conducted with stakeholders, including standard setters, IFC D&T Framework users, and stock exchanges. This engagement enabled the report team to gather stakeholder feedback, collate and analyze it, and integrate the findings into this document. The key outputs from the stakeholder engagement interviews and survey are summarized in Chapter 5 (Overall Findings) of this report, showing:

**81%**

of interviewees said that multiple and varying reporting requirements are a challenge for emerging market users.

**75%**

of interviewees discussed interoperability or harmonization between reporting standards.

**63%**

of interviewees mentioned materiality as being an important focus for reporting. The variation between single and double/impact and financial materiality requirements between the various standards was highlighted as a complexity to overcome.

**56%**

of interviewees suggested that collaboration between standard setters would benefit users.

**50%**

of interviewees said that data availability is a challenge for organizations when completing reports.

**19%**

of interviewees recommended that a reporting template would be a useful tool for emerging market users to overcome barriers in understanding what they need to report.

**33%**

of survey respondents ranked Governance and 33% ranked Strategy as the most important pillar to emerging market users for sustainability reporting.

**33%**

of survey respondents ranked the ISSB as the most useful standard/framework for emerging market users, with 50% ranking the ISSB as the second most useful.

**33%**

of survey respondents answered that the IFC D&T Framework aligns very well with both the ESRS and GRI currently, whereas 17% believed that it does not align at all with the GRI.

To support its users, IFC has published this benchmarking analysis to enhance understanding of how entities reporting under its D&T Framework are prepared for global sustainability reporting in alignment with ESRS, GRI Standards, and IFRS ISSB Standards. IFC is committed to aligning its reporting requirements with these standards, positioning itself as a central hub for users and establishing a strong foundation for international sustainability reporting.



## 1. INTRODUCTION

Triggered by the Paris Agreement on Climate Change (2015) and the United Nations (UN) 2030 Agenda for Sustainable Development (2015), the European Union (EU) and other governments and organizations around the world have started the journey to build sustainable finance strategies such as the European Green Deal<sup>1</sup> and the UK Green Finance Strategy<sup>2</sup>.

Recent years have witnessed the introduction of new sustainability reporting regulations and standards frameworks, which take into consideration the relationship between corporate disclosure requirements and financial market disclosure requirements, with the aim of providing society with a transparent and comparable set of

environmental, social, and governance data to make more informed investment decisions.

The connections between corporate sustainability reporting and financial market disclosures are illustrated in Figure 1.1, which is based primarily on the co-relation between the EU's Corporate

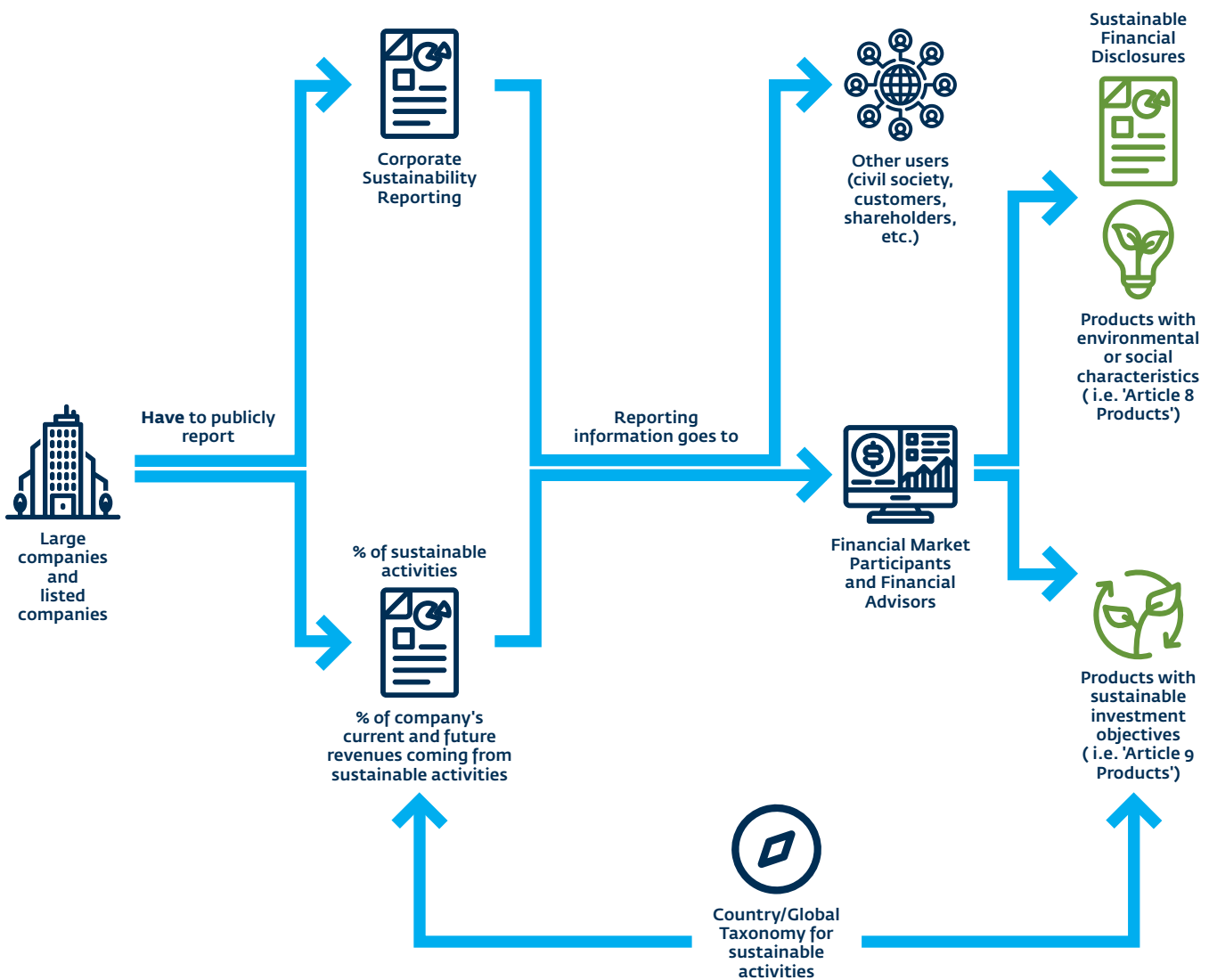
<sup>1</sup> [The European Green Deal - European Commission \(europa.eu\)](https://ec.europa.eu/economy_finance/european-green-deal_en)

<sup>2</sup> [Mobilising Green Investment - 2023 Green Finance Strategy \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/91111/mobilising-green-investment-2023-green-finance-strategy.pdf)

Sustainability Reporting Directive (CSRD<sup>3</sup>) and the Sustainable Finance Disclosure Regulation (SFDR<sup>4</sup>), both of which aim to promote information transparency to investors, civil society organizations, consumers, and other stakeholders, in order to evaluate the sustainability performance of companies as part of the European Green Deal. However, it also provides a general understanding

of the other sustainability reporting frameworks such as the Global Reporting Initiative (GRI), aimed at guiding business sustainability reporting, and the International Financial Reporting Standards General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and Climate-related Disclosures (IFRS S2).

**Figure 1.1. Bringing together corporate and financial market disclosures.**



Source: Mott MacDonald, 2024

<sup>3</sup> [Directive - 2022/2464 - EN - CSRD Directive - EUR-Lex \(europa.eu\)](#)

<sup>4</sup> [Regulation - 2019/2088 - EN - sfdr - EUR-Lex \(europa.eu\)](#)

Worldwide efforts are being made to:

- Develop standards for a global baseline for sustainability disclosures.
- Enable companies to provide comprehensive sustainability information to global capital markets.
- Facilitate the interoperability of reporting systems, regarding disclosures that are jurisdiction-specific and/or aimed at broader stakeholder groups.

To address the interoperability challenge across these different frameworks and reduce the burden of undertakings and disclosure preparation (in the instance of financial market participants), benchmark analyses of the recently published industry-agnostic sustainability frameworks have been released.

- In April 2022, the European Financial Reporting Advisory Group (EFRAG) published reconciliation tables between the IFRS S1 and S2 and the European Sustainability Reporting Standards (ESRS)<sup>5</sup> that EU companies are now required to report, in line with the CSRD.
- In July 2023, the IFRS released a comparison analysis between the IFRS S2 Climate-related Disclosures with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.<sup>6</sup>
- A high degree of interoperability between the ESRS, the GRI, and the requirements of the IFRS prevents double reporting by companies.<sup>7,8,9</sup>

- In 2023, in partnership with the Equator Principles Association (EPA), IFC published a document entitled “Promoting interoperability across environmental and social risk management frameworks,” providing a comparison with the SFDR<sup>10</sup> through the EU Taxonomy’s “Do No Significant Harm” (DNSH) and Minimum Safeguards Criteria, and their alignment with the IFC Performance Standards on Environmental and Social Sustainability (IFC PSS) and the World Bank Group (WBG) Environmental, Health, and Safety (EHS) Guidelines.

- In May 2024, the IFRS Foundation and EFRAG published interoperability guidance, focusing on climate-reporting requirements.<sup>11</sup> More recently, in December 2024, EFRAG issued the technical advice to the European Commission regarding the Voluntary Sustainability Reporting Standard for non-listed SMEs (“the VSME”). The VSME standards aim to be a simple and standardized framework for non-listed SMEs to report on ESG issues.<sup>12</sup>

This report is a further effort by IFC to promote the interoperability of its framework with others, providing a benchmarking assessment between the IFC Disclosure and Transparency Framework (IFC D&T Framework) guidance and mainstream corporate sustainability reporting frameworks. Details on the context and purpose is provided below.

<sup>5</sup> [Download \(efrag.org\)](#)

<sup>6</sup> [ifrs-s2-comparison-tcf-d-july2023.pdf](#)

<sup>7</sup> [Daily News 31 / 07 / 2023 \(europa.eu\)](#)

<sup>8</sup> [GRI - European Commission signals ESRS alignment with GRI \(globalreporting.org\)](#)

<sup>9</sup> [IFRS - European Commission, EFRAG and ISSB confirm high degree of climate-disclosure alignment](#)

<sup>10</sup> [Promoting Interoperability Across Environmental and Social Risk Management Frameworks \(ifc.org\)](#)

<sup>11</sup> [esrs-issb-standards-interoperability-guidance.pdf \(ifrs.org\)](#)

<sup>12</sup> <https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/VSME%20Standard.pdf>

## 1.1 IFC D&T Framework: benchmarking context and purpose

The overall purpose of this benchmarking is to compare the components of the IFC D&T Framework with the emergent regulations and standards of the IFRS S1 and S2, the ESRS and GRI to identify areas of similarity and alignment, and help companies in emerging markets prepare for these emerging requirements. Objectively, the report aims to:

- Enhance the ESG reporting landscape.
- Provide clarity to emerging-market users on their reporting requirements.
- Support emerging-market users in aligning with IFC and ISSB/GRI/ESRS, where appropriate.
- Contribute to the development of interoperability between standards and frameworks.
- Provide recommendations to IFC on how to communicate best the outputs of this research and support its users in reporting on ESG matters in the future.

The IFC D&T Framework aims to support companies based or operating in emerging markets to identify, manage, and report on their environmental, social, and governance (ESG) impacts and risks. It is built on the following documents:

- IFC D&T Toolkit: 'Beyond the Balance Sheet'<sup>13</sup> (2018, updated 2024) – the IFC Toolkit for Disclosure and Transparency – is a part of a broader effort to enhance disclosure and transparency in countries and companies IFC works with, either as investors or advisers. It builds on IFC's Access to Information Policy,<sup>14</sup> which seeks to provide accurate and timely information regarding IFC investment and

advisory services activities to its clients, partners, and stakeholders.

- IFC Corporate Governance Methodology<sup>15</sup> (2018): provides an approach to evaluate and improve a company's governance, including environmental factors and risk management, through presenting agile corporate governance codes and principles.
  - Corporate Governance Progression Matrix for Listed Companies
  - Corporate Governance Progression Matrix for Listed Companies - Instruction Sheet
  - Corporate Governance Document and Information Request List for Listed Companies
- IFC Performance Standards on Environmental and Social Sustainability (known, collectively with the Corporate Governance Methodology, as IFC ESG Standards),<sup>16, 17</sup> (2012): IFC's eight Performance Standards describe IFC clients' responsibilities for managing environmental and social risks.
- IFC Climate Governance Progression Matrix<sup>18</sup> (2023): based on the above Corporate Governance Methodology, is a tool to assist boards of directors in identifying and overseeing climate-related risks and opportunities. The reports produced using the IFC D&T Framework are intended for companies, stock exchanges, market regulators and investors, as well as IFC, itself, when making investment decisions. Benchmarking the IFC D&T Framework with the emerging standards will help users required or willing to adhere voluntarily to other reporting frameworks to bridge the gap between lower and heightened standards and frameworks.

<sup>13</sup> [Homepage | IFC Beyond the Balance Sheet](#)

<sup>14</sup> [Disclosure - Access to Information Policy \(AIP\) \(ifc.org\)](#)

<sup>15</sup> [IFC Corporate Governance Methodology Tools](#)

<sup>16</sup> [Performance Standards on Environmental and Social Sustainability | International Finance Corporation \(IFC\)](#)

<sup>17</sup> [IFC ESG Guidebook](#)

<sup>18</sup> <https://www.ifc.org/content/dam/ifc/doc/2023-delta/climate-governance-matrix-may2023.pdf>

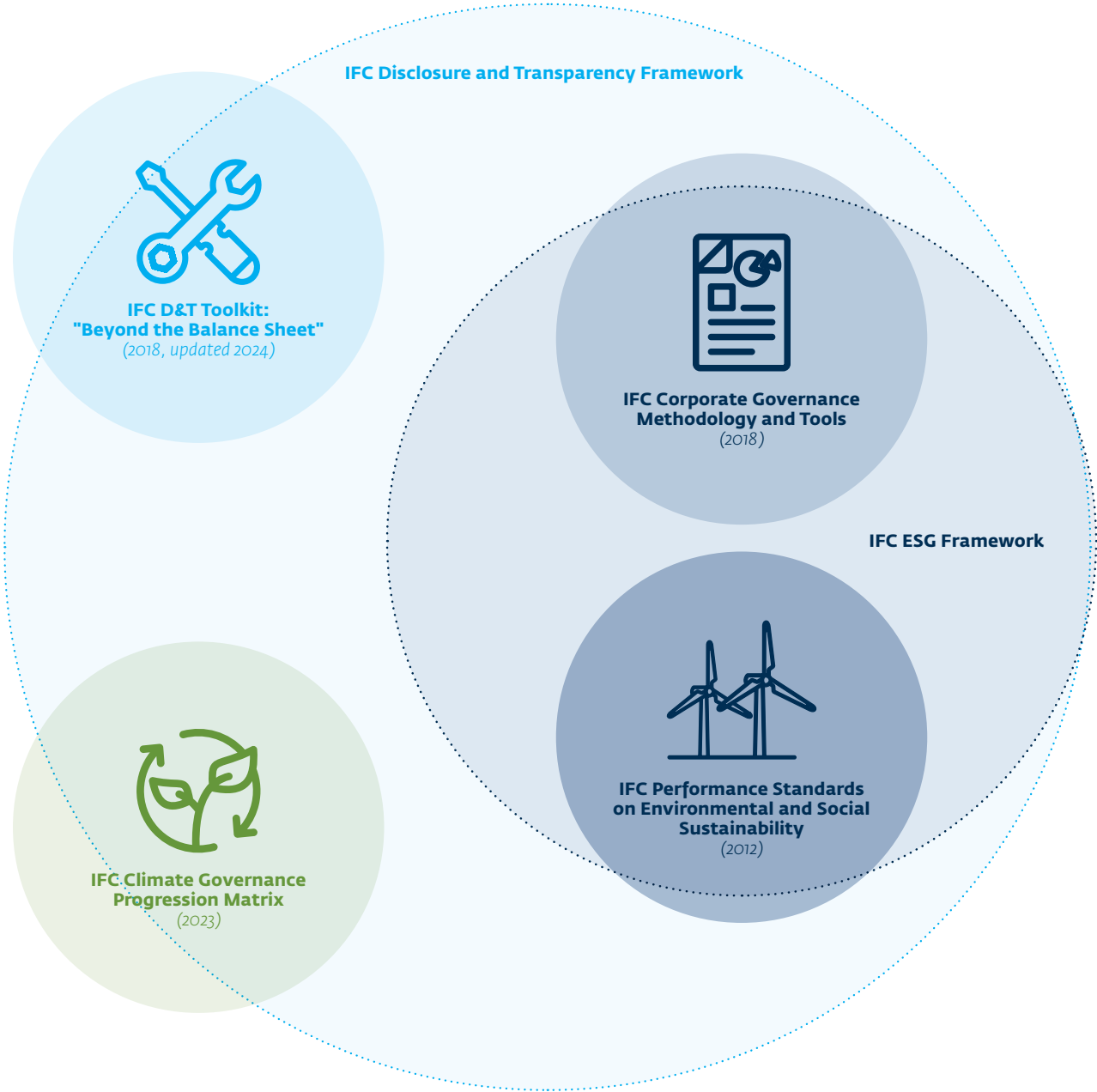


The shifting landscape on sustainability reporting is driven by the increasing demand for transparent, reliable, and comparable information to investors and society. This movement is observed globally, as asset managers and investors are operating worldwide. Therefore, the targeted users of the IFC D&T Framework are also being affected by the ESG reporting trends. Improving the alignment and compatibility between these different

frameworks is highly beneficial for businesses in emerging markets, reducing the burden of meeting the demands of different sets of structure and requirements.

Whilst much analysis of the alignment of ISSB, ESRS and GRI disclosure standards exists, there is no direct or detailed comparison with the constituent components of the IFC D&T Framework.

**Figure 1.2. The IFC Disclosure and Transparency Framework.**



The core purpose of this research is, therefore, to:

- > Identify, at a high level, how well the components of the IFC D&T Framework, IFC PSs, and IFC Corporate Governance Methodology align with the components of each of the emergent regulations or standards.

- > Identify at a more granular level priority areas of the IFRS S1 and S2, the ESRS, and the GRI standards which are not addressed within, or has weak alignment with, the IFC D&T Framework.

A summary of the standards under consideration, as of July 2024, are summarized in the box below:

## BOX 1: SUMMARY OF THE STANDARDS UNDER CONSIDERATION

- > **European directives and standards:** The Non-Financial Reporting Directive (NFRD) came into force in 2017 and provided for disclosure on 5 topics (environment, social, human rights, anti-bribery and corruption, and diversity) by large public interest companies. Review of disclosures under the Directive showed that, whilst they had contributed to an increase in reporting, the quality and completeness of disclosure required improvement. The revision of the Directive to the CSRD was therefore initiated by the European Commission in April 2021, with the final proposal approved by the European Council in November 2022. Alongside the CSRD, the European Financial Reporting Advisory Group (EFRAG) was asked by the Commission to develop the ESRS to support consistent disclosure under the CSRD. The standards cover the full range of environmental, social, and governance issues, including climate change, biodiversity, and human rights. They provide information for investors to understand the sustainability impact of the companies in which they invest. They also take account of discussions with the ISSB and the GRI to ensure a very high degree of interoperability between EU and global standards, and to prevent unnecessary double reporting by companies. The ESRS were formally adopted by the EU on 31<sup>st</sup> July 2023.
- > **International standards:** In October 2021, the International Financial Reporting Standards (IFRS) Foundation announced the formation of the ISSB, intended to develop globally applicable reporting standards across ESG topics, focused on financial materiality. Over early 2022, the ISSB completed consolidation with voluntary standard setters, the Climate Disclosure Standards Board (CDSB) and the Value Reporting Foundation (VRF). The ISSB has since released exposure drafts of its first proposed standards, general requirements, and climate-related disclosures, which draws heavily on the Task Force on Climate Related Financial Disclosures (TCFD) recommendations. Following public consultation and consolidation, the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures were issued in June 2023.
- > **GRI:** Established in 1997, GRI has developed standards which support impact-focused disclosure on sustainability topics. Its standards have been widely adopted globally on a voluntary basis and are also reflected in IFC's current D&T Framework approach. GRI is collaborating closely with both the ISSB and EU standards development process to support closer alignment of requirements, and ensure standards are available to address both materiality perspectives.

