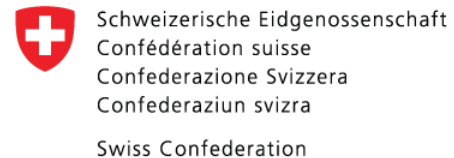
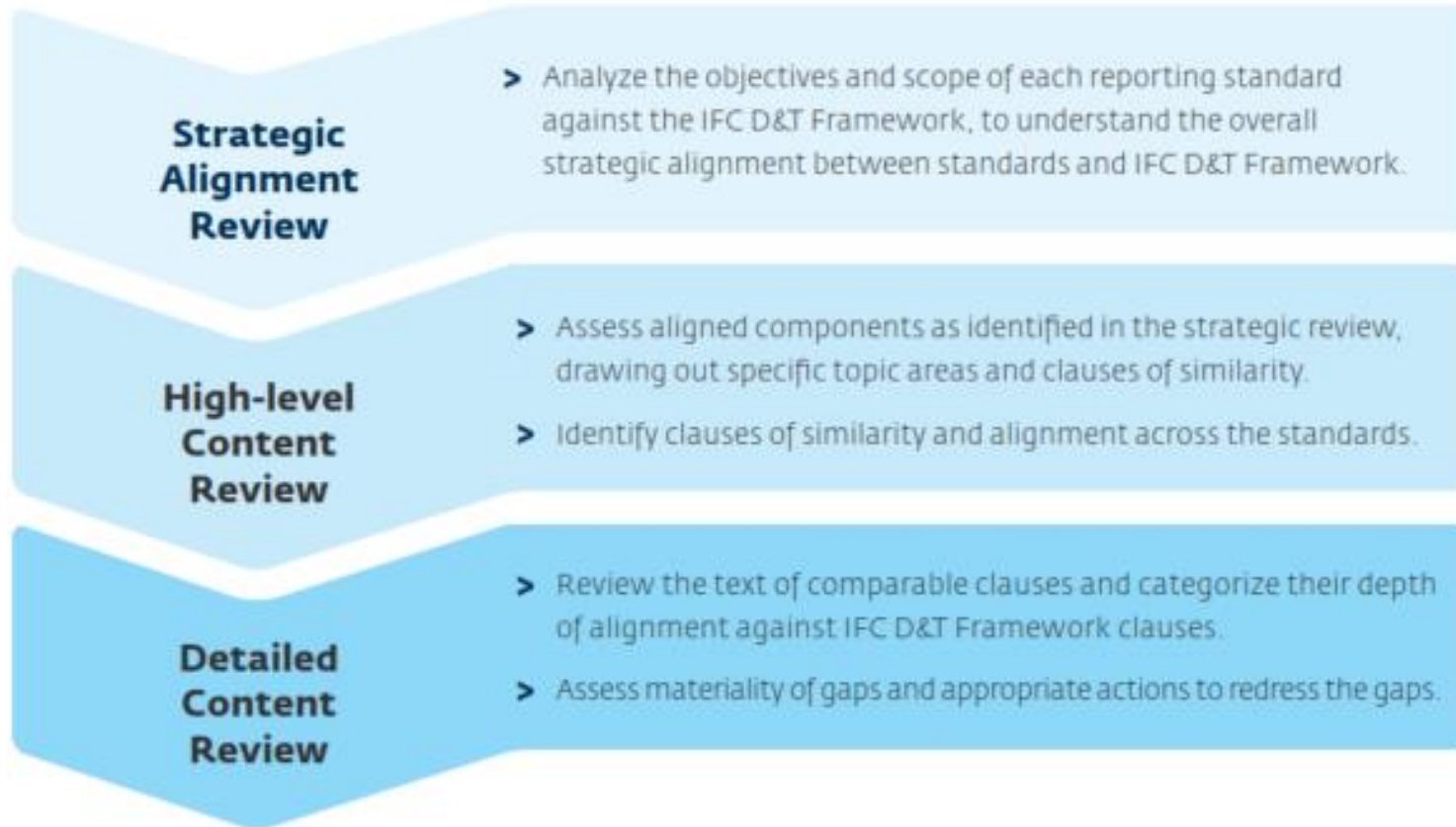


IFC SUSTAINABILITY REPORTING STANDARDS BENCHMARKING



Benchmarking Analysis

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



← — — — Stakeholder Engagement — — →

www.ifc.org/esgreporting

Benchmarking Analysis

Level of Alignment



Strong

IFC D&T Framework component will either align the user fully with the respective standard or is missing only some minor guidance



Some

IFC D&T Framework covers certain requirements in the topic, but is lacking with others, or needs to provide major additional guidance to allow the user to align fully



Weak

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

NO

Alignment, indicating that the topic is not mentioned in the IFC D&T Framework.

