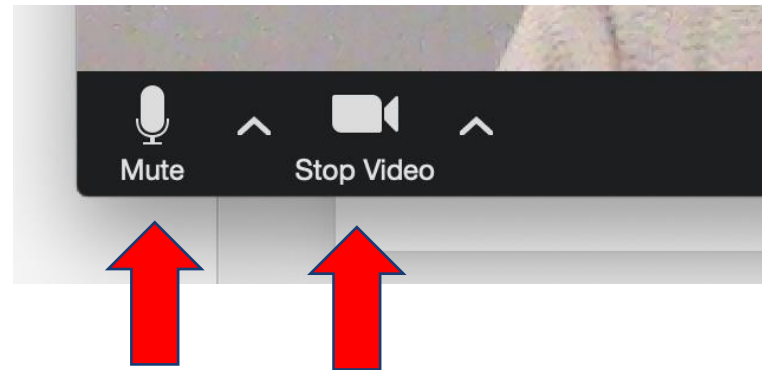
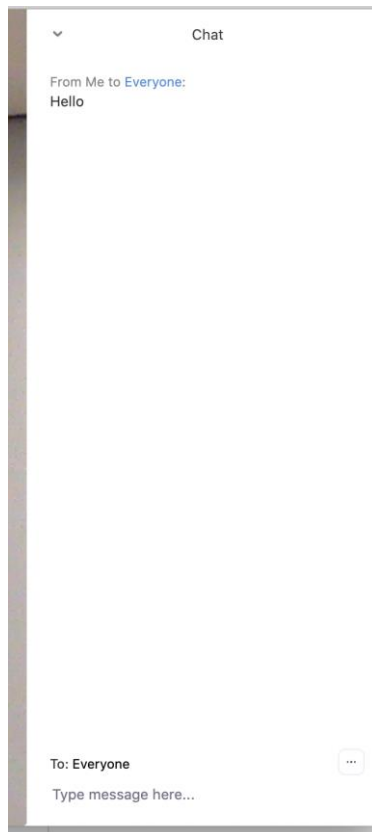




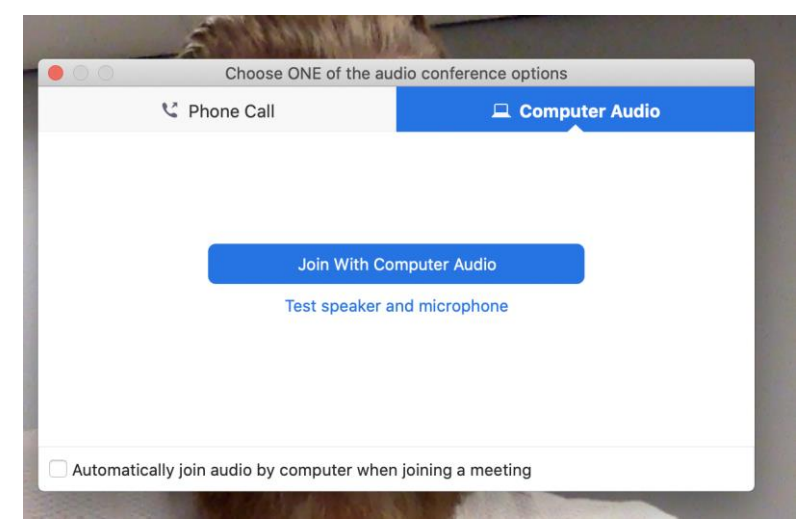
Zoom meetings

Text messages



(Un)Mute yourself

Turn your video on/off



Always join with Computer Audio
This pops up when you join the meeting.

Phone controls for participants:
The following commands can be entered via DTMF tones using your phone's dial pad while in a Zoom meeting:

Press *6 - Toggle mute/unmute
Press *9 - Raise hand



GSSB virtual meeting

12 September 2024

Session 1

Welcome to meeting

Carol Adams

Agenda – 20 June 2024



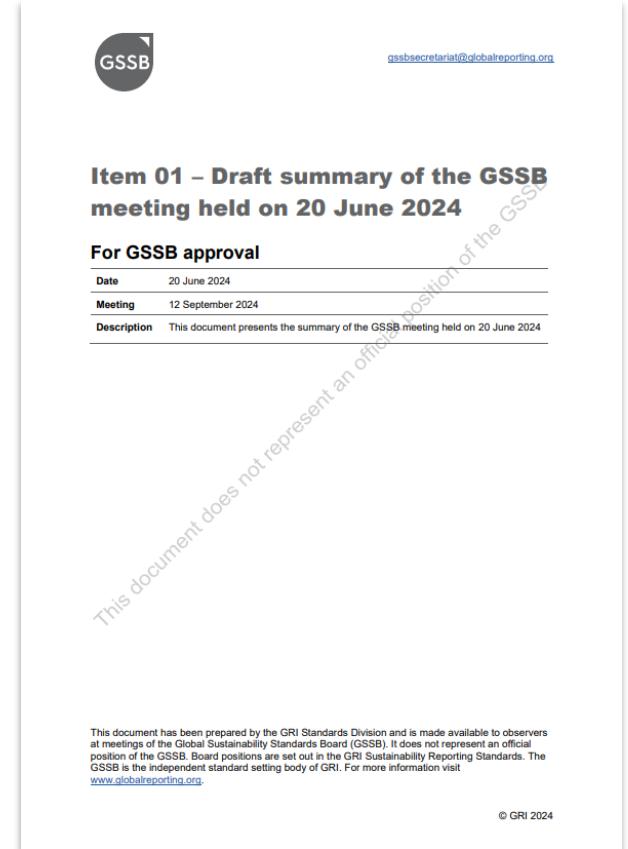
Start	End	Duration (minutes)	Session	Agenda item	Introduced by	Public/ private
12:30	- 12:35	5	1	Welcome to meeting • Approval of Item 01 – Draft summary of the GSSB meeting held on 20 June 2024	Carol Adams	Public
12:35	- 12:50	15	2	Sector Program Review	Gelkha Buitrago	Public
12:50	- 13:35	45	3	Sector Standard Project for Financial Services update	Claire Dugan	Public
13:35	- 13:40	5	4	Any other business and close of meeting	Carol Adams	Public
13:40	- 14:30	50	5	Private session	Carol Adams	Private

Scheduled approval

Item 01 – Draft summary of the GSSB meeting held on 20 June 2024

Does the GSSB approve:

Item 01 – Draft summary of the GSSB meeting held on 20 June 2024



GSSB Decision 2024.17 GSSB resolves to approve Item 01 – Draft summary of the GSSB meeting held on 20 June 2024

Action points

Action items	To be undertaken by	Progress
Enlist a group of GSSB volunteers to review potential interpretation within XBRL Taxonomy	Standards Division	
Find ways to reach out to HR professionals for available employee information for Labor Standards	Standards Division	

Session 2

Sector Program Review

Gelkha Buitrago

Sector Program

- Approved by the GSSB in February 2019
- The Sector Standards are designed to help identify a sector's most significant impacts and reflect stakeholder expectations for sustainability reporting
- Aim to develop GRI Sector Standards for 40 to 45 high-impact sectors

Sector Program

- Standards published until now:
 - *GRI 11: Oil and Gas Sector 2021*
 - *GRI 12: Coal Sector 2022*
 - *GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022*
 - *GRI 14: Mining Sector 2024*
- Currently under development (expected release in 2026):
 - Financial Services (including banking, capital markets and insurance)
 - Textiles and apparel
- Standards developed until now are part of the first group in the priority list
 - Group 1: Basic materials and needs
 - Group 2: Industrial
 - Group 3: Transport, infrastructure and tourism
 - Group 4: Other services and light manufacturing

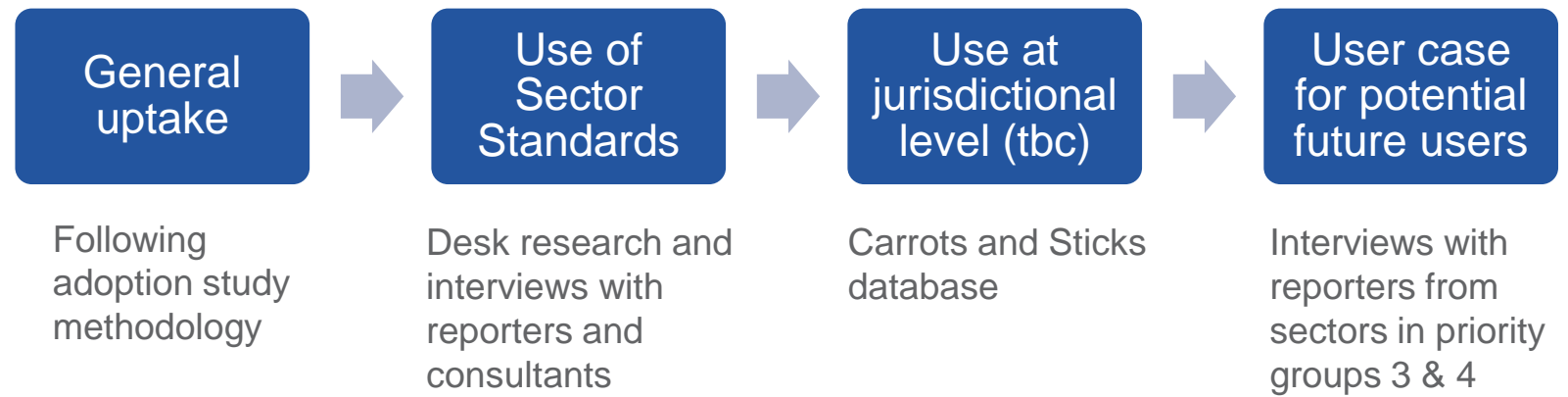
Rationale and objective

In 2025 the discussions on the GSSB Work Program 2026-2028 will start. This presents an opportunity to take stock of how far we have come with the Sector Program and identify areas for improvement as needed.