## 1.2 Regulatory and mandatory requirements and best practice standards, tools and guidance

Whilst the CSRD/ESRS and the IFRS/ISSB sustainability disclosure requirements have become mandatory, following their adoption in EU and worldwide jurisdictions,<sup>19</sup> the GRI Standards are adopted on a voluntary basis and aim to help businesses, governments, and other organizations understand and communicate their impact on issues such as climate change, human rights, and corruption.

The IFC D&T Framework has different levels of application. Similarly to the GRI, it can be and is adopted on a voluntary basis by entities over the world interested in assessing the sustainability risk level and management of projects and/or organizations. However, the IFC Performance Standards are mandatory in cases of IFC direct investment and investment by other financial institutions (FIs) that are signatories to the Equator Principles. In such cases, whilst compliance

with IFC PSs is mandatory, the IFC Corporate Governance Methodology and Climate Governance Progression Matrix provide a methodology for users of IFC reporting, while the IFC D&T Toolkit provides overarching guidance on the structure of sustainability reporting.

Corporations that have been implementing this guidance on a voluntary basis and/or to comply with FI requirements are well positioned to adhere to the legal requirements, as this benchmarking analysis demonstrates.

The results presented in the Sections 2, 3, and 4 of this report provide an understanding of the level of alignment between these different disclosure requirements and best practice standards, highlighting the strong and weak sustainability reporting topics.

**Implementing the best practice standards, guidance, and tools improve the capacity of a corporation to comply with legal disclosure requirements.**

## 1.3 Methodology

### 1.3.1 Standards for analysis

The benchmarking and analysis comprised a review of the following core standards:

- International Financial Reporting Standards (IFRS) ISSB standards (IFRS S1 and S2)
  - European Sustainability Reporting Standards (ESRS)
  - Consolidated Set of Global Reporting Initiative Standards (GRI)
- IFC Disclosure & Transparency Toolkit (IFC D&T Toolkit)
  - IFC ESG Standards:
    - IFC Performance Standards on Environmental and Social Sustainability

The ISSB, the ESRS and GRI sustainability frameworks and standards were considered in the context of how well the IFC D&T Framework benchmarks against each of them. For the purposes of the analysis, the IFC D&T Framework comprised of:

<sup>19</sup> As of December 2024, more than 20 jurisdictions have committed to using or introducing the ISSB's disclosure standards in their legal or regulatory regimes [IFRS - Jurisdictional sustainability consultations](#).

- IFC Corporate Governance Methodology
- > IFC Climate Governance Progression Matrix

For clarity throughout the remainder of this report, the term “IFC D&T Framework” will be used when referring to all components of the framework (i.e., the D&T Toolkit, Corporate Governance Methodology, Performance Standards, and Climate Governance Progression Matrix).

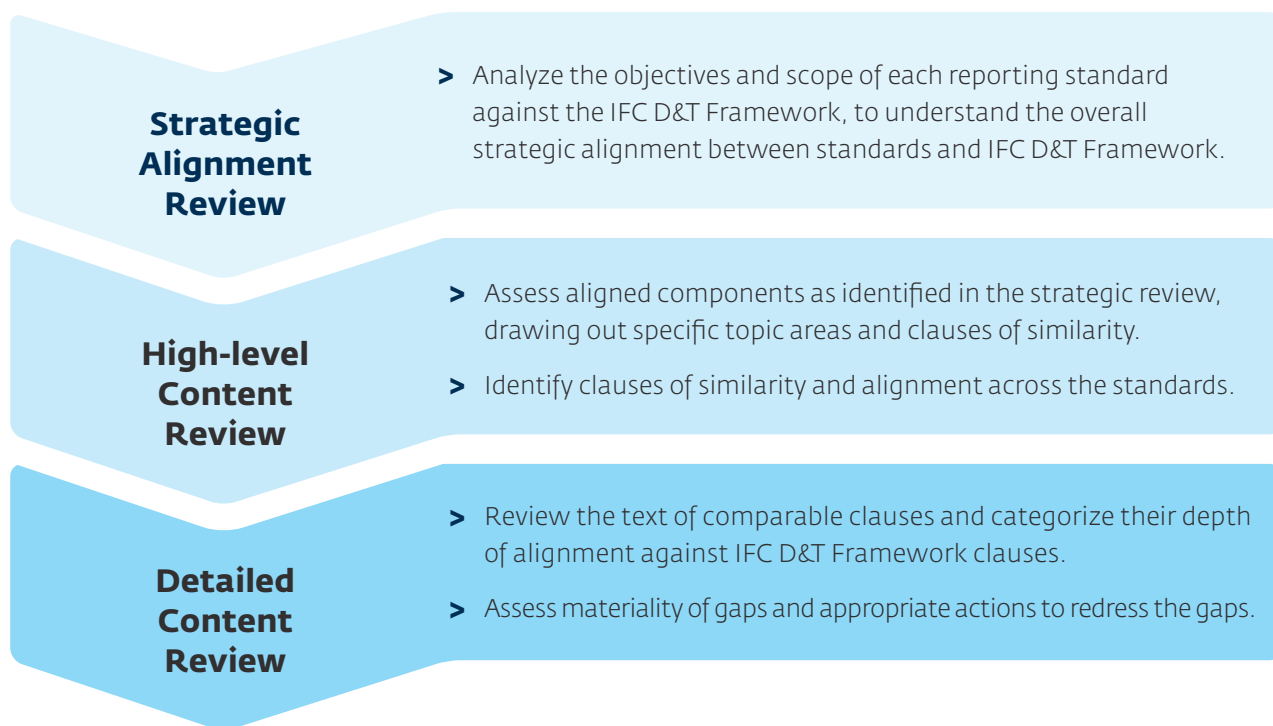
1. Strategic alignment review: purpose and approach of different standards
2. High-level content review: section names/topic areas of different standards
3. Detailed content review: text of topic areas identified in the high-level review

The purpose and key steps for each analysis stage are summarized in Figure 1 and outlined in further detail in the corresponding sections below and [Appendix B](#).

### 1.3.2 Analysis approach

A hierarchical approach to the analysis was taken, comprising the following key stages:

**Figure 1.3. Summary of the analysis approach.**



### 1.3.3 Stakeholder engagement

As part of this benchmarking exercise, the report team conducted several interviews and sent out surveys to stakeholders including standard setters, IFC D&T Framework users, and stock exchanges. This engagement exercise enabled the report team to gather stakeholder feedback, collate and analyze the feedback, and integrate the findings in this document.

The stakeholder engagement phase of the report aimed to:

- Capture common themes of feedback received in both the interviews and online survey.
- Gain an understanding of how best to support emerging markets with ESG reporting requirements.

Sixteen interviews took place remotely using Microsoft Teams (MS Teams) between June 3 and July 25, 2024, with different institutions using the IFC D&T Framework or ISSB, GRI, ESRS standards, or involved in the wider ESG reporting ecosystem. The report team adopted a hybrid approach to gathering feedback, by sending a written survey out to attendees following the interviews.

This hybrid approach allowed the report team to capture information and common themes from different stakeholders via the MS Teams interviews, along with quantitative data provided by survey responses.

Transcripts of the interviews were summarized to provide an overview of the major topics of discussion, with the mention of key themes mapped against each interviewee to generate percentages of how frequently they were discussed. A summary of the common responses and findings from the interviews has been categorized into the following four overarching themes - Standards,

Challenges, Support and Tools, and Collaboration. The stakeholder engagement outcomes have been integrated with the benchmarking results.

### 1.3.4 Presentation of results

The following sections present the results of the strategic alignment, high-level and detailed content review stages of the analysis:

- The outcomes of the strategic alignment review and the high-level content review are presented in Section 2, showing a comparison of the purpose and approach of the IFC D&T Framework, IFRS, ESRS, and GRI standards respectively.
- The outcomes of the detailed content review are presented in:
  - Section 3, showing a comparison of the general reporting requirement sections for each standard against the IFC D&T Toolkit and the IFC Corporate Governance Methodology; and
  - Section 4, showing the topic-related sustainability disclosure requirements of each standard in comparison with the IFC ESG Standards and the IFC Climate Governance Progression Matrix.

The detailed assessment results have been separated in this way to emphasize the difference in the guidance provided by the IFC D&T Toolkit and the IFC ESG Standards. Where the Toolkit is concerned with general guidance in the four pillars of Governance; Strategy; Risks, Impacts and Opportunities Management; and Performance, Metrics and Targets, the ESG Standards describe IFC clients' responsibilities for managing environmental and social risks in specific environmental, social, and governance topic areas.

For each section, a detailed table provides the user with the specific guidance compared in the analysis, with a following summary table providing an overview of the level of alignment between the IFC

D&T Framework components and each standard, respectively.

- > In the summary tables, each standard (ISSB, EU, GRI) is separated into the four main pillars of Governance, Strategy, Risk Management, and Metrics and Targets.
- > The key below indicates how closely the IFC D&T Framework components will take users towards meeting the requirements of each pillar of the framework or standard under consideration:



**STRONG alignment/similarities:** indicates that the IFC D&T Framework component will either align the user fully with the respective standard or is missing only some minor guidance.



**SOME alignment/similarities:** indicates that the IFC D&T Framework covers certain requirements in the topic, but is lacking regarding others, or needs to provide major additional guidance to allow the user to align fully.



**WEAK alignment/similarities:** indicates that the IFC D&T Framework mentions topics from the other standards briefly but is significantly lacking in guidance to allow the user to align with the requirements of the standard.

- > Further detailed assessment presented in Appendix A provides two additional keys:



**NO alignment/similarities:** indicates that the topic is not mentioned in the IFC D&T Framework..



**Beyond the requirements:** indicates that the IFC D&T Framework provides more detailed guidance in that topic.

### 1.3.5 Prioritization of the standards

Given the granular nature of both the IFC D&T Framework and the comparison with ISSB, EU and GRI standards, prioritizing elements of the analysis has been important to ensure that the research and its outputs remain focused on providing actionable recommendations for IFC's emerging market company users, while reviewing considerable volumes of content.







Accordingly, we have applied the following prioritization hierarchy to the analysis, to ensure an emphasis on recommendations which address the standards expected to be applicable to most users of the IFC D&T Framework and expected international standards of greatest significance within the emerging global ESG reporting regime:

- > IFRS S1 and S2
- > ESRS Standards
- > GRI Standards

## 2. STRATEGIC ALIGNMENT REVIEW: PURPOSE AND APPROACH OF DIFFERENT STANDARDS

### 2.1 Introduction



This section explores the alignments between the strategic purpose and approach of the IFC D&T Framework and each of the IFRS, ESRS, and GRI standards. This is the highest level of analysis from this research, with comparisons given between the following aspects of strategic aims:

-  **Purpose**
-  **Scope**
-  **Intended users**
-  **Intended audience**
-  **Sector focus**
-  **ESG topics addressed**
-  **Geographic applicability**
-  **Materiality approach**




## 2.2 Results of the benchmarking analysis: strategic alignment review

Table 2.1 provides the high-level purpose and approaches of each standard side-by-side. Table 2.2 shows the level of alignment between the IFC D&T Framework and the other framework or standards for each topic under strategic purpose/approach.

**Table 2.1. Summary of strategic purpose and approach of different international ESG frameworks and standards.**

































	<b>IFC DISCLOSURE &amp; TRANSPARENCY FRAMEWORK (IFC D&amp;T FRAMEWORK)</b>	<b>INTERNATIONAL FINANCE REPORTING ISSB STANDARDS (IFRS S1 AND S2)</b>	<b>EUROPEAN SUSTAINABILITY REPORTING STANDARDS (ESRS)</b>	<b>GLOBAL REPORTING INITIATIVE (GRI)</b>
<b>PURPOSE</b> 	<p>The IFC D&amp;T Framework consists of 4 elements:</p> <ul style="list-style-type: none"> <li>➤ IFC Disclosure &amp; Transparency Toolkit</li> <li>➤ IFC Corporate Governance Methodology</li> <li>➤ IFC Performance Standards on Environmental and Social Sustainability</li> <li>➤ IFC Climate Governance Progression Matrix</li> </ul> <p>The combined aim of these is to support predominantly companies in emerging markets, and identify, manage, and report their environmental, social and governance impacts and risks. Also inform other stakeholders (investors and stock exchanges), which utilize the disclosure standards.</p>	<p>Aim to align organizations and investors on the financial impacts of ESG. Industry-specific standards focus on material aspects of an organization's sustainability performance.</p> <p>Written to align with other international standards, thereby providing a global ESG benchmark.</p>	<p>Set the standards that companies, as required by the Corporate Sustainability Reporting Directive (CSRD) regulation, shall use to report environmental, social and, governance aspects. The ESRS is part of the pathway to promote the transition to a sustainable EU economy, and the EU commitment to achieve climate neutrality by 2050 (European Green Deal, 2019).</p>	<p>Focuses on corporate social responsibility with equal weight on environmental, social, and governance factors.</p> <p>Applies to organizations of any size, sector, and location, regardless of whether public or private. Also informs other stakeholders (investors and stock exchanges), which utilize the disclosure standards.</p>
<b>SCOPE</b> 	<p>The IFC D&amp;T Framework aims to support companies of all sizes and stakeholders in emerging markets. It is sector agnostic, although specific guidance is available for certain sectors (EHS Guidelines). Covers environment, social, governance, transparency, and disclosures.</p>	<p>Global baseline standards aimed at all companies of all sizes, sector agnostic, the IFRS S1 and S2 provide general ESG requirements and a climate-related standard, respectively.</p>	<p>Companies subject to the CSRD regulation will have to report according to the European Sustainability Reporting Standards (ESRS), tailored to EU policies while building on and contributing to international standardization initiatives.</p> <p>Provide environmental, social, and governance standards to enable relevant businesses to report the requirements of the EU CSRD.</p>	<p>Global economic performance, environmental and social reporting standards for business operations.</p>
<b>INTENDED USERS</b> (including relevance to emerging market users) 	<p>Companies that are based in or have significant operations in emerging markets, plus other relevant stakeholders, such as legislators, regulators, and capital-market gatekeepers.</p>	<p>Any corporation can use the standards to guide its disclosures.</p> <p>IFRS has partnered with the World Bank since 2017 to provide greater support to developing economies in their use of IFRS Standards.</p>	<p>The users will be those that follow the requirements of the CSRD regulation, i.e. large companies in the EU subject to CSRD; listed companies on EU-regulated markets, except listed microenterprises and relevant companies from non-EU countries.</p>	<p>Public and private companies, cities, government agencies, NGOs.</p> <p>No specific results on GRI website or standards document for "emerging markets," but members directory includes over 70 countries and standards used in over 100 countries.</p>



	IFC DISCLOSURE & TRANSPARENCY FRAMEWORK (IFC D&T FRAMEWORK)	INTERNATIONAL FINANCE REPORTING ISSB STANDARDS (IFRS S1 AND S2)	EUROPEAN SUSTAINABILITY REPORTING STANDARDS (ESRS)	GLOBAL REPORTING INITIATIVE (GRI)
<b>INTENDED DISCLOSURE AUDIENCE</b> 	Companies, stock exchanges, market regulators and investors predominantly in emerging markets, IFC (in making investment decisions).	Regulators and investors.	EU Member states, EU and non-EU companies, investors, and other stakeholders.	Multiple stakeholder groups (business partners, civil society organizations, consumers, customers, employees and other workers, governments, local communities, non-governmental organizations, shareholders and other investors, suppliers, trade unions, and vulnerable groups).
<b>SECTOR FOCUS</b> 	Sector agnostic, with numerous sector specific EHS (environmental, health and safety) guidelines.	Sector agnostic, with 77 industry-specific standards consolidated by the Sustainability Accounting Standards Board (SASB).	Sector agnostic.	Sector agnostic.
<b>ESG TOPICS ADDRESSED</b> 	<p>Corporate governance, including the following parameters - commitment, board structure and function, control environment, disclosure and transparency, minority shareholder treatment and governance of stakeholder engagement.</p> <p>IFC Performance Standards on Environmental and Social Sustainability cover:</p> <ul style="list-style-type: none"> <li>&gt; assessment &amp; management E&amp;S risks &amp; impacts</li> <li>&gt; labor &amp; working conditions</li> <li>&gt; resource efficiency &amp; pollution prevention</li> <li>&gt; community health, safety &amp; security</li> <li>&gt; land acquisition &amp; involuntary resettlement</li> <li>&gt; biodiversity conservation &amp; sustainable management of living natural resources</li> <li>&gt; indigenous peoples</li> <li>&gt; cultural heritage</li> </ul> <p>Together, the elements of the IFC D&amp;T Framework also include: business model, risk analysis and response, sustainability opportunities and risks, board of directors, stakeholder engagement, financial performance.</p>	<p>General requirements</p> <p>Climate</p> <p>(Other topics under development, following revision of industry -specific SASB Standards)</p>	<p>In addition to the cross-cutting standards, laid out by the ESRS 1 a ESRS 2 – General requirements and general disclosures, the following topic standards are addressed by the ESRS.</p> <p>Environment:</p> <ul style="list-style-type: none"> <li>&gt; Climate change (E1)</li> <li>&gt; Pollution (E2)</li> <li>&gt; Water and marine resources (E3)</li> <li>&gt; Biodiversity and ecosystems (E4)</li> <li>&gt; Resource use and circular economy (E5)</li> </ul> <p>Social:</p> <ul style="list-style-type: none"> <li>&gt; Own workforce (S1)</li> <li>&gt; Workers in the value chain (S2)</li> <li>&gt; Affected communities (S3)</li> <li>&gt; Consumers and end-users (S4)</li> </ul> <p>Governance:</p> <ul style="list-style-type: none"> <li>&gt; Business conduct (G1)</li> </ul>	<p>General requirements</p> <p>Economic performance</p> <p>Environmental</p> <p>Social</p> <p>Which include: climate change, occupational health and safety, data privacy, stakeholder engagement, human rights, waste management, economic impacts.</p>

	<b>IFC DISCLOSURE &amp; TRANSPARENCY FRAMEWORK (IFC D&amp;T FRAMEWORK)</b>	<b>INTERNATIONAL FINANCE REPORTING ISSB STANDARDS (IFRS S1 AND S2)</b>	<b>EUROPEAN SUSTAINABILITY REPORTING STANDARDS (ESRS)</b>	<b>GLOBAL REPORTING INITIATIVE (GRI)</b>
<b>GEOGRAPHICAL APPLICABILITY</b> 	International with focus on emerging market companies, Equator Principles signatories, and International Financial Institutions (IFIs).	International – the standards are intended for all global regions including emerging markets and provide a global baseline for capital markets.	Companies located or listed in an EU member state. Non-EU companies with significant undertakings in the EU.	International - the standards are intended for all global regions including emerging markets. Most users are, however, from developed markets.
<b>MATERIALITY APPROACH</b> 	The D&T Framework explores the double materiality concept, with the IFC D&T Toolkit Risks, Impacts, and Opportunities Management reporting guidance and the IFC PSs exploring in detail, through the different ESG topics, the impacts to environment and people.	Single: sustainability matters that present financial risk to the company, i.e., information is material if omitting, obscuring or misstating it could be reasonably expected to influence investor decisions.	Double materiality – how sustainability matters impact relevant businesses in the EU and how their operations, in turn, affect people and planet.	No specific results on GRI website or standards document for “emerging markets,” but members directory includes over 70 countries and standards used in over 100 countries.
<b>DATE CURRENT VERSION PUBLISHED</b>	IFC Disclosure & Transparency Toolkit (2018) with update in 2023 IFC Corporate Governance Methodology (2018) IFC Performance Standards on Environmental and Social Sustainability (2012) IFC Climate Governance Progression Matrix (2023)	June 2023	Adopted on 31 July 2023	June 2022

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)
	<b>PURPOSE</b>			
	<b>SCOPE</b>			
	<b>INTENDED USERS</b> (INCLUDING RELEVANCE TO EMERGING MARKET USERS)			
	<b>INTENDED DISCLOSURE AUDIENCE</b>			
	<b>SECTOR FOCUS</b>			
	<b>ESG TOPICS ADDRESSED</b>			
	<b>GEOGRAPHICAL APPLICABILITY</b>			
	<b>MATERIALITY APPROACH</b>			

 STRONG alignment/similarities
  SOME alignment/similarities
  WEAK alignment/similarities

## 2.3 Key findings

Below is an outline of the key observations regarding the level of alignment of the strategic purpose and approaches between the IFC D&T Framework and each of the ISSB/ESRS/GRI standards. For each subsection, an explanation is given as to why the alignment level indicated in the table above was chosen.