BEYOND

Alignment, indicating that the topic is not mentioned in the IFC D&T Framework.

BENCHMARKING RESULTS

Strategic
alignment
review

Benchmarking Results

Strategic alignment review: purpose and approach



Purpose



Scope



Intended users



Intended audience



Sector focus



ESG topics addressed



Geographic applicability



Materiality approach

TOOLKIT

Beyond the Balance Sheet - IFC Toolkit for
Disclosure and Transparency

IFC D&T

IFRS

ESRS

GRI



Scope

Aims to support companies of all sizes and stakeholders in emerging markets.

Global baseline standards aimed at all companies of all sizes. Provide General ESG requirements standards and climate standards

Companies subject to the CSRD regulation will have to report according to the European Sustainability Reporting Standards.

Global economic performance, environmental and social reporting standards for business operations.



ESG topics addressed

General sustainability, corporate governance, climate, labor, resource efficiency and pollution, community health and safety, land, biodiversity, indigenous peoples and cultural heritage

General sustainability and climate.

General sustainability, climate, pollution, water and marine resources, resource use and circular economy, biodiversity own workforce, communities, consumers and end-consumers and business conduct.

General requirements, climate, occupational health and safety, data privacy, stakeholder engagement, human rights, waste management, economic impacts.



Materiality approach

























Explores the double materiality concept, with 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 materiality - sustainability matters that present financial risk to the company.

Double materiality – how sustainability matters impact relevant businesses in the EU and how their operations in turn affect people and planet.

GRI is predominantly a reporting standard, rather than a framework to manage impact or risk. It is recognized within the GRI guidance that sustainability reporting helps to make financial materiality judgements

Strategic purpose and approach alignment with IFC

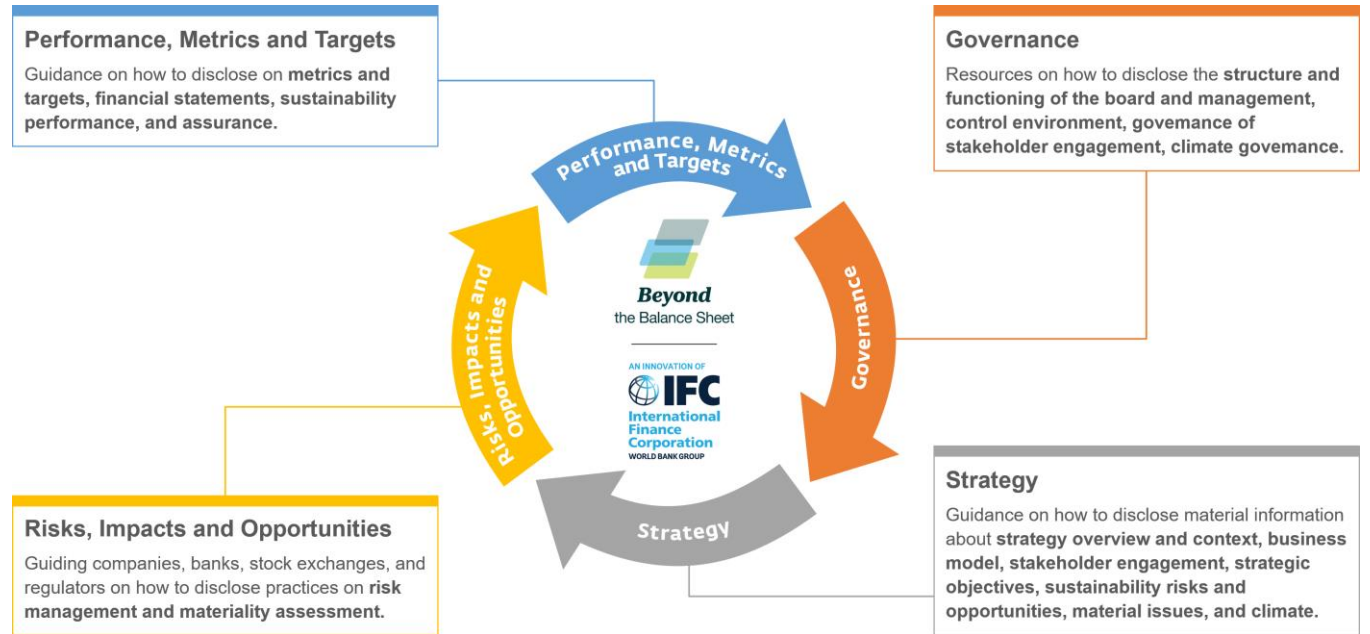
	IFRS	ESRS	GRI
Purpose			
Scope			
Intended users			
Intended disclosure audience			
Sector focus			
ESG topics addressed			
Geographical applicability			
Materiality approach			