### PURPOSE

The IFC D&T Framework has some alignment with the aims of the ISSB to aid organizations in identifying and managing the impacts of ESG topics. ISSB main driver is the focus on financial aspects. The ESRS reporting standards focus more on setting the reporting standards for disclosing ESG topics, with GRI focusing on corporate social responsibility. Each has some overall alignment with the IFC D&T purpose in varying aspects.



### SCOPE

The IFC D&T Framework has some alignment with the ISSB scope as it is aimed at all companies, is sector agnostic and provides general requirements, as well as specific climate-disclosure guidelines. The ESRS standards are tailored to EU policies but also contribute to international standardization initiatives; therefore, some level of alignment was concluded. GRI's scope regarding global economic performance, and environmental and social reporting standards for business operations aligns well with IFC but lacks specific mention of emerging markets and some ESG aspects, which IFC covers.



### INTENDED USERS

The ISSB has been working with the World Bank Group to provide greater support to developing economies in using their standards, aligning well with IFC. The ESRS reporting standards focus primarily on EU companies but do include relevant companies with undertakings in EU member states, whereas IFC covers everything and covers more organizations. The GRI does not specifically mention emerging markets but does list over 100 countries using the standards; therefore, some alignment is seen.



## INTENDED AUDIENCE

All the standards/frameworks are intended for investors, including vulnerable groups, shareholders, customers, and employees, as well as others mentioned by the ISSB, ESRS and GRI that are not specifically referenced by IFC.



## SECTOR FOCUS

All the standards/frameworks are sector agnostic and, hence, the IFC D&T Framework aligns well with them. The IFC D&T Framework also includes numerous sector-specific guidelines, which are similar to those of GRI. Therefore, a high level of alignment was given for all.



## ESG TOPICS ADDRESSED

IFC has stronger alignment with the ESRS and GRI in covering a range of topics under each ESG aspect, particularly aligning with pollution, water resources and affected communities. The ISSB has general requirements and climate disclosures, but is still developing other topics; therefore, IFC covers all topics as well as additional aspects, such as biodiversity, land acquisition, indigenous peoples, and cultural heritage.



## GEOGRAPHIC APPLICABILITY

IFC and ISSB align well with a focus on emerging markets in all global regions. The ESRS reporting standards focus primarily on companies located or listed in an EU member state, however non-EU companies with significant undertakings in the EU are also applicable; therefore, a high level of alignment with IFC is still present. GRI does not have a focus on emerging markets but is intended for all global regions and lists the standards being used in over 100 countries; therefore, a high level of alignment is again concluded.



## MATERIALITY APPROACH

IFC's materiality approach focuses on a company's risks and opportunities, as identified by IFC D&T Toolkit recommendations, and has a strong emphasis on the impact on the environment and people established by IFC PSs. This aligns with the aspect of the ESRS reporting standards concerned with how "operations affect people and planet." The ISSB has a single material aspect, which focuses on sustainability matters that present financial risk to the company, aligning with IFC well. GRI aligns less with IFC, as it is not intended as a framework for managing impact or risk but does recognize sustainability reporting in the process of making financial materiality judgements.

**63%** of interviewees mentioned materiality as being an important focus for reporting. The variation between single and double/impact and financial materiality requirements between the various standards was highlighted as a complexity to overcome.



### STAKEHOLDER VIEWS ON EACH STANDARD

**ISSB:** Is seen as beneficial, especially in emerging markets, due to its engagement with stakeholders and proportionality mechanisms.

**EU:** The mandatory nature of the ESRS standards was recognized by the interviewees as a potential concern, as there could be fragmented regional/national requirements in large value chains.

**GRI:** Interviewees recognized the focus on stakeholder engagement and impact materiality. The GRI standards are widely used and recognized globally amongst the emerging market stakeholders.

**IFC:** Is seen as broader in scope and as a more meaningful provider of guidance on general strategy/issues on corporate governance than other standards.



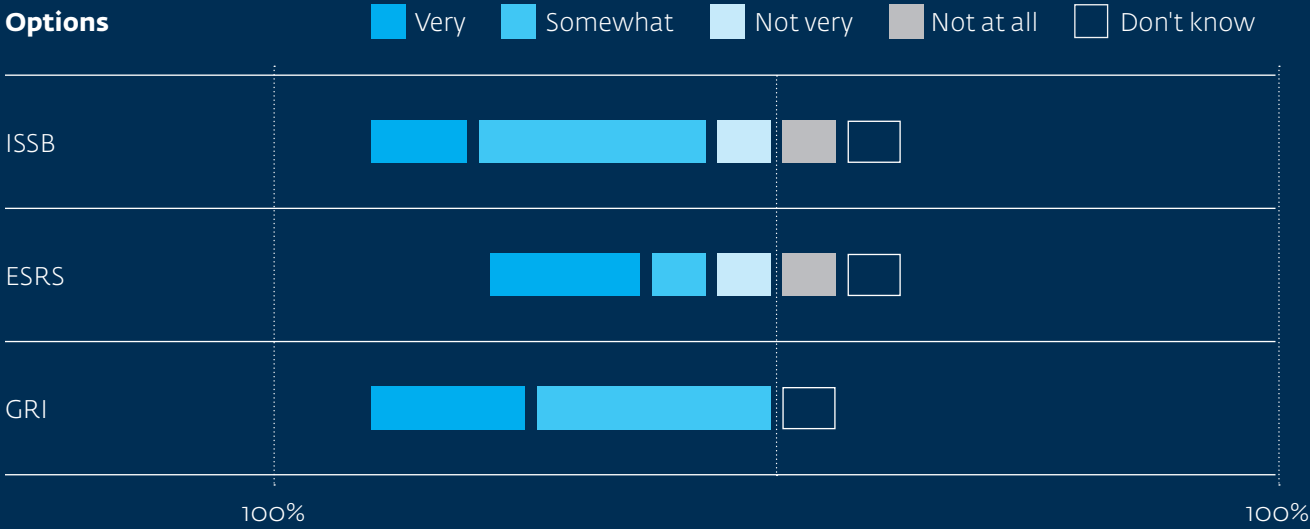
**New standards for sustainability reporting must account for jurisdictional requirements/policy requirements/different sectors."**

**81%** of interviewees said that multiple and varying reporting requirements are a challenge for emerging market users.

**75%** of interviewees discussed interoperability or harmonization between reporting standards.

Respondents to the survey believe that the IFC D&T Framework is most aligned with GRI, as 33.3% voted “very” and 50% voted for “somewhat” aligned. Although at least one respondent did think that the IFC D&T Framework is “very” aligned with the ISSB and ESRS, 33.3% said that it is “not very” aligned. Recent changes to the four-pillar system of the IFC D&T Framework to better align with the ISSB may alter this perception in the future.

**Figure 2.1. Responses to the Question: Please rate how aligned you think the IFC D&T Framework is with the following reporting standards from your personal perspective.**





## 3. GENERAL SUSTAINABILITY REPORTING REQUIREMENTS

### 3.1 Introduction

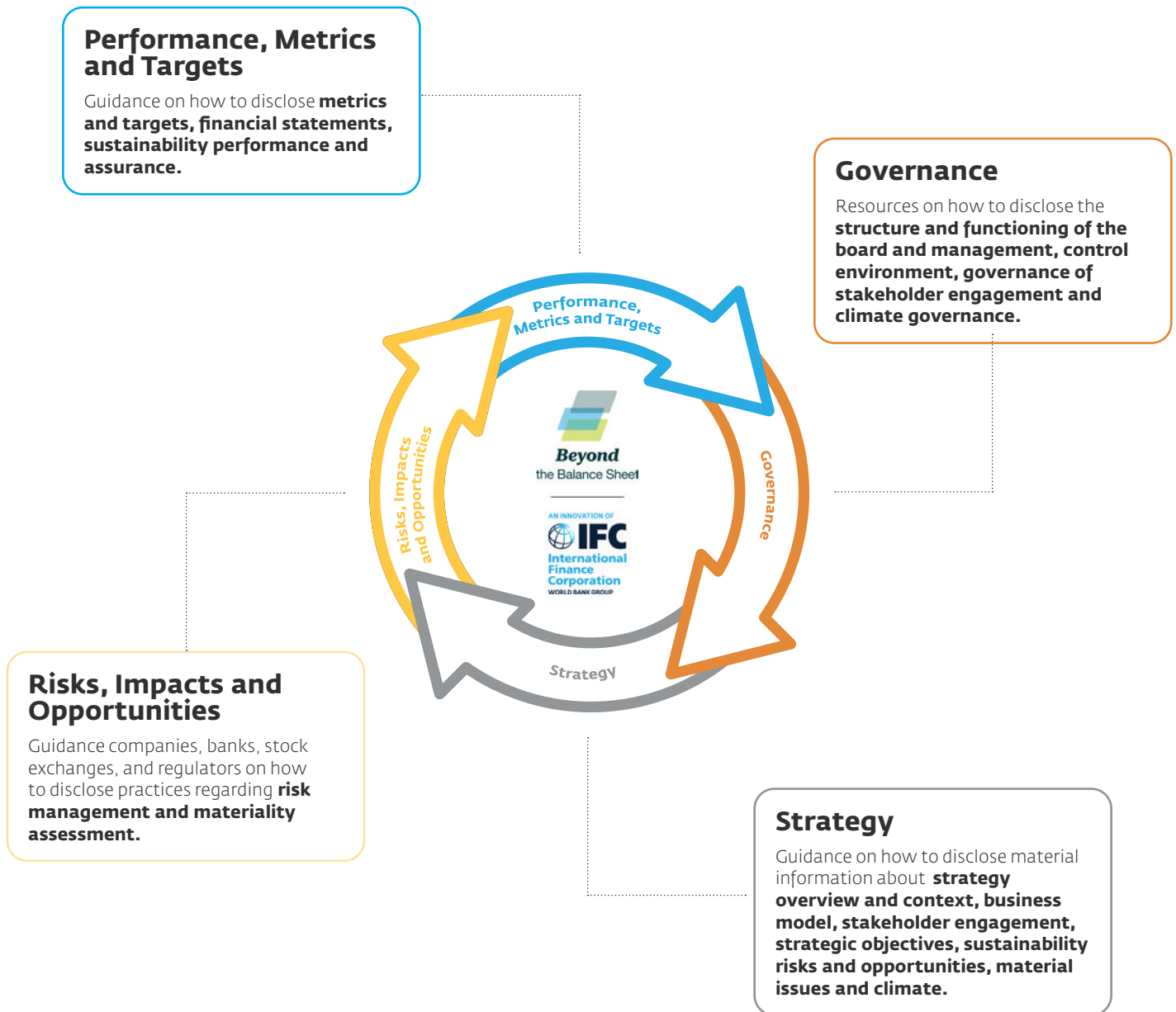
The ISSB, ESRS, and GRI standards are all comprised of general reporting requirements. These requirements outline the necessary elements needed to fulfil the reporting stipulations, and often include information on the purpose, scope, and goals of the reporting. The sections within the overall standards that cover general requirements are more strategic and aimed at organizational-level ESG management, i.e., the ISSB S1 - general requirements for a complete set of sustainability-related financial disclosures; ESRS 1 and 2, and GRI General Disclosures.



When preparing to meet these standards, understanding the general disclosure requirements is highly important to ensuring the compliance and success of the published report. Created in part to supplement and align with the global sustainability

reporting requirements, the IFC D&T Framework (Figure 3.1) in many ways encompasses the general reporting disclosures of the above standards in its own general requirements.

**Figure 3.1. IFC D&T corporate value creation pillars.**



Source: [Beyond the Balance Sheet Disclosure and Transparency Toolkit | IFC Beyond the Balance Sheet](#) (accessed on 26 February 2024).

## 3.2 Results of the benchmarking analysis: high-level content review

### 3.2.1 ISSB/IFRS S1 comparison with IFC D&T Framework















As of July 2024, the ISSB standards are currently made up of two standards:




- > General Requirements for Disclosure of Sustainability-related Financial Information, IFRS Sustainability Standard S1; and

- > Climate-related Disclosures, IFRS Sustainability Standard S2.

This section covers the General Requirements for Disclosure of Sustainability-related Financial Information – IFRS Sustainability Standard S1. The table below shows a high-level summary of our findings when comparing the levels of alignment between IFRS S1 and the IFC D&T Framework.

**Table 3.1. IFRS S1 level of alignment comparison with IFC D&T Framework.**

IFC D&T FRAMEWORK	GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS AND TARGETS
<b>D&amp;T TOOLKIT: GOVERNANCE</b>		N/A	N/A	N/A
<b>D&amp;T TOOLKIT: STRATEGY</b>				
<b>D&amp;T TOOLKIT: RISKS, IMPACTS AND OPPORTUNITIES</b>	N/A	N/A		N/A
<b>D&amp;T TOOLKIT: PERFORMANCE, METRICS AND TARGETS</b>	N/A	N/A	N/A	
<b>IFC CORPORATE GOVERNANCE METHODOLOGY</b>				
<b>PS1 - ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS</b>				

 STRONG alignment/similarities   
  SOME alignment/similarities   
  WEAK alignment/similarities

From the analysis of the IFRS S1 Standard, the following observations were made:

- > The IFC D&T Framework has weak to strong alignment with the governance requirements of the IFRS S1 Standard, through Governance and Strategy elements of the D&T Toolkit and the Corporate Governance Methodology. There is also alignment through Performance Standard 1 (PS1), mostly under the requirements of the policy and management programs.
- > The Strategy section of the D&T Toolkit has strong alignment with the Strategy elements of the IFRS S1 Standard. Elements of IFRS S1 relating to understanding a company's strategy for managing sustainability-related risks and

opportunities also have strong alignment with PS1 requirements.

- > The IFC D&T Framework has strong alignment with most of the requirements of the sustainability-related risk and opportunities, and the risk management elements of the IFRS S1 Standard. Performance Standard 1 (PS1) also provide clear guidance regarding impacts, risks and opportunities identification and mitigation management.
- > The D&T Toolkit displays only weak alignment with IFRS S1 Standard on metrics and targets. However, Performance Standards 1 to 8 provide clear guidance on topic-related sustainability requirements and thresholds to be met.



Organizations incorporating the IFC D&T Framework into their wider sustainability reporting framework would have a good base, should they wish to align with ISSB IFRS S1 reporting, specifically in Strategy, Risk Management and Metrics and Targets topics, though the organization would need to do further work to fully align with the ISSB's metrics and target data requirements.

**For further details on the comparison of the standards, refer to [Appendix A](#).**













### 3.2.2 ESRS 1 & 2 alignment and comparison with IFC D&T Framework

Made up of 12 standards, the ESRS standards are comprised of cross-cutting, as well as environmental, social, and governance standards. ESRS 1 and ESRS 2 make up the cross-cutting standards which are mandatory to report on should an entity fall under

the scope of the CSRD, and which outline the general reporting requirements of the CSRD. As such, ESRS 1 and 2 are the focus when comparing general sustainability reporting requirements.

The table below shows a high-level summary of our findings on the levels of alignment between ESRS 1&2 and the IFC D&T Framework.

**Table 3.2. ESRS 1 and 2 level of alignment comparison with IFC D&T Framework.**

IFC D&T FRAMEWORK	GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS AND TARGETS
<b>D&amp;T TOOLKIT: GOVERNANCE</b>		N/A	N/A	N/A
<b>D&amp;T TOOLKIT: STRATEGY</b>	N/A		N/A	N/A
<b>D&amp;T TOOLKIT: RISKS, IMPACTS AND OPPORTUNITIES</b>	N/A	N/A		N/A
<b>D&amp;T TOOLKIT: PERFORMANCE, METRICS AND TARGETS</b>	N/A	N/A	N/A	
<b>IFC CORPORATE GOVERNANCE METHODOLOGY</b>				
<b>PS1 - ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS</b>				

 STRONG alignment/similarities     SOME alignment/similarities     WEAK alignment/similarities

When analyzing the two reporting standards in further detail, the following observations were made:

- > The IFC D&T Framework utilizes the four-pillar reporting structure of Governance, Strategy, Risk and Impact, Metrics and Targets, providing a good comparison with the ESRS 1 and 2 Cross-cutting General Requirements and Disclosures.
- > Governance reporting requirements can be found across the Governance section of the D&T Toolkit and the IFC Corporate Governance Methodology. They are also, to some extent, covered by Performance Standard 1 (PS1), mostly under the requirements of the policy and management programs.
- > Strong alignment was found between the IFC D&T Framework and sections of the ESRS related to stakeholders (risks and impacts), roles of management in sustainability matters,

sustainability risks and mitigation, and internal control/risk management systems. Elements to allow understanding of a company's strategy for managing sustainability-related risks and opportunities also display strong alignment with PS1 requirements.

- > The IFC D&T Framework mostly aligns with the general requirements of ESRS, other than in areas such as time horizons, sustainability information, sustainability statements, transitional provisions, metrics and targets, and workers in the value chain.
- > The D&T Toolkit provides only weak alignment with ESRS on metrics and targets. However, Performance Standards 1 to 8 bring clear guidance on topic-related sustainability requirements and thresholds to be met and have some to strong alignment with the ESRS topical standards reporting requirements (reviewed in Section 4).



When reporting on the IFC D&T Framework, organizations will be collecting data and information which can be utilized when reporting on the ESRS, specifically on governance and strategy topics. As the ESRS request a more granular level of detail regarding metrics and targets, further work will need to be conducted to ensure alignment on this topic, though the IFC Framework provides a good base from which to start.

**For further details on the comparison of the standards, refer to [Appendix A](#).**

### 3.2.3 GRI alignment and comparison with IFC D&T Framework

The GRI framework is made up of a series of standards that cover both governance and strategy (GRI 2), material topics (GRI 3), and is supported by standards that span economic performance (GRI 200s), the environment (GRI 300s), and social matters (GRI 400s).

For the purpose of evaluating the alignment between the GRI and IFC's general disclosure

requirements, the general standards of GRI 2 and GRI 3 were compared against all relevant elements of the IFC D&T Framework.

The table below shows a high-level summary of our findings, setting out the levels of alignment between the GRI standards and the IFC D&T Framework.

**Table 3.3. GRI disclosure requirements level of alignment comparison with IFC D&T Framework.**

IFC D&T FRAMEWORK	GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS AND TARGETS
<b>D&amp;T TOOLKIT: GOVERNANCE</b>		N/A	N/A	N/A
<b>D&amp;T TOOLKIT: STRATEGY</b>			N/A	
<b>D&amp;T TOOLKIT: RISKS, IMPACTS AND OPPORTUNITIES</b>	N/A	N/A		N/A
<b>D&amp;T TOOLKIT: PERFORMANCE, METRICS AND TARGETS</b>	N/A	N/A		
<b>IFC CORPORATE GOVERNANCE METHODOLOGY</b>				N/A
<b>PS1 - ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS</b>			N/A	

STRONG alignment/similarities    SOME alignment/similarities    WEAK alignment/similarities

Further analysis of the two standards revealed the following observations:

- > The IFC D&T Toolkit provides good alignment with GRI 2: General Disclosures and 3: Material Topics.
- > The IFC D&T Framework provides reasonably strong alignment with most of the general organizational, governance and strategic requirements of GRI 2: General Disclosures.
- > Most of the relevant guidance is provided by sections of the IFC D&T Toolkit and IFC Corporate Governance Methodology, and sections in GRI 3: Material Topics.
- > The D&T Toolkit provides some alignment with GRI on metrics and targets. However, Performance Standards 1 to 8 bring clear guidance on topic sustainability requirements and thresholds to be met.



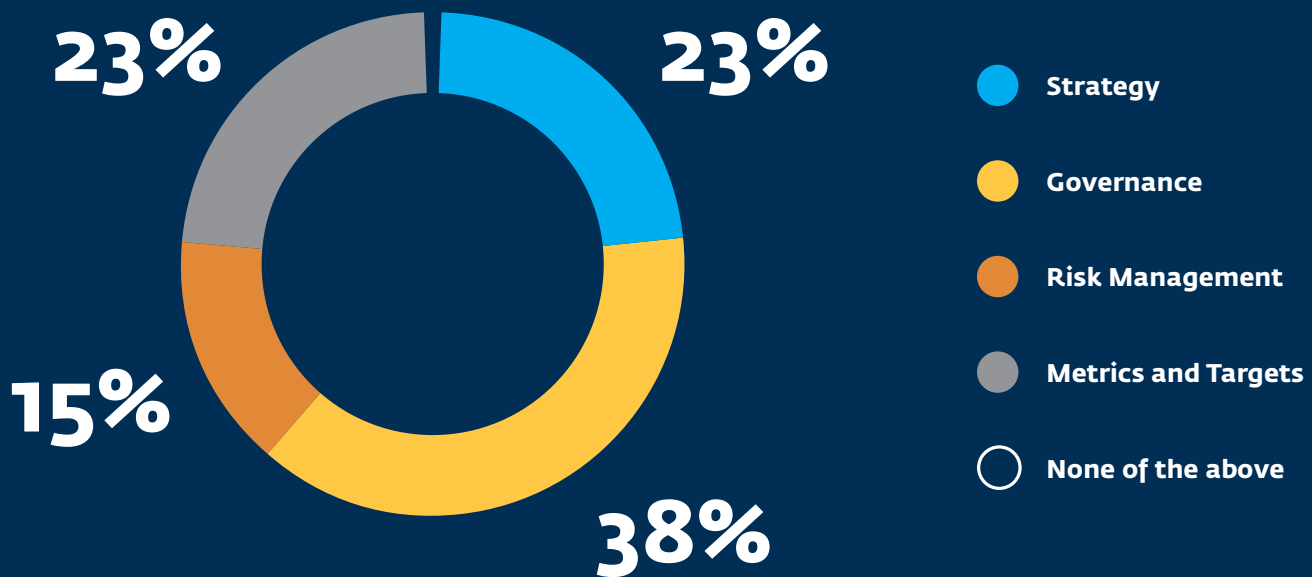
Reporting on the IFC D&T Framework provides organizations a good foundation on which to base their GRI reporting requirements when considering general disclosure requirements. Much of the information gathered to meet IFC's general sustainability requirements will be applicable when conducting GRI reporting.

**For further details on the comparison of the standards, refer to [Appendix A](#).**

## 3.2.4 Stakeholder views

Governance was the pillar seen to have the best reporting guidance currently in the IFC D&T Framework, with 38% of the votes in the survey. Strategy, and Metrics and Targets were seen to be equal at 23%, with Risk Management receiving only 15% of the share, indicating a desire for improvements by stakeholders.

**Figure 3.2. Responses to the Question: Which of the four pillars do you think currently provides the best reporting guidance in the IFC D&T Framework?**

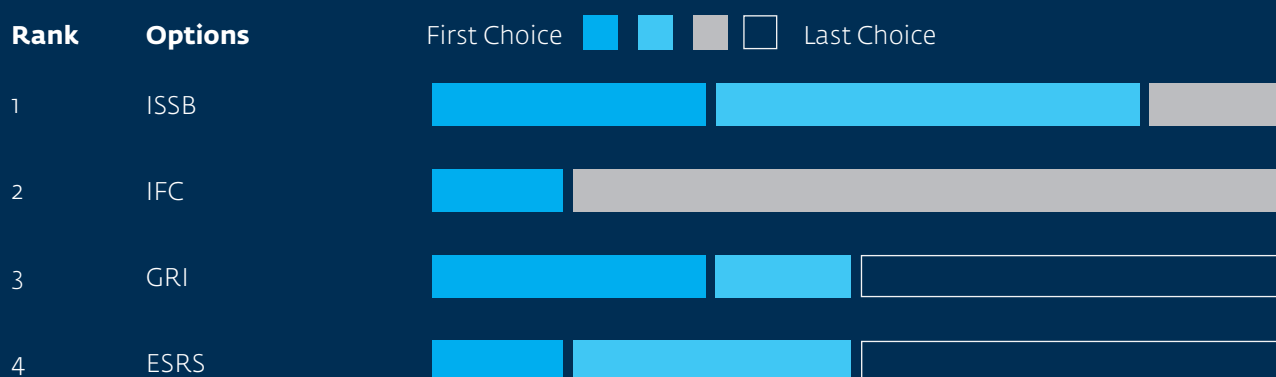


**33%** of respondents ranked Governance and 33% ranked Strategy as the most important pillar to emerging market users for sustainability reporting.



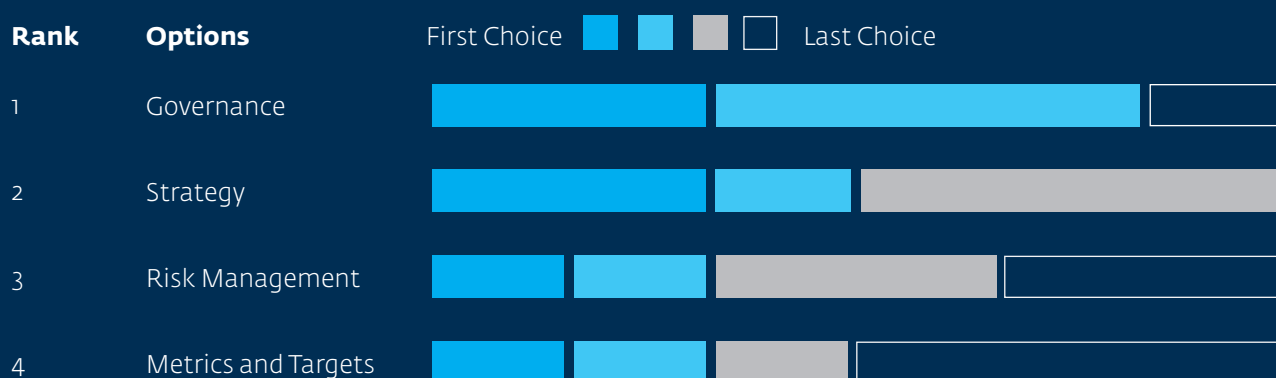
The stakeholders believed that the ISSB was the most useful to emerging market users for accessing sustainability reporting guidance, as 33.3% chose it as their first choice and 50% chose it as their second choice. Neither the ISSB nor IFC were rated fourth in this question, with the ESRS and GRI having an equal number of fourth place choices. However, GRI was also voted first by the same number of stakeholders as the ISSB, demonstrating the wide range of interviewee requirements and views on applicability of standards/frameworks to their organization.

**Figure 3.3. Responses to the Question: Please rank the following standard/framework setters on how useful they are to emerging market users for sustainability reporting guidance.**



Survey respondents believed that Metrics and Targets is the least useful pillar to emerging market users for sustainability reporting, with 50% voting for it in fourth place. Governance and Strategy were voted first by 33.3% of stakeholders, respectively, with Strategy not placed fourth in any responses.

**Figure 3.4. Responses to the Question: Please rank the following pillars on how useful they are to emerging market users for sustainability reporting.**



The stakeholders reported facing several challenges in ESG reporting, particularly for emerging market firms and regulators:

- > **Transition to Mandatory Reporting:** Moving from non-mandatory to mandatory reporting is a significant challenge, requiring time and input from stakeholders. Regulators/ audit/ assurance/ data providers/ those connected to the corporate reporting environment need time to develop pragmatic solutions to achieve the level of reporting required.
- > **Data Availability:** Access to reliable data is a common issue, especially for smaller companies and those in emerging markets. Storage mechanisms for past data and reports are also required for SMEs to improve accountability and reliability of reported information.

**50%** of interviewees said that data availability is a challenge for organizations when completing reports.

- > **Time Constraints:** The lack of time to develop and implement new reporting systems is a major challenge for emerging markets. Reporting through multiple standards/frameworks requires additional resources that may not be accessible to smaller organizations.
- > **Regulatory and Compliance Issues:** Different jurisdictions have varying requirements, which can create confusion and additional burdens for companies. ESG reporting is not a harmonized system at an international level, and it is difficult to navigate frameworks, so a common understanding is needed.

“It is important to have the ability to report without undue costs in [the] financial reporting sphere proportionate to size/ capabilities/ processes/ resources available.”

– Survey respondent



## 4. TOPIC-RELATED SUSTAINABILITY DISCLOSURE REQUIREMENTS

### 4.1 Introduction

On top of the general reporting requirement sections, the ISSB, ESRS and GRI standards are comprised of topic-specific sustainability disclosure requirements. These requirements cover a report's disclosures on the following topics:

- >> Environment (including climate)
- >> Social
- >> Governance

While the IFC D&T Toolkit is concerned with the general guidance regarding governance; strategy; risks, impacts and opportunities; and performance, the IFC PSs and the IFC Corporate Governance Methodology (known collectively as IFC ESG

Standards) describe the reporting requirements undertaken by IFC clients for managing their environmental and social risks. In addition, the IFC Climate Governance Progression Matrix (IFC Climate Governance) is a tool to assist boards of directors in











identifying and overseeing climate-related risks and opportunities.

The IFC ESG Standards and IFC Climate Governance were built with the goal of helping organizations develop a strong base on the above four sustainability and climate topics. While the ISSB, ERS and GRI standards approach the topics of environment, social and governance through different lenses, the IFC ESG Standards and IFC Climate Governance aim to amalgamate these

different perspectives to create a strong base from which organizations may report the ISSB, ERS and GRI requirements with greater ease.

The sections below present the comparison of the topic-related sustainability disclosure requirements for each standard against the IFC ESG Standards and IFC Climate Governance, to provide a high-level view of the level of alignment.

**Table 4.1. ISSB/IFRS S2 - IFC ESG Standards and Climate Governance alignment and comparison summary.**

IFC ESG STANDARDS AND CLIMATE GOVERNANCE	CLIMATE	ENVIRONMENT	SOCIAL	GOVERNANCE
<b>PS1</b> - Assessment and Management of Environmental and Social Risks and Impacts	N/A			
<b>PS2</b> - Labor and Working Conditions	N/A	N/A		N/A
<b>PS3</b> - Resource Efficiency and Pollution Prevention				N/A
<b>PS4</b> - Community Health, Safety, and Security	N/A	N/A	N/A	N/A
<b>PS5</b> - Land Acquisition and Involuntary Resettlement	N/A	N/A	N/A	N/A
<b>PS6</b> - Biodiversity Conservation and Sustainable Management of Living Natural Resources	N/A		N/A	N/A
<b>PS7</b> - Indigenous Peoples	N/A	N/A		N/A
<b>PS8</b> - Cultural Heritage	N/A	N/A	N/A	N/A
<b>IFC CLIMATE GOVERNANCE PROGRESSION MATRIX</b>		N/A	N/A	N/A

 STRONG alignment/similarities     SOME alignment/similarities     WEAK alignment/similarities

## 4.2 Results of the benchmarking analysis: detailed content review

### 4.2.1 ISSB/IFRS S2 alignment and comparison with IFC ESG Standards and IFC Climate Governance

The ISSB standards include the IFRS S2 Climate-related Disclosures, created in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). With S2 making up half of the ISSB standards, the ISSB has strong reporting guidelines built in for climate-related disclosures and, by extension, environmentally focused disclosures.

Table 4.1, on Page 32, shows a high-level summary of our findings, setting out the levels of alignment between IFRS S2 and the IFC ESG Standards and IFC Climate Governance.

From the detailed comparison of ISSB alignment with the IFC ESG Standards, the following observations were made:

- > The IFC D&T Framework, mostly in the form of the IFC's Climate Governance Progression Matrix, has some alignment with the IFRS S2 Climate-related Disclosures (IFRS S2 Climate Standard) and the climate-resilience elements of the IFRS standards.
- > The IFC DRAFT D&T Toolkit has references which link directly to an excerpt from the IFRS S2 Climate Standard.
- > The IFC D&T Framework provides some good coverage of most of the requirements of the climate-related risks and opportunities.
- > Regarding the IFC PSs, standards 1 and 3 have some alignment with the ISSB climate-related reporting requirements, whilst the information within the other Performance Standards is not comparable with the environmental disclosure requirements set out by the ISSB.



The data collected when using the IFC Climate Governance and requirements from IFC's PSs 1 and 3 can be re-used by organizations also reporting on the ISSB's IFRS S2 Standards, helping to reduce the workload required to identify new data points.

**For further details on the analysis of the standards, refer to [Appendix B](#) to [Appendix E](#), which provide detailed comparisons per topic.**

### 4.2.2 ESRS alignment and comparison with IFC ESG Standards and IFC Climate Governance

The ESRS were created as technical standards to supplement the CSRD, which aimed to enable entities to publish high-standard, non-financial reporting on environmental, social, and governance topics.

The table below shows the high-level summary results of comparing these detailed standards with the IFC ESG Standards and determining the levels of alignment between them.

Table 4.2. ESRS ESG Topics - IFC ESG.

IFC ESG STANDARDS AND CLIMATE GOVERNANCE	ESRS E1 - CLIMATE	ESRS E2 - POLLUTION	ESRS E3 - WATER AND MARINE RESOURCES	ESRS E4 - BIODIVERSITY AND ECOSYSTEMS	ESRS E5 - RESOURCE USE AND CIRCULAR ECONOMY	ESRS S1 - OWN WORKFORCE	ESRS S2 - WORKERS IN THE VALUE CHAIN	ESRS S3 - AFFECTED COMMUNITIES	ESRS S4 - CONSUMERS AND END-USERS	ESRS G1 - BUSINESS CONDUCT
<b>PS1</b> - Assessment and Management of Environmental and Social Risks and Impacts									N/A	
<b>PS2</b> - Labor and Working Conditions	N/A	N/A	N/A	N/A	N/A				N/A	
<b>PS3</b> - Resource Efficiency and Pollution Prevention				N/A		N/A	N/A	N/A	N/A	N/A
<b>PS4</b> - Community Health, Safety, and Security	N/A		N/A	N/A	N/A	N/A	N/A		N/A	N/A
<b>PS5</b> - Land Acquisition and Involuntary Resettlement	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A
<b>PS6</b> - Biodiversity Conservation and Sustainable Management of Living Natural Resources	N/A	N/A		N/A	N/A	N/A	N/A		N/A	
<b>PS7</b> - Indigenous Peoples	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A
<b>PS8</b> - Cultural Heritage	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A
<b>IFC CLIMATE GOVERNANCE PROGRESSION MATRIX</b>		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>IFC CORPORATE GOVERNANCE METHODOLOGY</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

STRONG alignment/similarities   SOME alignment/similarities   WEAK alignment/similarities

Deeper analysis of the two standards revealed the following observations:

- The IFC PSs find stronger alignment with the ESRS environmental and social standards. Although the PSs, except for Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts, were historically project-orientated, they can and have been applied to help corporates understand the environmental and social matters in relation to their broader corporate operations and in corporate sustainability reporting. In contrast, the ESRS is designed specifically for corporate use.
- Both the ESRS and IFC PSs consider environmental and social risk, and impact mitigation and management. The ESRS require the consideration of these for business operations, in which impact refers to positive and negative sustainability-related impacts from a business's operations, and risks and opportunities refer to sustainability-related financial risks and opportunities. The ESRS requirements on corporate environmental and social impact, risk and opportunities include comparative reporting relative to a base year, and on-going targets (beyond legal minimum requirements) to encourage continued improvement on these topics. The IFC PSs focus on the identification, management and monitoring of project-related risks and impacts. IFC PS 1 sets out requirements for business-operations-level assessment and management systems. The IFC PSs set a minimum bar to be met, as opposed to a requirement for on-going, targeted improvement (which is required by the ESRS). The IFC PSs include the use of environmental and social action plans (ESAPs) to set out how and when relevant aspects will be met if a project has yet to meet all the relevant standards requirements.
- The requirements of the EU CSRD and the ESRS are complex and multi-faceted. The IFC D&T Framework covers many elements of both EU requirements well, but in other areas there is somewhat less alignment. The most relevant difference is the target-setting reporting requirements of the ESRS.
- The IFC D&T Framework has strong alignment in its guidance on some core governance matters such as business conduct, control environment, and board structure and function. ESRS, however, provides more clarity on reporting requirements related to payment practices, political influence and lobbying, and corruption and bribery avoidance.



Reporting on the IFC PSs would enable organizations to gather significant data points which could be reused when reporting on the ESRS Standards. While not all ESRS Standards will be applicable for each organization, the IFC PSs provide a strong foundation of relevant information which can be useful when reporting against almost all ESRS Standard requirements.

**For further details on the analysis of the standards, refer to [Appendix B](#) to [Appendix E](#), which provide detailed comparisons per topic.**

### 4.2.3 GRI alignment and comparison with IFC Performance Standards on Environmental and Social Sustainability and IFC Climate Governance

The Global Reporting Initiative (GRI) is a well-established corporate sustainability reporting framework. It is used by many companies globally, including many in emerging economies.

The GRI framework is made up of a series of different standards around governance and strategy (GRI 2),

material topics (GRI 3), and supported by a series of standards around economic performance (GRI 200s), the environment (GRI 300s), and social matters (GRI 400s).

The table below shows a high-level summary of our findings when comparing the GRI Standards with the IFC PSs, setting out the levels of alignment between the two:

**Table 4.3. GRI - IFC Performance Standards on Environmental and Social Sustainability and IFC Climate Governance alignment and comparison summary.**

IFC PSs AND CLIMATE GOVERNANCE	CLIMATE	ENVIRONMENT	SOCIAL	GOVERNANCE
<b>PS1</b> - Assessment and Management of Environmental and Social Risks and Impacts	N/A			
<b>PS2</b> - Labor and Working Conditions	N/A	N/A		N/A
<b>PS3</b> - Resource Efficiency and Pollution Prevention				N/A
<b>PS4</b> - Community Health, Safety, and Security	N/A	N/A	N/A	N/A
<b>PS5</b> - Land Acquisition and Involuntary Resettlement	N/A	N/A	N/A	N/A
<b>PS6</b> - Biodiversity Conservation and Sustainable Management of Living Natural Resources	N/A		N/A	N/A
<b>PS7</b> - Indigenous Peoples	N/A	N/A		N/A
<b>PS8</b> - Cultural Heritage	N/A	N/A	N/A	N/A
<b>IFC CLIMATE GOVERNANCE PROGRESSION MATRIX</b>		N/A	N/A	N/A

STRONG alignment/similarities    SOME alignment/similarities    WEAK alignment/similarities



From the analysis of these two standards, the following observations were made:

> The IFC PSs provide some alignment with some of the GRI Environment (300s) and Social (400s) standards, but somewhat less so for GRI Economic Performance (200s) standards. This is against a background of the GRI standards as reporting standards, rather than requirements; whereas IFC requires its clients to apply its PSs to

manage and mitigate environmental and social risks and impacts.