BENCHMARKING RESULTS





High level
review

General sustainability reporting requirements

- ✓ IFRS S1
- ✓ ESRS 1 and 2
- ✓ GRI 2 and 3



IFC D&T Framework alignment with IFRS S1

	IFRS S1: Governance	IFRS S1: Strategy	IFRS S1: Risk Management	IFRS S1: Metrics and targets
D&T Toolkit: Governance				
D&T Toolkit: Strategy				
D&T Toolkit: Risks, Impacts and Opportunities		~		
D&T Toolkit: Performance, Metrics and Targets		~		
IFC Corporate Governance Methodology and Tools				
Performance Standard 1				

IFC D&T Framework utilizes the four-pillar reporting structure of Governance, Strategy, Risk, Metrics and Targets, providing a good comparison with the IFRS 1.

The IFC Corporate Governance Methodology has strong alignment with the **Governance** requirements of the IFRS S1 General Standard.

Updates of the Governance and Strategy elements of the D&T Toolkit have developed stronger alignment with IFRS S1.

There is also alignment through Performance Standard 1 (PS1), mostly under the requirements of the policy and management programs.

IFC D&T Framework alignment with IFRS S1

	IFRS S1: Governance	IFRS S1: Strategy	IFRS S1: Risk Management	IFRS S1: Metrics and targets
D&T Toolkit: Governance		~		
D&T Toolkit: Strategy				
D&T Toolkit: Risks, Impacts and Opportunities	~	~		
D&T Toolkit: Performance, Metrics and Targets	~	~		
IFC Corporate Governance Methodology and Tools				
Performance Standard 1				

The **Strategy** section of the D&T Toolkit has strong alignment with the Strategy elements of the IFRS S1 General 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.

IFC D&T Framework alignment with IFRS S1




	IFRS S1: Governance	IFRS S1: Strategy	IFRS S1: Risk Management	IFRS S1: Metrics and targets
D&T Toolkit: Governance	<p>The IFC D&T Framework has strong alignment with most of the requirements of the sustainability-related risks and opportunities, and the risk management elements of the IFRS S1 General Standards. Performance Standard 1 (PS1) also provide clear guidance regarding impacts, risks and opportunities identification and mitigation management.</p>		~	~
D&T Toolkit: Strategy				
D&T Toolkit: Risks, Impacts and Opportunities				~
D&T Toolkit: Performance, Metrics and Targets			~	
IFC Corporate Governance Methodology and Tools			~	
Performance Standard 1				

IFC D&T Framework alignment with IFRS S1

	IFRS S1: Governance	IFRS S1: Strategy	IFRS S1: Risk Management	IFRS S1: Metrics and targets
D&T Toolkit: Governance		~	~	~
D&T Toolkit: Strategy				
D&T Toolkit: Risks, Impacts and Opportunities				~
D&T Toolkit: Performance, Metrics and Targets				
IFC Corporate Governance Methodology and Tools				
Performance Standard 1				

The D&T Toolkit displays only weak alignment with IFRS S1 General Standards on **metrics and targets**. However, Performance Standards 1 to 8 provide clear guidance on topic-related sustainability requirements and thresholds to be met.