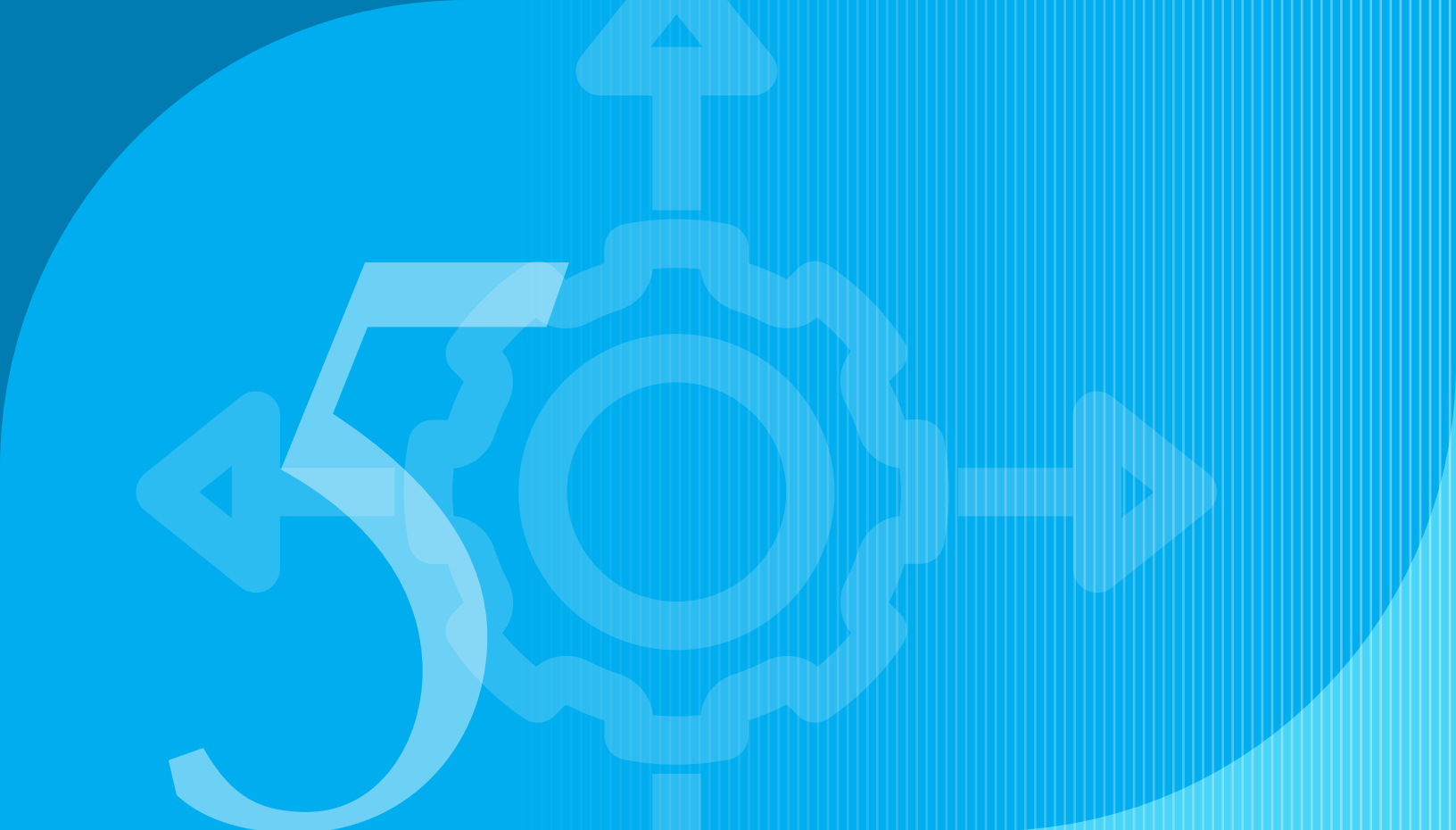
> There is good alignment, in particular, between the IFC PSs and the GRI Environment (300s) sections, across most of the environment topics covered by the GRI. There are, however, differences on how issues of energy are considered by the IFC Performance Standards and the GRI section on energy.



There is some alignment between the IFC PSs and the GRI Social (400s) sections with many social related topics covered both by the PSs and the GRI. These include topics such as occupational health and safety, child labor, forced or compulsory labor, security practices, rights of indigenous peoples, and local communities; however, there are differences between the two sets of requirements on topics such as employment, labor/management relations, training and education, freedom of association and collective bargaining, public policy, customer health and safety, marketing and labeling, and customer privacy.

The IFC PSs, particularly Performance Standard 1, enable organizations to be partially prepared for GRI topic-related sustainability reporting due to similar information being requested, however the GRI Standards require a deeper level of disclosure.

**For further details on the analysis of the standards, refer to [Appendix B](#) to [Appendix E](#), which provide detailed comparisons per topic.**



## 5. OVERALL FINDINGS

Throughout this report, the IFC D&T Framework has been benchmarked against the IFRS Foundation's ISSB Standards, the CSRD's ESRS Standards, and GRI Standards, to identify the areas of alignment between IFC and those various standards. The three-tiered approach, looking at (i) the strategic purpose of each of the standards, (ii) general sustainability reporting requirements, and (iii) topic-related sustainability disclosure requirements, enabled a deeper comparison to help understand precisely where IFC aligns with the global standards. Our overall findings show:

- ▶ Updates by IFC to the various components of the D&T Framework have developed stronger alignment with the ISSB Standards. The four-pillar system of "Governance," "Strategy," "Risks, Impacts and Opportunities," and "Performance, Metrics and Targets," now adopted by IFC, creates confidence in its users that the guidance will allow them to align their reporting well with that of the ISSB requirements. The IFC Corporate Governance Methodology has strong alignment with IFRS governance reporting requirements.
- ▶ The IFC D&T Framework has strong alignment with multiple areas of the ESRS General Sustainability Requirements. In general, the ESRS are more prescriptive and provide clearer information about what is expected to be

disclosed. The IFC ESG Standards have some alignment with the ESG topics of the ESRS Environmental and Social Standards. The IFC Corporate Governance Methodology has strong alignment with ESRS governance reporting requirements. However, ESRS provides more clarity on reporting requirements related to payment practices, political influence and lobbying, and corruption and bribery avoidance.

- The IFC D&T Toolkit has some alignment with most of the general organizational, governance, and strategic requirements of GRI 2: General Disclosures and GRI 3: Material Topics. The IFC PSs have strong alignment with some Environment (GRI 300s) and Social (GRI 400s) Standard topics, but further guidance would be required for IFC users to align reporting with the Economic Performance (GRI 200s) topics, which currently has weak alignment.

The ESRS and the ISSB Standards bring additional components to sustainability reporting, aligned with recent global trends and wider society desire for more transparent and risk-driven information. Some of these are highlighted here below:

- Value chain outputs and outcomes, in terms of current and expected benefits for customers and investors, as well as sustainability-related goals in terms of groups of products and services, supplier and customer categories, geographical areas, and relationships with stakeholders.
- Links to past, present, and future within the reporting period and the establishment of a

base year allowing progress measuring and change, and targets monitoring over time. Definition of short-, medium-, and long-term for reporting purposes and risks and opportunities categorization, and how these definitions are linked to the entity's strategic planning horizons and capital allocation plans.

- Reporting the resilience of the undertaking's strategy and business model(s) regarding its capacity to address its material impacts and risks, and to take advantage of its material opportunities.
- The concept of transition plans and approaches to reporting them.
- Explicit reference to incentive schemes linked to sustainability.

On the other hand, compared to the ISSB Standards, the IFC ESG Framework provides, through its Performance Standards, greater detail on best-practice standards to enhance sustainability performance on ESG topics, i.e. labor and working conditions, resource efficiency and pollution prevention, community health, safety and security, land acquisition and involuntary resettlement, biodiversity conservation, indigenous peoples and cultural heritage. The IFC D&T Framework aligns better with the ESRS and the GRI Standards when referring to these ESG topics. Together with the World Bank EHS Guidelines, IFC D&T Framework users have comprehensive and in-depth industry-specific standards to support environmental and social good practice.

## 5.1 Key Outputs

The key outputs from the stakeholder engagement interviews and survey are summarized below:

---

**81%** of interviewees said that multiple and varying reporting requirements are a challenge for emerging market users.

---

**75%** of interviewees discussed interoperability or harmonization between reporting standards.

---

**63%** of interviewees mentioned materiality as being an important focus for reporting. The variation between single and double/impact and financial materiality requirements between the various standards was highlighted as a complexity to overcome.

---

**56%** of interviewees suggested that collaboration between standard setters would benefit users.

---

**50%** of interviewees said that data availability is a challenge for organizations when completing reports.

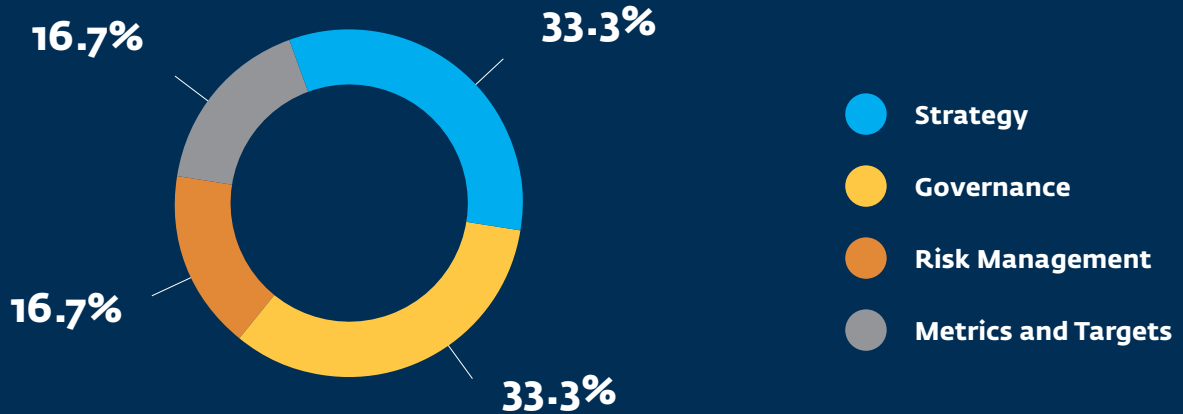
---

**19%** of interviewees recommended that a reporting template would be a useful tool for emerging market users to overcome barriers in understanding what they need to report.

---

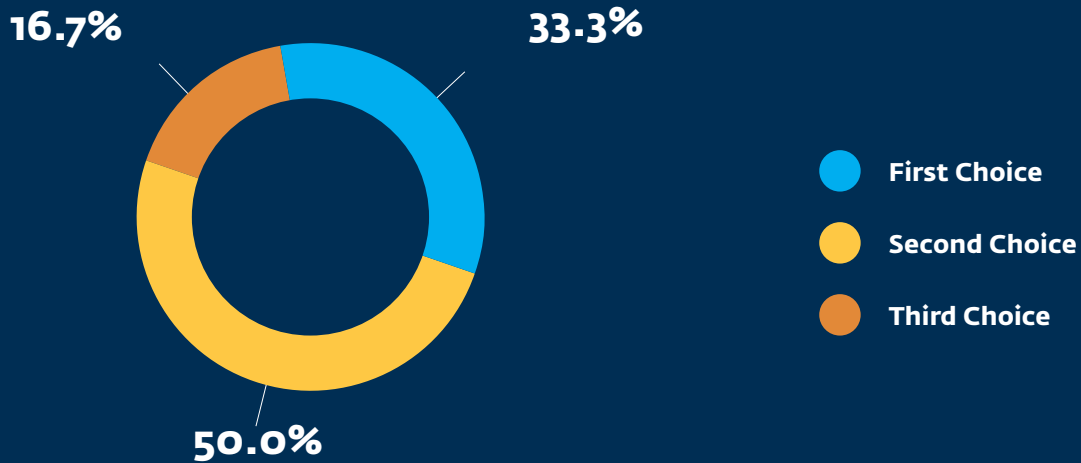
**33%**

of survey respondents ranked Governance and 33% ranked Strategy as the most important pillar to emerging market users for sustainability reporting.



**33%**

of survey respondents ranked the ISSB as the most useful standard/framework for emerging market users, with 50% ranking the ISSB as the second most useful



**Options**

Very Somewhat Not very Not at all Don't know

GRI



ESRS





## 6. SUPPORT, TOOLS, AND FURTHER COLLABORATION

The interviews highlighted the importance of ESG reporting standards and frameworks, the challenges faced by organizations in emerging markets, the need for greater support and tools, and the value of collaboration.

The transition to mandatory reporting, data availability, and regulatory compliance are significant challenges, while clear guidance, capacity building, and digital tools are essential for successful adoption and implementation of new standards. Emerging market users face greater challenges in accessing the resources and capital required to adhere to several complex and demanding reporting requirements. The move to mandatory reporting will, therefore, have larger impacts on these users, with value chains potentially located in multiple and varying jurisdictions. Without established ESG reporting

processes in place, accessing the data required by these standards can be difficult for SMEs. Data storage mechanisms are required, allowing for continuous reference to previous reports and improvement in the data provided.

Complying with multiple regulatory requirements across the value chain is a significant challenge for smaller organizations, with varying jurisdictional reporting guidance affecting the consistency and quality of ESG reports being produced. Users in emerging markets require clear guidance to understand which standards and frameworks they

should report in line with, and which aspects of the ESG report are relevant to their organization and its value chain. Capacity building was identified as a crucial aspect of this, with opportunities for providing feedback ensuring that the ideas and concerns of users is understood and acted upon by the standard-setting bodies. The previous work of IFC in building capacity in emerging markets was highlighted by interviewees, with future training programs needing to follow a similar structure.

Collaboration and interoperability between different standards bodies is crucial for creating a cohesive and effective reporting environment. Examples of this have already been achieved, such as the partnership between IFC and IFRS to highlight alignment between the two frameworks. Collaboration with IFC users was also suggested by some interviewees, integrating feedback mechanisms into the planned training and stakeholder engagement activities to ensure the needs of organizations are addressed. Developing tools and support in the local language of IFC users was also important, ensuring that the complexities of ESG reporting are conveyed accurately.

The interviewees emphasized the need for various forms of support and tools from IFC to help emerging markets adopt new standards:

- > **Guidance and Clarity:** Providing clear guidance and advice is crucial for companies to understand and comply with new standards. Bringing clarity to the market - stakeholders do not always understand that two standards, e.g., ISSB and GRI, can be complimentary.
- > **Capacity Building:** Engaging with stakeholders and building capacity through training and support is essential. Engagement in capacity building is required to identify and address gaps in support, rather than just addressing the issue of interoperability. In-person or interactive sessions were mentioned frequently.
- > **Digital Tools:** Developing digital tools, such as templates and taxonomies, can help streamline reporting processes and make standards more accessible. A straightforward source of information, e.g., bite-sized chunks of information provide easily accessible key points of research and will take less time for stakeholders to engage with.



**[For a digital tool] a simple approach is preferred, but you need to keep useful information – you can't make it too simple.” – Survey respondent**

**50%**

**of interviewees thought that stakeholder engagement is important for improving the interoperability of standards and creating a simplified ecosystem of requirements.**

# 19%

of interviewees recommended that a reporting template would be a useful tool for emerging market users to overcome barriers in understanding what they need to report.

The need to improve collaboration between the different standards organizations and stakeholders was a recurring theme mentioned by interviewees:

- > **Interoperability:** Working towards interoperability between standards like ISSB, ESRS, and GRI is seen as beneficial for creating a cohesive reporting environment. Interoperability is preferred over generating new ideas.
- > **Knowledge Partnerships:** Collaboration with public authorities and capacity-building partners is already happening and is seen as crucial for supporting sustainability reporting in emerging markets.
- > **Digital Tools and Frameworks:** Developing digital tools that benchmark, guide, and support reporting in line with multiple standards is a key goal. There is a need to provide information to help organizations understand the connections between impacts and financial data.

Stakeholders responded that an interactive digital tool would be the most useful format to share the outputs from this research report, with 83.3% voting that it would be “extremely useful” and no one voting that it would be “not useful.” The idea of PDF brochures was well received, with 33.3% voting that they would be “extremely useful” and 50% saying that they would be “somewhat useful.” 33.3% of respondents said that alternative formats would be “extremely useful,” including:

- > Interactive webinars and workshops, newsletters, roadmap
- > Awareness-raising events throughout the countries
- > Infographics, videos
- > Partnerships with other organizations

# 38%

of interviewees suggested that interactive sessions and/or webinars are a useful way of communicating with users of the IFC D&T Framework.

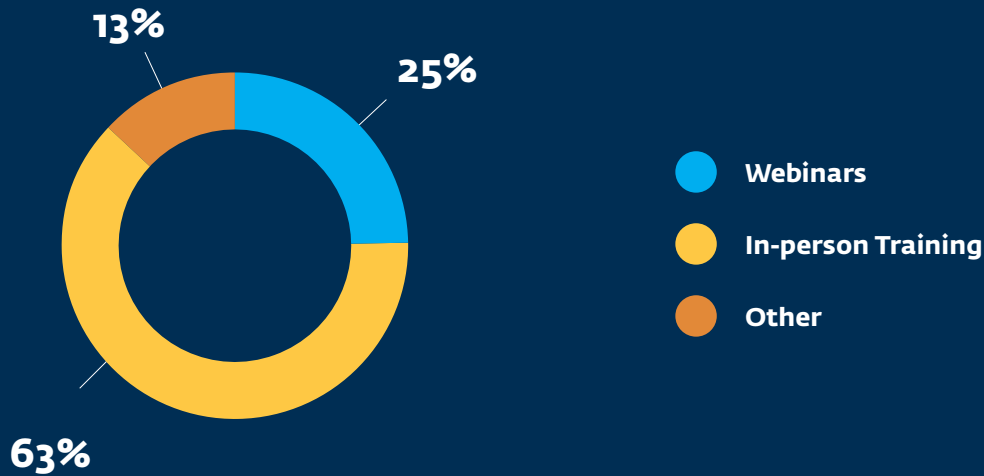


In-person training would be the most effective method to improve alignment across the different frameworks, and an interactive digital tool would be an extremely useful format to share the outputs of this report's research outputs.

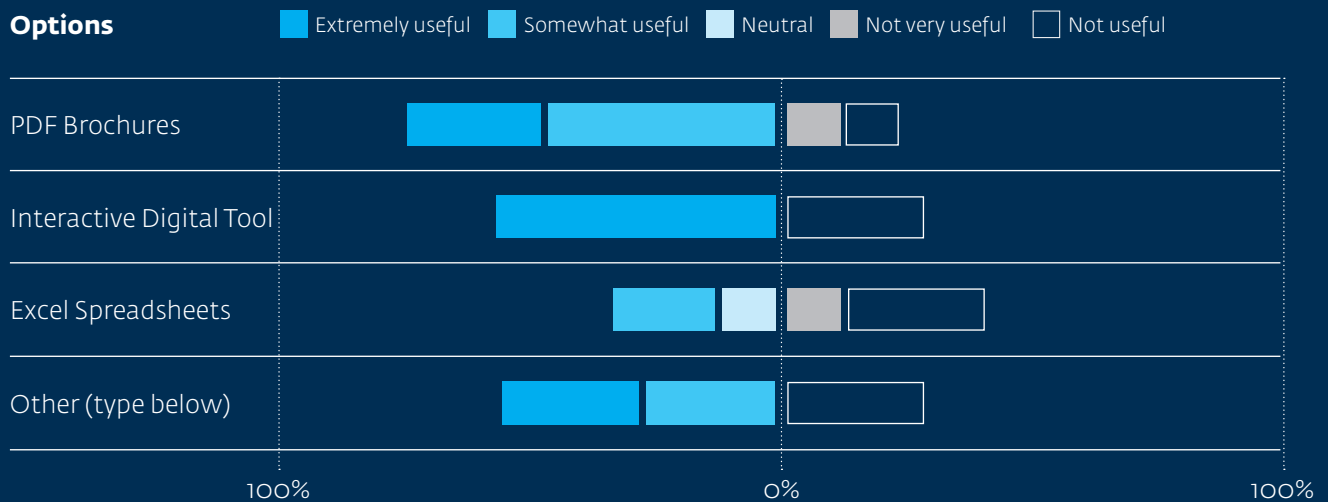
These responses align with the desires of interviewees for greater collaboration, as well as simplifying the process of providing sustainability reporting guidance. Human interaction was preferred mostly over written text, with the ability

to provide feedback in webinars and workshops being mentioned in interviews, as well as in this survey. In-person training was emphasized as the preferred method by a number of stakeholders in the interviews and was reinforced in the responses above. Webinars were deemed to be useful for engaging with a greater number of stakeholders across differing time zones; but, if possible, in-person training with more opportunities for interaction was preferred.

**Figure 6.1. Responses to the Question: Please rate the following formats to facilitate wider communication of the report research outputs.**



**Figure 6.2. Responses to the Question: Please rate the following formats to facilitate wider communication of the report research outputs.**



As the landscape of ESG reporting continues to shift and develop, emerging market companies and other IFC D&T Framework users will need to assess the impact on their disclosure alignment proactively. IFC, ever-present in its objective to facilitate

disclosure alignment, can assist emerging market organizations in tracking and responding to these changes to continue to lower the reporting burden for companies in emerging markets.



# Appendices

## A. DETAILED GENERAL REQUIREMENTS COMPONENTS ALIGNMENT WITH IFC D&T FRAMEWORK

Table A.1 provides details on the alignment level between the IFC D&T Framework and **IFRS S1**, **ESRS E2** and **GRI Standards**. Working through the IFC Toolkit per section, the **IFC Corporate Governance Methodology**, and the **Climate Governance Progression Matrix**, the table provides a detailed understanding of the similarities and differences between the **Toolkit** and the standards.

**Table A.1. Mapping IFRS S1, ESRS 2 and GRI based on the structure of the IFC D&T Framework.**

IFC D&T FRAMEWORK	IFRS S1 AND S2	ESRS 1 AND 2	GRI GENERAL DISCLOSURE
<b>GOVERNANCE</b>			
<ul style="list-style-type: none"> <li>➤ Leadership, culture, and commitment to sustainability</li> <li>➤ The company's objectives and principles</li> <li>➤ The board's role</li> <li>➤ Rights and treatment of stakeholders and shareholders</li> <li>➤ Governance of sustainability and stakeholder engagement</li> <li>➤ Consideration of sustainability issued in board decision-making, business activities, and strategy</li> <li>➤ Disclosure and transparency</li> <li>➤ Compliance with environmental and social laws, regulations, and expectations</li> <li>➤ Code of conduct for the company and its supply chain</li> </ul>	<ul style="list-style-type: none"> <li>● Strong alignment on the board's duties, responsibilities, and role in overseeing sustainability and climate-related risks and opportunities within strategy, risk, and performance. IFC's Climate Governance Progression Matrix provides good international practice details on this area.</li> <li>● Some alignment on how the entity integrates sustainability-related, climate-related risks and opportunities into its strategic objectives, similar to <i>D&amp;T Toolkit Strategic Objectives, KPIs &amp; Targets</i>.</li> </ul>	<ul style="list-style-type: none"> <li>● Strong alignment with the ESRS 2 basis for preparation and the objective of the sustainability statements and reporting within the company's sustainability objectives and principles, and disclosure and transparency.</li> <li>● Strong alignment over the ESRS 2 Governance pillar, regarding the board's duties, responsibilities and role overseeing the companies' sustainability matters.</li> <li>● Strong alignment with ESRS 2 Impact, risk, and opportunity management on compliance with laws and regulation aspects.</li> <li>● Strong alignment with ESRS 2 Strategy pillar regarding business model and value chain on code of conduct and supply chain management.</li> </ul>	<ul style="list-style-type: none"> <li>● Strong alignment with the GRI General Disclosures for the definition of reporting period and suggestion of frequency of reporting. (<i>D&amp;T Toolkit / Reporting Guidance</i>).</li> <li>● Scope of the company's codes and policies regarding corporate governance, sustainability and ethics (<i>D&amp;T Toolkit / Governance / Leadership, Culture, and Commitment to Sustainability</i>).</li> <li>● Some alignment on the entities included in sustainability reporting (<i>D&amp;T Toolkit / Reporting Guidance</i>); however, less alignment if the organization consists of multiple entities. Explains the approach used for consolidating the information.</li> <li>● Weak alignment on contact point for questions about the report or information.</li> </ul>



## IFC D&T FRAMEWORK

- Structure and functions of the board
- Qualifications and independence
- Nomination and appointment
- Qualification and skills
- Independence
- Diversity, equity, and inclusion
- Board work and committees
- Board evaluation
- Management's role
- Governance of sustainability
- Oversight of sustainability issues at board level
- Oversight coordinated among the corporate governance, risk, and audit committees
- Oversight by a stand-alone committee or subcommittee dedicated to sustainability

## IFRS S1 AND S2

- Strong alignment between IFRS S1 and *D&T Toolkit / Risks, Impacts, and Opportunities Management / Management of Material Sustainability Issues* when discussing the roles of management and the board in overseeing the assessment of sustainability-related risks and opportunities.
 

Both the D&T toolkit and the ISSB cover the role of management in assessing and managing climate-related issues, including whether the organization has assigned climate-related responsibilities to management-level positions or committees, how management monitors climate-related issues, and how climate-related issues are addressed in regard to the company's products and services (Climate Governance Progression Matrix - Section C). This is particularly poignant when considering how management assesses and manages short-, medium-, and long-term materiality of climate-related risks and opportunities for the company (Climate Governance Progression Matrix - Section A).
- Some alignment on how the climate-related adaptation and mitigation are incorporated into the company's risk governance framework in both reports (Climate Governance Progression Matrix - Section C).
- Weak alignment on the specific mention of the use of controls and procedures to support the oversight of sustainability-related risks and opportunities.
 

Additionally, while IFC references the ISSB standard, the recommendations are more closely aligned with the TCFD (*D&T Toolkit / Strategy / Climate Disclosure - Strategy*).

## ESRS 1 AND 2

- Strong alignment over the ESRS 2 Governance pillar, regarding the board's duties, responsibilities, and role overseeing the company's sustainability matters. However, the ESRS takes a broader outlook on this, covering administrative, management, and supervisory bodies, as opposed to board-level oversight; nevertheless, it is the focus of IFC.

## GRI GENERAL DISCLOSURE

- Strong alignment of the organizational structure that defines roles, responsibilities, and authority to implement the ESMS (Performance Standard 1 - Assessment and Management of Environmental and Social Risks and Impacts).
- Fully covers the process of nominating and appointing directors. Also, the roles of the board, nomination committee, and shareholders in nominating and appointing. Covers diversity, competencies and independence criteria (*D&T Toolkit / Governance / Structure & Functioning of the Board and Management*).
- Weak alignment when describing the governance structure and committees but is more focused on risk (*D&T Toolkit / Governance / Structure & Functioning of the Board and Management*).



## IFC D&T FRAMEWORK

- Control environment and risk
- Internal control system
- Internal audit function
- Risk governance
- Risk appetite
- Risk assessment and management
- Risk oversight
- Diversity, equity, and inclusion
- Compliance
- Subsidiary governance
- Dividend and tax disclosure
- Lobbying and political contributions

## IFRS S1 AND S2

- Strong alignment in identifying the need for companies to disclose their process to identify, assess and manage sustainability-related and climate-related risks and opportunities in the short, medium, or long term. The board, risk management committee, or other specialized committee should oversee that management conducts an annual scenario analysis to evaluate the company's resilience (Climate Governance Progression Matrix - Section A).
- Weak alignment on taking risk into account in decisions on major transactions and the trade-offs associated with risks and opportunities, or on the specific inputs and parameters used by the entity, or how scenario analysis is used (how the entity assesses the effects of the risks).

## ESRS 1 AND 2

- Some alignment over the risk management and internal controls under the ESRS 2 Governance pillar. Whilst the D&T toolkit provides guidance over externalities such as lobbying and political contributions, which are key aspects to companies operating in emerging economies, the ESRS 2 focus on the upstream and downstream value chain data and information availability.
- Beyond the requirements
- Some alignment is found with the ESRS 2 Governance pillar in incentive schemes and references to be considered in the company's remuneration report.
- The IFC D&T Toolkit covers in more detail the integration of the company's sustainability-related performance and minority-shareholders' governance and rights.

## GRI GENERAL DISCLOSURE

- Some alignment where describing the governance and management processes, controls, and procedures in place to ensure compliance with policies and codes of ethics or conduct (*D&T Toolkit / Governance / Leadership, Culture, and Commitment to Sustainability*). Compliance is the process through which companies demonstrate that they have conformed to specific requirements in laws, regulations, contracts, strategies, and policies (*D&T Toolkit / Governance / Control Environment*).
- The report needs information on training that the organization provides on implementing the commitments (*D&T Toolkit / Governance / Leadership, Culture, and Commitment to Sustainability*).
- Weak alignment on reporting of examples of non-compliance and fines incurred (*D&T Toolkit / Governance / Control Environment*).
- No alignment on describing the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated. Reports whether conflicts of interest are disclosed to stakeholders.

- Minority shareholders
- Ownership and control
- Significant direct shareholders
- Indirect or deemed ownership
- Groups and control chains
- Controlling shareholders
- Compensation
- Policy
- Actual compensation
- Rights of minority shareholders
- Board nomination and other minority shareholder rights
- Change of control
- Related-party transactions
- Policy and management process
- Details on RPTs

- Minority shareholders is not a subject covered by the IFRS S1 and S2. The IFC D&T Framework covers in detail the integration of the company's sustainability-related performance and minority-shareholders' governance and rights.

IFC D&T FRAMEWORK	IFRS S1 AND S2	ESRS 1 AND 2	GRI GENERAL DISCLOSURE
<ul style="list-style-type: none"> <li>➤ Governance of stakeholder engagement</li> <li>➤ Commitment, policy, and strategy</li> <li>➤ Governance and management</li> <li>➤ Stakeholder identification</li> <li>➤ Communication and grievance</li> </ul>	<p><span style="color: blue;">●</span> The IFC D&amp;T Toolkit covers in more detail the governance of stakeholder engagement.</p>	<p><span style="color: green;">●</span> Strong alignment with ESRS 2 Strategy pillar regarding the interests and views of stakeholders, including affected communities covered by both frameworks.</p>	<p><span style="color: green;">●</span> Strong alignment with describing the policy and strategy for stakeholder engagement at board and management levels, including identification, approach for priority groups, and grievance mechanisms. Describes constituencies identified as key company stakeholders and the process of identifying material stakeholders. Describes mechanisms to ensure that stakeholders receive relevant information to address their interests and concerns (<i>D&amp;T Toolkit / Governance / Stakeholder Engagement</i>).</p> <p><span style="color: red;">●</span> Weak alignment on how commitments are communicated to workers, business partners, and other relevant parties.</p> <p><span style="color: red;">●</span> Weak alignment on describing how the stakeholders, who are the intended users of the grievance mechanisms, are involved in the design, review, operation, and improvement of these mechanisms.</p>
<p>➤ Climate Governance Progression Matrix</p>	<p>Assessed in the Section 4.1 comparing with the IFRS S2</p>	<p>Assessed in the Section 4.1 comparing with the ESRS E1</p>	<p>Assessed in the Section 4.1 comparing with the GRI</p>
STRATEGY	<ul style="list-style-type: none"> <li><span style="color: orange;">●</span> Some alignment on the risks and opportunities recognized through scenario analysis and processes to incorporate them into the company's strategy and financial plans (<i>D&amp;T Toolkit / Strategy / Climate Disclosure - Strategy</i>).</li> <li><span style="color: green;">●</span> Describes sustainability- and climate-related risks and opportunities facing the company and how they affect the company's business model, strategy, and risk profile (Climate Governance Progression Matrix - Section A &amp; D).</li> <li><span style="color: red;">●</span> Weak alignment on the effect of sustainability-related risks and opportunities on decision making. Weak alignment was also noted where the entity's business model and value chain sustainability-related risks and opportunities are concentrated.</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: green;">●</span> The IFC Toolkit sections on Strategy, Business Model, External Environment, and Stakeholder Engagement show strong alignment with the ESRS.</li> <li><span style="color: orange;">●</span> In general, ESRS 2 disclosure requirements are more prescriptive and provide clearer information about what is expected to be disclosed.</li> <li><span style="color: green;">●</span> Strong alignment with the disclosure requirements related to strategy, business model, and value chain; and material impacts, risks, and opportunities, and their interaction with strategy and business model.</li> </ul>	<p><span style="border: 1px solid black; border-radius: 50%; width: 15px; height: 15px; display: inline-block; margin-right: 5px;"></span> No alignment on the management overview of the company's long-term strategy for addressing significant sustainability-related risks and opportunities affecting the company's business model, value chain, and financial results.</p>

IFC D&T FRAMEWORK	IFRS S1 AND S2	ESRS 1 AND 2	GRI GENERAL DISCLOSURE
<ul style="list-style-type: none"> <li>➤ Business model</li> <li>➤ Resources and input</li> <li>➤ Business process</li> <li>➤ Products and services</li> <li>➤ Structure and relationships</li> </ul>	<p>○ No alignment noted on business model resources and input processes, products and services, and structure and relationships.</p>	<ul style="list-style-type: none"> <li>● Strong alignment with the disclosure requirements related to strategy, business model, and value chain; and material impacts, risks, and opportunities, and their interaction with strategy and business model.</li> <li>● In general, ESRS 2 disclosure requirements are more prescriptive and provide clearer information about what is expected to be disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>● Strong alignment, as covers all sections under business model and environment (<a href="#">D&amp;T Toolkit / Strategy / Strategy Overview</a>). Describes how the company is structured. Describes the relationships, resources, and inputs that are key for the business to succeed (<a href="#">D&amp;T Toolkit / Strategy / Business Model</a>).</li> <li>● Weak alignment on reporting the total number of employees, and a breakdown of this total by gender and by region (<a href="#">D&amp;T Toolkit / Strategy / Business Model</a>).</li> </ul>
<ul style="list-style-type: none"> <li>➤ External business environment</li> <li>➤ Company markets</li> <li>➤ External environment</li> <li>➤ Sustainability</li> <li>➤ Internal drivers</li> </ul>	<p>○ No alignment noted on external business environment including company markets, external environment, sustainability, and internal drivers.</p>	<ul style="list-style-type: none"> <li>● Strong alignment with the disclosure requirements related to strategy, business model, and value chain. In general, ESRS 2 disclosure requirements are more prescriptive and provide clearer information about what is expected to be disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>● Strong alignment, as covers all sections under business model and environment (<a href="#">D&amp;T Toolkit / Strategy / Strategy Overview</a>).</li> </ul>
<ul style="list-style-type: none"> <li>➤ Stakeholder engagement</li> <li>➤ Mapping, identification, and relations</li> <li>➤ Interests and concerns</li> <li>➤ Process and outcome</li> <li>➤ Integration in strategy</li> </ul>	<p>○ No alignment on stakeholder engagement.</p>	<ul style="list-style-type: none"> <li>● Strong alignment with the disclosure requirements related to interests and views of stakeholders. In general, ESRS 2 disclosure requirements are more prescriptive and provide clearer information about what is expected to be disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>● Strong alignment on the policy and strategy for stakeholder engagement at board and management levels, including identification, approach for priority groups, and grievance mechanisms. Describes constituencies identified as key company stakeholders and the process of identifying material stakeholders. Describes mechanisms to ensure that stakeholders receive relevant information to address their interests and concerns (<a href="#">D&amp;T Toolkit / Governance / Stakeholder Engagement</a>).</li> </ul>
<ul style="list-style-type: none"> <li>➤ Strategic objectives, KPIs and Targets</li> <li>➤ Objectives</li> <li>➤ KPIs and Targets</li> </ul>	<p>● Specifically, qualitative and quantitative information are not laid out in the D&amp;T toolkit. This includes specifics around: the capacity to adjust strategy and business model; areas of uncertainty; information on the inputs the entity used, or key assumptions made and; the reporting period analyzed.</p>	<ul style="list-style-type: none"> <li>● Strong alignment with the disclosure requirements related to strategy, business model and value chain. KPIs and targets are also considered within the ESRS minimum disclosure requirement topics: metrics in relation to material sustainability matters and tracking effectiveness of policies and actions through targets.</li> </ul>	<ul style="list-style-type: none"> <li>● Some alignment with strategic objectives reporting requirements, and guidance and objectives.</li> <li>● Some alignment with KPIs and Targets reporting requirements, providing an overview of performance against goals and targets related to the organization's material topics.</li> </ul>





### IFC D&T FRAMEWORK

- > Climate Governance Progression Matrix Strategy

### IFRS S1 AND S2

● Strong alignment, as both stipulate that the board, risk management committee, or other specialized committee oversees that management conducts an annual scenario analysis to evaluate the company's resilience, including a 1.5°C to 2°C or lower scenario (Climate Governance Progression Matrix - Section C).

### ESRS 1 AND 2

Assessed in Section 4.2 of this report, which provides a comparison with ESRS E1.

### GRI GENERAL DISCLOSURE

● Some alignment in the processes used to identify climate-related risks and opportunities, as well as their influence on business, strategy, and financial planning. Investors would be able to evaluate appropriately the impacts of climate change on a company's business model by understanding how it identifies and manages climate-related risks and how it takes advantage of opportunities (*D&T Toolkit / Risks, Impacts, and Opportunities Management / Climate Disclosure - Risk Management*).  
 Note that this is mostly content taken from TCFD recommendations and not original IFC content.

### RISKS, IMPACTS AND OPPORTUNITIES

- > Management of material sustainability issues
- > Management systems in place

### IFRS S1 AND S2

● The IFC D&T toolkit includes direct reference to IFRS and GRI definitions of materiality and assessment processes.

● Strong alignment is noted in the expectation that disclosures should include the method for assessing material sustainability opportunities and risks; and address how often the assessment is performed, as well as the roles of management and the board in overseeing the assessment (*D&T Toolkit / Risks, Impacts, and Opportunities Management / Management of Material Sustainability Issues*).

● The expectation that management assesses and manages short-, medium-, and long-term materiality of climate-related risks and opportunities is noted in both standards. The company's actions and responses to climate-related risks and opportunities are proportionate to materiality of climate change to the company (Climate Governance Progression Matrix - Section C).  
 Some disparity is noted as the ISSB does not include IFC definitions of materiality clearly separated from that of other standards. Their definition of materiality appears to be a collection of other organizations' information.

### ESRS 1 AND 2

● Risk management system approach has some alignment with the ESRS Impact, Risk, and Opportunity Management pillar. The concept of Environment and Social Management Systems (ESMS), used in the Performance Standards, provides a means to anticipate, mitigate, and avoid/minimize sustainability impacts. In a similar fashion to the 'Policies' as defined in ESRS, the ESMS also provide a good vehicle to integrate plans and standards into project-level operations, as well as integrate stakeholder consultation into project delivery.

● Notably, the ESMS guidance in its current form does not align fully with the ESRS given its focus on a single aspect of materiality. Furthermore, the project-level focus of the ESMS would need to be broadened to cover corporation-level planning.

● Weak alignment is seen regarding the link between materiality and the identification of risks and opportunities by the ESRS minimum disclosure requirements for policies adopted to manage material sustainability matters and actions and resources in relation to material sustainability matters. In general, ESRS 2 disclosure requirements are more prescriptive and provide clearer information about what is expected to be disclosed regarding opportunities, policies, and actions.

### GRI GENERAL DISCLOSURE

○ No alignment regarding management of material sustainability issues.

## IFC D&T FRAMEWORK

- Risk management
- Risk assessment
- Risk response and mitigation
- Sustainability-related risks

## IFRS S1 AND S2

- Some alignment, with reports including sustainability-related risks and opportunities that could affect the entity's prospects (*D&T Toolkit / Risks, Impacts, and Opportunities Management*), as well as a description of sustainability-related risks and opportunities facing the company and how they affect the company's business model, strategy, and risk profile (*D&T Toolkit / Risks, Impacts, and Opportunities Management / Management of Material Sustainability Issues*).
- The organization's processes for managing climate-related risks should be described, as well as the processes for identifying, assessing, and managing climate-related risks that are integrated into the organization's overall risk management (*D&T Toolkit / Risks, Impacts, and Opportunities Management / Climate Disclosure - Risk Management*).
- Both consider the risk mitigation processes for each significant risk, as well as disaster-recovery and business-continuity plans.
- The ISSB standards and IFC D&T Toolkit appear to align less concretely when considering future plans of how to respond to significant risks.
- Differences between the two reports also appear when considering the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.
- It must also be noted that while IFC references the ISSB standard, the recommendations are more closely aligned with the TCFD (*D&T Toolkit / Risks, Impacts, and Opportunities Management / Climate Disclosure - Risk Management*).