IFC D&T Framework alignment with ESRS 1 and 2

	ESRS: Governance	ESRS: Strategy	ESRS: Risk Management	ESRS: Metrics and targets
D&T Toolkit: Governance				
D&T Toolkit: Strategy	~			
D&T Toolkit: Risks, Impacts and Opportunities	~			
D&T Toolkit: Performance, Metrics and Targets	~			
IFC Corporate Governance Methodology and Tools				
Performance Standard 1				







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.

IFC D&T Framework alignment with ESRS 1 and 2

	ESRS: Governance	ESRS: Strategy	ESRS: Risk Management	
D&T Toolkit: Governance		~	~	<p>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.</p>
D&T Toolkit: Strategy	~		~	
D&T Toolkit: Risks, Impacts and Opportunities	~	~		
D&T Toolkit: Performance, Metrics and Targets	~	~	~	
IFC Corporate Governance Methodology and Tools		~	~	
Performance Standard 1				

IFC D&T Framework alignment with ESRS 1 and 2

	ESRS: Governance	ESRS: Strategy	ESRS: Risk Management	ESRS: Metrics and targets
D&T Toolkit: Governance				~
D&T Toolkit: Strategy				~
D&T Toolkit: Risks, Impacts and Opportunities				~
D&T Toolkit: Performance, Metrics and Targets				
IFC Corporate Governance Methodology and Tools				~
Performance Standard 1				

The IFC D&T Framework mostly aligns with the general requirement 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 Topic Standards reporting requirements.



IFC D&T Framework alignment with GRI 2 and 3

	GRI: Governance	GRI: Strategy	GRI: Risk Management	GRI: Metrics and targets
D&T Toolkit: Governance		~		
D&T Toolkit: Strategy				
D&T Toolkit: Risks, Impacts and Opportunities	~	~		
D&T Toolkit: Performance, Metrics and Targets	~	~		
IFC Corporate Governance Methodology and Tools				
Performance Standard 1				

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 **strategy** requirements of GRI 2: General Disclosures.




IFC D&T Framework alignment with GRI

	GRI: Governance	GRI: Strategy	GRI: Risk Management	GRI: Metrics and targets
D&T Toolkit: Governance	<p>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.</p> <p>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.</p>		~	~
D&T Toolkit: Strategy			~	
D&T Toolkit: Risks, Impacts and Opportunities				~
D&T Toolkit: Performance, Metrics and Targets				
IFC Corporate Governance Methodology and Tools				~
Performance Standard 1			~	

BENCHMARKING RESULTS

Detailed
level
analysis













IFC D&T Framework alignment with IFRS S2

	Climate
PS1 - Assessment and Management of Environmental and Social Risks and Impacts	
PS3 - Resource Efficiency and Pollution Prevention	
IFC Climate Governance Progression Matrix	
















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 IFRS S2 Standards, helping to reduce the workload required to identify new data points.

- ✓ 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.
- ✓ **IFC PSs**, standards 1 and 3 have some alignment with the ISSB climate-related reporting requirements.
- ✓ **IFC D&T Toolkit** has references which link directly to an excerpt from the IFRS S2 Climate Standard.
- ✓ **IFC D&T Framework** provides some good coverage of most of the requirements of the climate-related risks and opportunities.












IFC D&T Framework alignment with ESRS ESG topic standards

	E1 - Climate	E2 - Pollution	E3 - Water & marine resources	E4 - Biodiversity & ecosystems	E5 - Resource use & circular economy
PS1 - Assessment and Management of Environmental and Social Risks and Impacts					
PS3 - Resource Efficiency and Pollution Prevention				N/A	
PS4 - Community Health, Safety, and Security	N/A		N/A	N/A	N/A
PS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources	N/A	N/A	N/A		N/A
IFC Climate Governance Progression Matrix		N/A	N/A	N/A	N/A