## ESRS 1 AND 2

- Risk management system approach has some alignment with the ESRS Impact, Risk, and Opportunity Management pillar. Similarities are identified within the description of the process to identify and assess material issues and to integrate risk management and internal controls.

## GRI GENERAL DISCLOSURE

- Some alignment in disclosure, which should include the method for assessing material sustainability opportunities and risks; and address how often the assessment is performed, as well as the roles of management and the board in overseeing the assessment (*D&T Toolkit / Risks, Impacts, and Opportunities Management / Management of Material Sustainability Issues*).
- Weak alignment on specifying the stakeholders and experts involved in the assessment.



● STRONG alignment/similarities  
 ● SOME alignment/similarities  
 ● WEAK alignment/similarities  
 ○ NO alignment/similarities  
 ● Beyond the requirements

**IFC D&T FRAMEWORK**

- Climate Governance Progression Matrix
  - Risk management

**IFRS S1 AND S2**

● Reports on targets set for addressing climate-related risks and opportunities, objective and period they apply to, progress toward achieving targets and net zero, and interim targets and how they compare with Paris Agreement, disclosed (Climate Governance Progression Matrix - Section C).

**ESRS 1 AND 2**

Assessed in Section 4.2 of this report, which provides a comparison with ESRS E1.

**GRI GENERAL DISCLOSURE**

● Processes used to identify climate-related risks and opportunities, as well as their influence on business, strategy, and financial planning. Investors would be able to evaluate appropriately the impacts of climate change on a company's business model by understanding how it identifies and manages climate-related risks and how it takes advantage of opportunities. (*D&T Toolkit / Risks, Impacts, and Opportunities Management / Climate Disclosure - Risk Management*).



**IFC D&T FRAMEWORK**

**PERFORMANCE, METRICS AND TARGETS**

- Performance Metrics and Targets Overview
- Operational and financial results
- Liquidity and capital requirements
- Investments and initiatives
- Intangibles
- Material changes and future trends
- Forward-looking information

**IFRS S1 AND S2**

- Some alignment in that any report should introduce financial and sustainability targets and KPIs with links to the high-level priorities and long-term strategy. Both consider it best practice to suggest that strategic objectives should be translated into specific and measurable targets or goals (*D&T Toolkit / Strategy / Strategic Objectives, Key Performance Indicators, and Targets*).
- Climate-related metrics and targets, quantitative where possible and based on accepted methodologies, are set and publicly disclosed (Climate Governance Progression Matrix - Section A).
- Net-zero climate targets adopted and/or the company is a member of an internationally recognized net-zero initiative (Climate Governance Progression Matrix - Section A).
 

Both reports describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning (*D&T Toolkit / Strategy / Climate Disclosure - Strategy*).
- Alignment noted on the performance overview, which presents an analysis of financial, operational and sustainability performance. Both the ISSB standards and D&T Toolkit discuss the material changes in operational or financial performance and driving forces, including ESG impacts (*D&T Toolkit / Performance Metrics and Targets / Performance Overview*).
- IFC does not specify performance against each target individually, while the IFRS do.

**ESRS 1 AND 2**

- Some alignment is verified between the IFC D&T Framework guidance and the ESRS. Whilst IFC details the financial elements of the performance overview, the ESRS presents detailed topic disclosure requirements for ESG components, building connection to the double materiality aspects of impacts, risks, and opportunities.

**GRI GENERAL DISCLOSURE**

- Some alignment regarding statements of income, balance sheet, statement of cash flows (*D&T Toolkit / Performance Metrics and Targets / Financial Statements*).



## IFC D&T FRAMEWORK

### > Financial statements and performance

● Some alignment regarding the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning should be referenced (*D&T Toolkit / Strategy / Climate Disclosure - Strategy*).

This should extend to include discussions of the products and services available, supply / value chain, adaptation and mitigation activities, and investment in research and development to name a few (*D&T Toolkit / Strategy / Climate Disclosure - Strategy*).

● Some alignment on the likelihood and magnitude of the impact of significant risk events on operational and financial performance over the short, medium or long term (*D&T Toolkit / Risks, Impacts, and Opportunities Management*).

### > Sustainability performance

● Some alignment in recommendation that companies should disclose GHG Scope 1 (direct) and Scope 2 (indirect) emissions on an intensity and absolute basis (Climate Governance Progression Matrix - Section D).

○ The ISSB goes a step further and specifically measures its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). This applies to projects producing less than 25,000 tons of CO<sub>2</sub>, as well.

### > Financial statement audit and sustainability assurance

○ No alignment on financial statement audit and sustainability assurance.

### > Audit of financial information

### > Resources

### > Sustainability assurance

### > Oversight of audit and assurance processes

## IFRS S1 AND S2

## ESRS 1 AND 2

● Some alignment is verified between the IFC D&T Framework guidance and the ESRS. Whilst IFC details the financial elements of the performance overview, the ESRS presents detailed topic disclosure requirements for ESG components, building connection to the double materiality aspects of impacts, risks, and opportunities.

● ESRS 2 disclosure requirements are more prescriptive and have been used as example within the toolkit on how to disclose KPI and target elements in the sustainability report.

● The ESRS specifically states that the performance, metrics, and targets disclosures shall be presented alongside disclosures prescribed by the topical (ESG) ESRS.

● Weak alignment regarding how to track the effectiveness of policies and actions through targets, considerably more prescriptive within the ESRS 2 requirements.

○ No alignment on financial statement audit and sustainability assurance.

## GRI GENERAL DISCLOSURE

● Some alignment regarding statements of income, balance sheet, statement of cash flows (*D&T Toolkit / Performance Metrics and Targets / Financial Statements*).

Briefly mentions tax disclosures in the Disclosure and Transparency section of the Model Structure of Annual Report table (*D&T Toolkit / Model Structure of Annual Report*).

● Weak alignment with the level of guidance provided.

● Some alignment regarding contribution to sustainable development. Sustainability performance reporting should also provide an account of a company's contribution to broader societal and sustainability goals (e.g., Sustainable Development Goals, Paris Climate Agreement) (*D&T Toolkit / Performance Metrics and Targets / Sustainability Performance*).

Needs a clearer strategy for contributing to sustainable development.

○ No alignment on financial statement audit and sustainability assurance.

IFC D&T FRAMEWORK	IFRS S1 AND S2	ESRS 1 AND 2	GRI GENERAL DISCLOSURE
<p>➤ Sustainability performance and extra financial analysis</p>	<p><span style="color: orange;">●</span> Some alignment on the extra financial analysis helping to identify channels for how sustainability impacts financial performance, focusing on the impacts on the main elements of company valuation, such as revenue and costs, assets and liabilities, cost of capital and scenario planning (<i>D&amp;T Toolkit / Performance Metrics and Targets / Sustainability Performance</i>).</p> <p>While this topic is mentioned by IFC, more details could be included.</p>	<p><span style="color: red;">●</span> Weak alignment regarding time-bound outcome-oriented targets, policy objective requirements, which within the ESRS is required to address material impacts, risks, and opportunities.</p>	<p>○ No alignment regarding sustainability performance and extra financial analysis.</p>
<p>➤ Financial impact of climate change</p>	<p><span style="color: orange;">●</span> Some alignment on how the board oversees that management has set an internal price on carbon to understand how climate change affects the company now and in the future (Climate Governance Progression Matrix - Section B).</p>	<p>Assessed in Section 4.2 of this report, which provides a comparison with ESRS E1.</p>	<p><span style="color: orange;">●</span> Some alignment surrounding the processes used to identify climate-related risks and opportunities, as well as their influence on business, strategy, and financial planning. Investors would be able to evaluate appropriately the impacts of climate change on a company's business model by understanding how it identifies and manages climate-related risks and how it takes advantage of opportunities (<i>D&amp;T Toolkit / Risks, Impacts, and Opportunities Management / Climate Disclosure - Risk Management</i>).</p>
<p>➤ Climate Governance Progression Matrix</p>	<p>Assessed in Section 4.1 of this report, which provides a comparison with IFRS S2.</p>	<p>Assessed in Section 4.2 of this report, which provides a comparison with ESRS E1.</p>	<p>Assessed in Section 4.3 of this report, which provides a comparison with GRI.</p>

## B. DETAILED “CLIMATE” COMPARISON BETWEEN ISSB, ESRS, GRI AND IFC D&T FRAMEWORK

As climate is a topic of great worldwide importance, many reporting standards have integrated climate disclosures into their reporting requirements.

The ISSB standards include the **IFRS S2 Climate-related Disclosures**, created in line with the recommendations of the **Task Force on Climate-Related Financial Disclosures** (TCFD). The **CSRD** provides a framework for the information that companies within its scope should report. This relates to information regarding both a company’s impact on climate-related topics and the impact of climate on the company and its finances, in accordance with ESRS E1 (climate change). In a similar fashion, the GRI framework is supported by a series of standards around environmental matters relating to the impact of climate change.

IFC also includes climate-related disclosures within its disclosure requirements through its PSs. Made up of eight standards, the PSs describe the responsibilities of IFC’s clients for managing climate risks, among others.

The table below showcases a high-level view of the alignment and comparisons between the **ISSB**, **ESRS**, and **GRI standards** and the IFC D&T Framework on climate topics.

**Table B.1. ISSB/ESRS/GRI alignment and comparison with IFC D&T Framework.**

● STRONG alignment/similarities  
 ● SOME alignment/similarities  
 ● WEAK alignment/similarities  
 ○ NO alignment/similarities  
 ● Beyond the requirements

IFC D&T FRAMEWORK	IFRS S2	ESRS E1	GRI
Climate Governance Progression Matrix	<ul style="list-style-type: none"> <li><span style="color: green;">●</span> Strong alignment regarding how the board oversees that management has set an internal price on carbon to understand how climate change affects the company now and in the future (Climate Governance Progression Matrix - Section B).</li> <li><span style="color: green;">●</span> Reports on targets set for addressing climate-related risks and opportunities, objective and period they apply to, progress toward achieving targets and net zero, and interim targets and how they compare with Paris Agreement disclosed (Climate Governance Progression Matrix - Section C).</li> <li><span style="color: green;">●</span> Both reports stipulate that the board, risk management committee, or other specialized committee oversees that management conducts an annual scenario analysis to evaluate the company's resilience, including a 1.5°C to 2°C or lower scenario (Climate Governance Progression Matrix - Section C).</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: green;">●</span> Strong alignment regarding the structure and functioning of the board of directors. Some alignment regarding the scope of the resilience analysis and how the resilience analysis has been conducted, including the use of climate scenario analysis and results.</li> <li><span style="color: green;">●</span> Strong alignment about how companies shall describe the process to identify and assess climate-related impacts, risks, and opportunities; climate-related physical risks in own operations and along the value chain; and climate-related transition risks and opportunities in own operations and along the value chain.</li> <li><span style="color: orange;">●</span> Some alignment regarding reporting of gross scope 1, 2 and 3, but lacks further recommendations to assess and report GHG intensity based on net revenue.  In general, the ESRS E1 is more prescriptive and provides clear instruction on how companies shall disclose whether the performance of members of the administrative, management, and supervisory bodies has been assessed against the GHG emission reduction targets reported under Disclosure Requirement E1-4. ESRS E1 specifies GHG-related performance metrics and requires evidence of effective tracking of policies and actions through targets.</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: orange;">●</span> Some alignment between both standards regarding the processes used to identify climate-related risks and opportunities, as well as their influence on business, strategy, and financial planning. Investors would be able to evaluate appropriately the impacts of climate change on a company's business model by understanding how it identifies and manages climate-related risks and how it takes advantage of opportunities. Noting that this is mostly content taken from TCFD recommendations transcribed to IFC documents.</li> </ul>



## C. DETAILED “ENVIRONMENTAL” COMPARISON BETWEEN ISSB, ESRS, GRI AND IFC PERFORMANCE STANDARDS ON ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

Covering topics ranging from pollution, water management, and biodiversity, the environmental disclosure requirements across the **ISSB**, **ESRS** and **GRI standards** cover broad subject matters, as well as setting disclosure requirements based around risks and impacts.

The IFC Performance Standards on Environmental and Social Sustainability, made up of eight standards and **the Corporate Governance Methodology**, describe IFC clients’ responsibilities for managing environmental risks. Using these as our basis of comparison, the following sections compare the three standards with the IFC ESG Standards.

## C.1 ISSB/IFRS S1 alignment and comparison with IFC Performance Standards on Environmental and Social Sustainability

**Table C.1. ISSB/IFRS S1 - IFC Performance Standards on Environmental and Social Sustainability components alignment and comparison.**

IFC PSs	ISSB/IFRS S1 AND IFRS S2
<p>&gt; <b>PS1</b> - Assessment and Management of Environmental and Social Risks and Impacts</p>	<p>Alignment with ISSB/IFRS S1 paragraph 33: Regarding performance indicators and targets tracked over defined time periods as part of wider environmental and social action plans which define desired outcomes and actions to address risks and impacts. (Performance Standard 1 - Assessment and Management of Environmental and Social Risks and Impacts).</p>
<p>&gt; <b>PS2</b> - Labor and Working Conditions</p>	<p>N/A</p>
<p>&gt; <b>PS3</b> - Resource Efficiency and Pollution Prevention</p>	<p>Alignment with ISSB/IFRS S2 paragraph 29a: When quantifying direct and indirect (Scopes 1,2,3) emissions from projects. Quantification conducted annually in accordance with internationally recognized methodologies and good practice (Performance Standard 3 - Resource Efficiency and Pollution Prevention).</p>
<p>&gt; <b>PS4</b> - Community Health, Safety, and Security</p>	<p>N/A</p>
<p>&gt; <b>PS5</b> - Land Acquisition and Involuntary Resettlement</p>	<p>N/A</p>
<p>&gt; <b>PS6</b> - Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<p>N/A</p>
<p>&gt; <b>PS7</b> - Indigenous Peoples</p>	<p>N/A</p>
<p>&gt; <b>PS8</b> - Cultural Heritage</p>	<p>N/A</p>

## C.2 ESRS topic standards alignment and comparison with IFC ESG Standards

Table C.2. ESRS Environmental Topic Standards - IFC Performance Standards components alignment and comparison.

● STRONG alignment/similarities   
 ● SOME alignment/similarities   
 ● WEAK alignment/similarities   
 ○ NO alignment/similarities   
 ● Beyond the requirements















IFC PSs	ESRS E2 – POLLUTION	ESRS E3 – WATER AND MARINE RESOURCES	ESRS E4 – BIODIVERSITY AND ECOSYSTEMS	ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY
<b>GOVERNANCE</b>				
<p>&gt; <b>PS1 -</b> Assessment and Management of Environmental and Social Risks and Impacts</p>	<p><span style="color: orange;">●</span> Some alignment regarding the implementation of a robust environmental and social assessment and management system, supported by a sustainability policy, promoting adequate level of management of impacts, risks, and opportunities of sustainability matters.</p>	<p><span style="color: orange;">●</span> Some alignment regarding the implementation of a robust environmental and social assessment and management system, supported by a sustainability policy, promoting adequate level of management of impacts, risks, and opportunities of sustainability matters.</p>	<p><span style="color: orange;">●</span> Some alignment regarding the implementation of a robust environmental and social assessment and management system, supported by a sustainability policy, promoting adequate level of management of impacts, risks, and opportunities of sustainability matters.</p>	<p><span style="color: orange;">●</span> Some alignment regarding the implementation of a robust environmental and social assessment and management system, supported by a sustainability policy, promoting adequate level of management of impacts, risks, and opportunities of sustainability matters.</p>
<p>&gt; <b>PS2 -</b> Labor and Working Conditions</p>	N/A	N/A	N/A	N/A
<p>&gt; <b>PS3 -</b> Resource Efficiency and Pollution Prevention</p>	<p><span style="color: orange;">●</span> The ESRS E2 topic disclosure requirements have some alignment with the PS3 elements, which partially cover elements such as actions and resources related to pollution of air, water and soil, targets, and substances of concern.</p> <p><span style="color: red;">●</span> Weak alignment was found regarding the description of the processes to identify and assess material pollution-related impacts, risks, and opportunities, policies related to pollution and, potential financial effects from material pollution-related risks and opportunities. The ESRS E2 is, in general, more prescriptive regarding what is required to be disclosed, if material.</p>	<p><span style="color: orange;">●</span> The ESRS E3 topic disclosure requirements have some alignment with the PS3 elements, specifically related to actions and resources related to water and marine resources, targets related to water and marine resources, and water consumption.</p> <p><span style="color: red;">●</span> Weak alignment was found regarding the description of the processes to identify and assess material water and marine resources-related impacts, risks, and opportunities, policies related to water and marine resources and potential financial effects from water and marine resources-related risks and opportunities. The ESRS E3 is, in general, more prescriptive regarding what is required to be disclosed, if material.</p>	N/A	<p><span style="color: orange;">●</span> The ESRS E5 topic disclosure requirements have some alignment with the PS3 elements, specifically related to actions and resources related to resource use and circular economy, and targets related to resource use and circular economy.</p> <p><span style="color: red;">●</span> Weak alignment was found regarding the description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities, policies related to resource use and circular economy, and potential financial effects from resource use and circular economy-related risks and opportunities. The ESRS E5 is, in general, more prescriptive regarding what is required to be disclosed, if material.</p>

● STRONG alignment/similarities  
 ● SOME alignment/similarities  
 ● WEAK alignment/similarities  
 ○ NO alignment/similarities  
 ● Beyond the requirements

IFC PSs	ESRS E2 – POLLUTION	ESRS E3 – WATER AND MARINE RESOURCES	ESRS E4 – BIODIVERSITY AND ECOSYSTEMS	ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY
> <b>PS4 -</b> Community Health, Safety, and Security	<span style="color: orange;">●</span> Some alignment regarding identification and management of safety of hazardous materials.	N/A	N/A	N/A
> <b>PS5 -</b> Land Acquisition and Involuntary Resettlement	N/A	N/A	N/A	N/A
> <b>PS6 -</b> Biodiversity Conservation and Sustainable Management of Living Natural Resources	N/A	N/A	<span style="color: green;">●</span> The ESRS E4 topic disclosure requirements have strong alignment with the PS6 elements, specifically related to the description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, and opportunities; actions and resources related to biodiversity and ecosystems; and targets related to biodiversity and ecosystem.  <span style="color: orange;">●</span> Some alignment is found regarding the interaction of the material impacts, risks, and opportunities with strategy and business model, and potential financial effects.  <span style="color: red;">●</span> Reporting elements regarding transition plan on biodiversity and ecosystems find weak alignment between the PS6 and the requirements from the ESRS E4. The ESRS E4 is, in general, more prescriptive regarding what is required to be disclosed, if material.	N/A
> <b>PS7 -</b> Indigenous Peoples	N/A	N/A	N/A	N/A
> <b>PS8 -</b> Cultural Heritage	N/A	N/A	N/A	N/A

## C.3 GRI alignment and comparison with IFC Performance Standards on Environmental and Social Sustainability

**Table C.3. GRI Environmental Standards - IFC Performance Standards on Environmental and Social Sustainability component alignment and comparison.**






IFC PSs	GRI
<p>&gt; <b>PS1 -</b> Assessment and Management of Environmental and Social Risks and Impacts</p>	<p> Some alignment with GRI 308: Supplier Environmental Assessment on how the process may comprise a full-scale environmental and social impact assessment, a limited or focused environmental and social assessment, or straightforward application of environmental siting, pollution standards, design criteria, or construction standards.</p> <p> Weak alignment on the specific information on suppliers.</p>
<p>&gt; <b>PS2 -</b> Labor and Working Conditions</p>	<p> No alignment with GRI environment topics.</p>
<p>&gt; <b>PS3 -</b> Resource Efficiency and Pollution Prevention</p>	<p>Some context provided in IFC Performance Standard 3 - Resource Efficiency and Pollution Prevention) to align with GRI 302: Energy.</p> <p> Alignment with GRI 303: Water and Effluents by discussing measures that avoid or reduce water usage so that the project's water consumption does not have significant adverse impacts on others.</p> <p> Weak alignment on quantification of water consumption.</p> <p> Some alignment with GRI 306: Waste, as IFC discusses waste generation and where waste cannot be recovered or reused, the client will treat, destroy, or dispose of it in an environmentally sound manner that includes the appropriate control of emissions and residues resulting from the handling and processing of the waste material.</p> <p> But weak alignment on the inputs, activities, and outputs that lead or could lead to impacts from waste generation. Also, specifics on management processes. A description of the processes used to determine whether the third party manages the waste in line with contractual or legislative obligations. Also, total weight of waste generated, diverted, and directed to disposal in metric tons, and a breakdown of this total by composition of the waste.</p>
<p>&gt; <b>PS4 -</b> Community Health, Safety, and Security</p>	<p> Some alignment with GRI 410: Security Practices and GRI 413: Local Communities.</p> <p> Some alignment with GRI 414: Supplier Social Assessment.</p>
<p>&gt; <b>PS5 -</b> Land Acquisition and Involuntary Resettlement</p>	<p> No alignment with GRI environment topics.</p>
<p>&gt; <b>PS6 -</b> Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<p> Some alignment with GRI 304: Biodiversity through guidance on how operations should avoid damage to protected areas and impacts on biodiversity. Invasive species, habitat conversion, and ecosystem services covered.</p> <p> Some alignment on specific details on operational sites in or next to protected areas and areas of high biodiversity value and construction or use of manufacturing plants, mines, and transport infrastructure. Reduction of species. Species affected, duration of impacts, reversibility of impacts.</p>
<p>&gt; <b>PS7 -</b> Indigenous Peoples</p>	<p>Alignment with GRI 411: Rights of Indigenous Peoples and GRI 413: Local Communities.</p> <p> Some alignment with GRI 414: Supplier Social Assessment.</p>
<p>&gt; <b>PS8 -</b> Cultural Heritage</p>	<p> Some alignment with GRI 414: Supplier Social Assessment.</p>

## D. DETAILED “SOCIAL” COMPARISON BETWEEN ESRS, GRI AND IFC PERFORMANCE STANDARDS ON ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

Covering topics ranging from own workforce to affected communities, the social disclosure requirements across the **ISSB**, **ESRS** and **GRI standards** cover broad subject matters, as well as setting disclosure requirements based around risks and impacts. The following sections compare the social requirements of each set of standards to the **IFC PSs**.

## D.1 ESRS alignment and comparison with IFC Performance Standards on Environmental and Social Sustainability

Table D.1. ESRS Social Topic Standards - IFC Performance Standards on Environmental and Social Sustainability components alignment and comparison.

IFC PSs	ESRS S1 – OWN WORKFORCE	ESRS S2 – WORKERS IN THE VALUE CHAIN	ESRS S3 – AFFECTED COMMUNITIES	ESRS S4 – CONSUMERS AND END-USERS
<p>&gt; <b>PS1 -</b> Assessment and Management of Environmental and Social Risks and Impacts</p>	<p> Some alignment regarding the implementation of a robust environmental and social assessment and management system, supported by a sustainability policy, promoting adequate level of management of impacts, risks, and opportunities of sustainability matters.</p>	<p> Weak alignment. PS1 recommends that “where the client can reasonably exercise control, the risks and impacts identification process will also consider those risks and impacts associated with primary supply chains.”</p>	<p> Strong alignment. Affected communities is a theme consistently covered by the IFC PS4 and supported by requirements from other PSs such as PS1 stakeholder engagement requirements, PS2 supply chain requirements, PS5 displacement requirements, and the entirety of the requirements from PS7 and PS8.</p>	<p> No alignment found with IFC PS requirements. The ESRS S4 requires disclosure regarding policies related to consumers and end-users; targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities; processes to remediate negative impacts and channels for consumers and end-users to raise concerns; and taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions.</p> <p> Weak alignment of these requirements can be found in the IFC Climate Governance Progression Matrix, regarding the processes for engaging with consumers and end-users about impacts.</p>



● STRONG alignment/similarities  
 ● SOME alignment/similarities  
 ● WEAK alignment/similarities  
 ○ NO alignment/similarities  
 ● Beyond the requirements

IFC PSs	ESRS S1 – OWN WORKFORCE	ESRS S2 – WORKERS IN THE VALUE CHAIN	ESRS S3 – AFFECTED COMMUNITIES	ESRS S4 – CONSUMERS AND END-USERS
<p>&gt; <b>PS2 -</b> Labor and Working Conditions</p>	<p><span style="color: green;">●</span> The ESRS S1 topic disclosures find strong alignment with the PS2 elements related to processes to remediate negative impacts and channels for own workers to raise concerns; action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions; adequate wages; social protection; persons with disabilities; health and safety indicators and; incidents, complaints and severe human rights impacts and incidents.</p> <p><span style="color: orange;">●</span> Some alignment is found for disclosures related to material impacts, risks, and opportunities and their interaction with strategy and business model; targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities; collective bargaining coverage and social dialogue and compensation indicators (pay gap and total compensation).</p> <p><span style="color: red;">●</span> Weak alignment is found related to processes for engaging with own workers and workers’ representatives about impacts, characteristics of the company’s employees; diversity indicators; training and skills development indicators and; work-life balance indicators.</p>	<p><span style="color: red;">●</span> Weak alignment. Workers in the value chain is a topic only touched on briefly by IFC when it comes to the value chain element. “To protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the client’s supply chain.” The Company should change supply chains if it were to believe that the supplier is using child, forced or unsafe labor. No targets or metrics given to measure performance. The ESRS S2 is more prescriptive regarding what is required to be disclosed, if material.</p>	<p><span style="color: green;">●</span> Strong alignment. Affected communities is a theme consistently covered by the IFC PS4 and supported by requirements from other PSs such as PS1 Stakeholder engagement requirements, PS2 supply chain requirements, PS5 displacement requirements, and the entirety of the requirements from PS7 and PS8.</p>	<p>N/A</p>
<p>&gt; <b>PS3 -</b> Resource Efficiency and Pollution Prevention</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>





● STRONG alignment/similarities  
 ● SOME alignment/similarities  
 ● WEAK alignment/similarities  
 ○ NO alignment/similarities  
 ● Beyond the requirements

IFC PSs	ESRS S1 – OWN WORKFORCE	ESRS S2 – WORKERS IN THE VALUE CHAIN	ESRS S3 – AFFECTED COMMUNITIES	ESRS S4 – CONSUMERS AND END-USERS
> <b>PS4</b> - Community Health, Safety, and Security	N/A	N/A	<span style="color: green;">●</span> Strong alignment. Affected communities is a theme consistently covered by the IFC PS4 and supported by requirements from other PSs such as PS1 Stakeholder engagement requirements, PS2 supply chain requirements, PS5 displacement requirements, and the entirety of the requirements from PS7 and PS8.	N/A
> <b>PS5</b> - Land Acquisition and Involuntary Resettlement	N/A	N/A	<span style="color: green;">●</span> Strong alignment. Affected communities is a theme consistently covered by the IFC PS4 and supported by requirements from other PSs such as PS1 Stakeholder engagement requirements, PS2 supply chain requirements, PS5 displacement requirements, PS6 Ecosystem Services requirements, and the entirety of the requirements from PS7 and PS8.	N/A
> <b>PS6</b> - Biodiversity Conservation and Sustainable Management of Living Natural Resources	N/A	N/A	<span style="color: green;">●</span> Strong alignment. Affected communities is a theme consistently covered by the IFC PS4 and supported by requirements from other PSs such as PS1 Stakeholder engagement requirements, PS2 supply chain requirements, PS5 displacement requirements, PS6 Ecosystem Services requirements, and the entirety of the requirements from PS7 and PS8.	N/A
> <b>PS7</b> - Indigenous Peoples	N/A	N/A	<span style="color: green;">●</span> Strong alignment. Affected communities is a theme consistently covered by the IFC PS4 and supported by requirements from other PSs such as PS1 Stakeholder engagement requirements, PS2 supply chain requirements, PS5 displacement requirements, PS6 Ecosystem Services requirements, and the entirety of the requirements from PS7 and PS8.	N/A

● STRONG alignment/similarities  
 ● SOME alignment/similarities  
 ● WEAK alignment/similarities  
 ○ NO alignment/similarities  
 ● Beyond the requirements

IFC PSs	ESRS S1 – OWN WORKFORCE	ESRS S2 – WORKERS IN THE VALUE CHAIN	ESRS S3 – AFFECTED COMMUNITIES	ESRS S4 – CONSUMERS AND END-USERS
> <b>PS8 -</b> Cultural Heritage	N/A	N/A	<span style="color: green;">●</span> Strong alignment. Affected communities is a theme consistently covered by the IFC PS4 and supported by requirements from other PSs such as PS1 Stakeholder engagement requirements, PS2 supply chain requirements, PS5 displacement requirements, PS6 Ecosystem Services requirements, and the entirety of the requirements from PS7 and PS8.	N/A

## D.2 GRI alignment and comparison with IFC Performance Standards on Environmental and Social Sustainability

**Table D.2. GRI Social Standards - IFC Performance Standards on Environmental and Social Sustainability components alignment and comparison.**

IFC PSs	GRI
<p>&gt; <b>PS1 -</b> Assessment and Management of Environmental and Social Risks and Impacts</p>	<ul style="list-style-type: none"> <li><span style="color: green;">●</span> Strong alignment with GRI 413: Local Communities, as IFC mentions the process may comprise a full-scale environmental and social impact assessment, a limited or focused environmental and social assessment, or straightforward application of environmental siting, pollution standards, design criteria, or construction standards. External communications. Grievance mechanisms.</li> <li><span style="color: orange;">●</span> Less alignment on information on works councils, occupational health and safety committees, and suppliers.</li> </ul>
<p>&gt; <b>PS2 -</b> Labor and Working Conditions</p>	<ul style="list-style-type: none"> <li><span style="color: green;">●</span> Strong alignment with GRI 403: Occupational Health and Safety on how the client will provide a safe and healthy work environment, taking into account inherent risks in its particular sector and specific classes of hazards in the client's work areas, including physical, chemical, biological, and radiological hazards, and specific threats to women.</li> <li><span style="color: orange;">●</span> Less alignment on a list of the standards/guidelines. A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.</li> <li><span style="color: green;">●</span> Strong alignment with GRI 405: Diversity and Equal Opportunity on how the client will not make employment decisions on the basis of personal characteristics unrelated to inherent job requirements.</li> <li><span style="color: orange;">●</span> Less alignment with the percentage of employees and individuals within the governance bodies in each diversity category.</li> <li><span style="color: green;">●</span> Strong alignment with GRI 406: Non-discrimination on how the client will not make employment decisions on the basis of personal characteristics unrelated to inherent job requirements. The client will base the employment relationship on the principle of equal opportunity and fair treatment and will not discriminate with respect to any aspects of the employment relationship, such as recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, promotion, termination of employment or retirement, and disciplinary practices.</li> <li><span style="color: orange;">●</span> Less alignment on specifics of policies and procedures.</li> <li><span style="color: green;">●</span> Strong alignment with GRI 408: Child Labor on how the client will not employ children in any manner that is economically exploitative or is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development. The client will identify the presence of all persons under the age of 18. Where national laws have provisions for the employment of minors, the client will follow those laws applicable to the client.</li> <li><span style="color: orange;">●</span> Less alignment on specific information on the operations and suppliers considered to have significant risk of incidents. Measures taken by the organization to contribute to effective abolition of child labor.</li> <li><span style="color: orange;">●</span> Some alignment with GRI 409: Forced or Compulsory Labor as it mentions not engaging in forced labor.</li> <li><span style="color: orange;">●</span> Less alignment with information on operations and suppliers considered to have significant risk for incidents of forced or compulsory labor. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.</li> </ul>



● STRONG alignment/similarities  
 ● SOME alignment/similarities  
 ● WEAK alignment/similarities  
 ○ NO alignment/similarities  
 ● Beyond the requirements

**IFC PSs**

**GRI**

<p>&gt; <b>PS3</b> - Resource Efficiency and Pollution Prevention</p>	<p><span style="color: green;">●</span> Strong alignment with GRI 413: Local Communities, as IFC mentions that the client will evaluate the risks and impacts to the health and safety of the Affected Communities during the project life cycle and will establish preventive and control measures consistent with good international industry practice (GIIP), 1 such as in the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines) or other internationally recognized sources.</p>
<p>&gt; <b>PS4</b> - Community Health, Safety, and Security</p>	<p>○ No alignment with GRI social topics.</p>
<p>&gt; <b>PS5</b> - Land Acquisition and Involuntary Resettlement</p>	<p>○ No alignment with GRI social topics.</p>
<p>&gt; <b>PS6</b> - Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<p>○ No alignment with GRI social topics.</p>
<p>&gt; <b>PS7</b> - Indigenous Peoples</p>	<p><span style="color: orange;">●</span> Some alignment with GRI 411: Rights of Indigenous Peoples, as it mentions that the client will identify, through an environmental and social risks and impacts assessment process, all communities of indigenous peoples within the project area of influence who may be affected by the project, as well as the nature and degree of the expected direct and indirect economic, social, cultural (including cultural heritage), and environmental impacts on them. However, specific reporting guidance is needed.</p>
<p>&gt; <b>PS8</b> - Cultural Heritage</p>	<p>○ No alignment with GRI social topics.</p>

## E. DETAILED “GOVERNANCE” COMPARISON BETWEEN ESRS, GRI, AND IFC ESG STANDARDS

An important topic in any standard, governance helps guide organizations in shaping their strategy to integrate sustainability topics at all levels. The following sections compare the three standards with the IFC ESG Standards.

### E.1 ESRS alignment and comparison with IFC ESG Standards

The following elements covered within [ESRS G1](#) have some to strong alignment with the [IFC D&T Toolkit Governance pillar](#), the [IFC Corporate Governance Methodology](#) and the [IFC Climate Governance Progression Matrix](#):

- > Business conduct policies and corporate culture
- > Management relationship with suppliers
- > Whistleblower protection mechanisms and
- > Animal welfare

However, [ESRS G1](#) provides more prescriptive guidance regarding the following elements:

- > Payment practices, specifically with regard to late payment to small- and medium-enterprises (SMEs)
- > Engagement by the undertaking to exert its political influence, including lobbying
- > Avoiding corruption and bribery.

See the table below for further details.








**Table E.1. ESRS Governance Topic Standard - IFC ESG Standards components alignment and comparison.**

● STRONG alignment/similarities   
 ● SOME alignment/similarities   
 ● WEAK alignment/similarities   
 ○ NO alignment/similarities   
 ● Beyond the requirements

IFC PSs	ESRS G1 – BUSINESS CONDUCT
> <b>PS1</b> - Assessment and Management of Environmental and Social Risks and Impacts	<span style="color: orange;">●</span> Some alignment regarding the implementation of a robust environmental and social assessment and management system, supported by a sustainability policy, promoting adequate level of management of impacts, risks, and opportunities of sustainability matters.
> <b>PS2</b> - Labor and Working Conditions	<span style="color: orange;">●</span> Protection of whistle-blowers disclosure requirements have some alignment with PS2 standards.
> <b>PS3</b> - Resource Efficiency and Pollution Prevention	N/A
> <b>PS4</b> - Community Health, Safety, and Security	N/A
> <b>PS5</b> - Land Acquisition and Involuntary Resettlement	N/A
> <b>PS6</b> - Biodiversity Conservation and Sustainable Management of Living Natural Resources	<span style="color: orange;">●</span> Animal welfare disclosure requirements have some alignment with PS6 standards.
> <b>PS7</b> - Indigenous Peoples	N/A
> <b>PS8</b> - Cultural Heritage	N/A
> IFC Corporate Governance Methodology	<div style="display: flex; flex-direction: column; gap: 10px;"> <div><span style="color: green;">●</span> Strong alignment on the board's duties and responsibilities. Strong alignment in identifying the need for companies to disclose their process to identify, assess and manage sustainability-related and climate-related risks and opportunities in the short, medium, or long term.</div> <div><span style="color: orange;">●</span> Some alignment on how the entity integrates sustainability-related, climate-related risks and opportunities into its strategic objectives.</div> <div><span style="color: red;">●</span> Weak alignment on the specific mention of the use of controls and procedures to support the oversight of sustainability-related risks and opportunities. Weak alignment on taking risk into account in decisions on major transactions and the trade-offs associated with risks and opportunities, or on the specific inputs and parameters used by the entity, or how scenario analysis is used (how the entity assesses the effects of the risks).</div> </div>

## E.2 GRI alignment and comparison with IFC ESG Standards

**Table E.2. GRI Governance Standards - IFC ESG Standards component alignment and comparison.**

IFC PSs	GRI
<p>&gt; <b>PS1</b> - Assessment and Management of Environmental and Social Risks and Impacts</p>	<p> Strong alignment with GRI 2: Governance through guidance on describing the organizational structure that defines roles, responsibilities, and authority to implement the ESMS (Performance Standard 1 - Assessment and Management of Environmental and Social Risks and Impacts).</p> <p> Strong alignment with GRI 2: Strategy, Policies and Practices through guidance on the grievance mechanisms that the organization has established or participates in.</p> <p> Strong alignment with GRI 3: Material Topics through guidance on how the client will establish and maintain a process for identifying the environmental and social risks and impacts of the project. Also, management programs that, in sum, will describe mitigation and performance improvement measures and actions that address the identified environmental and social risks and impacts of the project.</p>
<p>&gt; <b>PS2</b> - Labor and Working Conditions</p>	<p>N/A</p>
<p>&gt; <b>PS3</b> - Resource Efficiency and Pollution Prevention</p>	<p>N/A</p>
<p>&gt; <b>PS4</b> - Community Health, Safety, and Security</p>	<p>N/A</p>
<p>&gt; <b>PS5</b> - Land Acquisition and Involuntary Resettlement</p>	<p>N/A</p>
<p>&gt; <b>PS6</b> - Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<p>N/A</p>
<p>&gt; <b>PS7</b> - Indigenous Peoples</p>	<p>N/A</p>
<p>&gt; <b>PS8</b> - Cultural Heritage</p>	<p>N/A</p>
<p>&gt; IFC Corporate Governance Methodology</p>	<p> Strong alignment of the organizational structure that defines roles, responsibilities, and authority to implement the ESMS. Fully covers the process of nominating and appointing directors. Also, the roles of the board, nomination committee, and shareholders in nominating and appointing.</p> <p> Strong alignment with describing the policy and strategy for stakeholder engagement at board and management levels, including identification, approach for priority groups, and grievance mechanisms.</p> <p> Some alignment where describing the governance and management processes, controls, and procedures in place to ensure compliance with policies and codes of ethics or conduct.</p> <p> Weak alignment on how commitments are communicated to workers, business partners, and other relevant parties. Weak alignment on describing how the stakeholders, who are the intended users of the grievance mechanisms, are involved in the design, review, operation, and improvement of these mechanisms.</p>

**The material in this work is copyrighted.**

Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. IFC does not guarantee the accuracy, reliability or completeness of the content included in this work, or for the conclusions or judgments described herein, and accepts no responsibility or liability for any omissions or errors (including, without limitation, typographical errors and technical errors) in the content whatsoever or for reliance thereon.

The findings, interpretations, views, and conclusions expressed herein are those of the authors and do not necessarily reflect the views of the Executive Directors of the International Finance Corporation or of the International Bank for Reconstruction and Development (the World Bank) or the governments they represent.

© International Finance Corporation. January 2025. Some rights reserved.



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,  
Education and Research EAER  
**State Secretariat for Economic Affairs SECO**