IFC D&T Framework alignment with ESRS ESG topic standards

	S1 - Own workforce	S2 - Workers in the value chain	S3 - Affected communities	S4 - Consumers and end-users	G1 - Business conduct
PS1 - Assessment and Management of Environmental and Social Risks and Impacts				N/A	
PS2 - Labor and Working Conditions				N/A	
PS4 - Community Health, Safety, and Security	N/A	N/A		N/A	N/A
PS5 - Land Acquisition and Involuntary Resettlement	N/A	N/A		N/A	N/A
PS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources	N/A	N/A		N/A	
PS7 - Indigenous Peoples	N/A	N/A		N/A	N/A
PS8 - Cultural Heritage	N/A	N/A		N/A	N/A
IFC Corporate Governance Methodology	N/A	N/A	N/A	N/A	

IFC D&T Framework alignment with GRI standards

	Climate	Environment	Social	Governance
PS1 - Assessment and Management of Environmental and Social Risks and Impacts	N/A			
PS2 - Labor and Working Conditions	N/A	N/A		N/A
PS3 - Resource Efficiency and Pollution Prevention				N/A
PS4 - Community Health, Safety, and Security	N/A	N/A	N/A	N/A
PS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources	N/A		N/A	N/A
PS7 - Indigenous Peoples	N/A	N/A		N/A
IFC Climate Governance Progression Matrix		N/A	N/A	N/A
IFC Corporate Governance Methodology	N/A	N/A	N/A	

Stakeholder engagement

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.

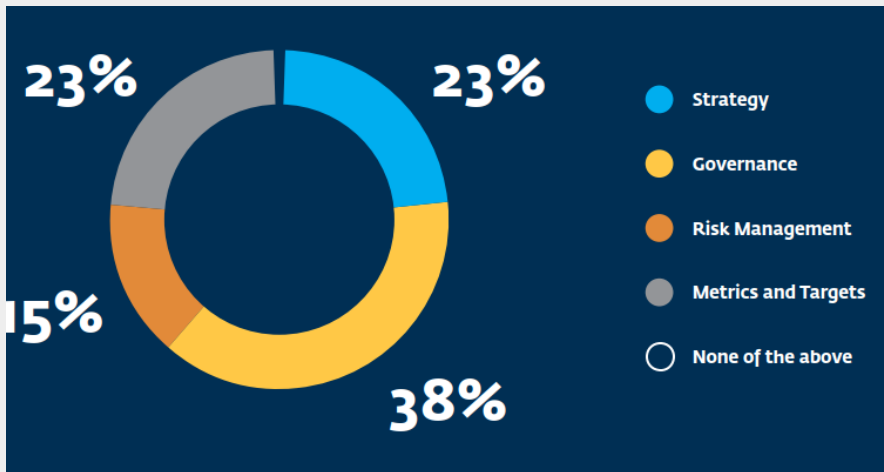
81% of interviewees said that multiple and varying reporting requirements are a challenge for emerging market users.

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

“New standards for sustainability reporting must account for jurisdictional requirements/ policy requirements/ different sectors”.

Stakeholder engagement

Governance was the pillar seen to have the best reporting guidance currently in the IFC D&T Framework, with **38%** of the votes. 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.



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

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

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

The background is a vibrant blue with a dark blue curved shape on the right side. A thin white line curves across the top left, and a dotted white line curves across the top right. The text is centered in the upper half of the image.

MAIN FINDINGS AND NEXT STEPS

Main findings

Benchmarking assessment

IFRS

- Updates by IFC to the various components of the D&T Framework have developed stronger alignment with the IFRS Standards.
- The four-pillar system, 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.

ESRS

- The IFC D&T Framework has strong alignment with multiple areas of the ESRS sustainability requirements
- 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.
- In general, the ESRS are more prescriptive and provide clearer information about what is expected to be disclosed.

GRI

- 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.

Next steps

Support, tools and further collaboration

Guidance and Clarity

Clear guidance and advice is crucial for companies to understand and comply with new standards.

Capacity Building

Engaging with stakeholders and building capacity through training and support is essential.

Digital Tools

Developing digital tools, such as templates and taxonomies, can help streamline reporting processes and make standards more accessible.

Interoperability

Working towards interoperability between standards like ISSB, EU, and GRI is seen as beneficial for creating a cohesive reporting environment.

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.



THANK YOU