Methodology

1. Revision of information available from each of the Sector Standards development process
2. A reflection on the Sector Program carried out by the Sector Team, with input from Topic Standards, SE&P, and other GRI teams
3. A tailored research piece to better understand the uptake, usefulness, and the user case of the Sector Standards

Tailored research



Expected outcomes of the review

Set of recommendations to refine the Sector Standards for GSSB discussion and approval.

GSSB Engagement

When	What	Expected outcome
12 Sept 2024	Presentation of scope and timelines	GSSB is informed
15-16 Oct 2024	Presentation of preliminary findings	GSSB discusses findings
12 Dec	Presentation of research and final recommendations	GSSB decides on recommendations

Session 3

Sector Standard Project for Financial Services update

Claire Dugan

Sector Standard Project for Financial Services



Purpose of update

- Provide GSSB an overview of working content in the draft Standards, ahead of exposure draft submission
- Allow for discussion regarding key challenges and proposals
- This presentation represents the technical committee recommendations so far and is subject to change until submission of public exposure drafts to the GSSB

The screenshot shows a document header with the GSSB logo and the email address gssbsecretariat@globalreporting.org. The title is "Item 04 – GRI Sector Standard Project for Financial Services – Project proposal For GSSB approval". Below the title, there are two lines: "Date: 30 January 2023" and "Meeting: 16 February 2023". The "Description" section states: "This document sets out the project proposal to develop Sector Standards for the banking, insurance, and capital markets sectors. The Standards Division recommends producing three standards for banking, insurance, and capital markets under a single project, titled 'GRI Sector Standard Project for Financial Services'. This project responds to the commonality of these sectors as financial asset holders and investors in other sectors and the need to take a consistent approach to report on impacts that are relevant to an organization as a result of this type of business relationship. In accordance with the [Due Process Protocol](#), a draft project proposal was submitted to the GSSB and discussed in October 2022. Subsequently, the draft proposal was circulated to the GRI Board and Stakeholder Council for feedback. No feedback was received from either body. Additionally, since October 2022, consultations with various stakeholders have taken place, providing the basis for certain changes to the final project proposal. Based on stakeholder feedback, it is proposed that payment providers are included within the banking sector, along with investment banks, which were originally included within the capital markets sector in the draft project proposal. Furthermore, stock and commodity exchanges, as well as rating agencies, will be removed from the capital markets sector and the project's scope. It is intended for such organizations to be included in future Sector Standards. Similarly, real estate investment trusts (REITs) will be excluded from this project's scope, with the intention to include them in a future Sector Standard concerning the real estate sector. **Please note:** The commencement date of this project is projected for Q2 of 2023. A finalized start date is subject to resource availability." At the bottom, there is a disclaimer: "This document has been prepared by the GRI Standards Division and is made available to observers at meetings of the Global Sustainability Standards Board (GSSB). It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard setting body of GRI. For more information visit www.gristandards.org". The footer includes the copyright notice "© GRI 2023".

Sector Standard Project for Financial Services



Project overview

- Develop **three** GRI Sector Standards for **banking, capital markets** and **insurance** sectors
- The new Sector Standards will:
 - enable organizations to report on their impacts, **including downstream impacts** via the provision of products and services, including capital allocation
 - **improve** the **consistency** and **comparability** of reporting across these sectors
- Development of the Standards is led by **three technical committees**, one per sector, involving **40 sector experts**
 - Technical committees **collaborate through a cross-sector exchange** on impacts common to all three sectors

Sector Standard Project for Financial Services

Project scope



Banking

- Retail and commercial banking
- Lending
- Investment banking
- Payment providers



Capital markets

- Asset managers
- Asset owners, including pension funds and sovereign wealth funds



Insurance

- Life
- Non-life (e.g. property, health, travel, motor, casualty and accident)
- Reinsurance
- Insurance intermediaries (agents and brokers)

- *Out of scope – stock exchanges, rating agencies, real estate investment trusts (REITs)*

Sector Standard Project for Financial Services

Multi-stakeholder technical committees

Business enterprises

- UBS
- Natwest
- HSBC
- DBS
- Citibanamex
- Access Bank
- Vancity
- State Street
- Robeco
- APB Pension Fund
- Boston Common
- QBE
- ICMIF
- NN Group
- Liberty Mutual
- Gallagher Re

Civil society

- WWF
- Finance Watch
- Reclaim Finance
- Centre for Financial Regulation and Inclusion (CENFRI)
- Pre-distribution Initiative

Mediating institutions

- Central Bank of Georgia
- South African Reserve Bank – Insurance Regulator
- Moroccan Capital Markets Authority
- Shift Project
- UNEP FI – Principles of Responsible Banking
- UNEP FI – Principles of Sustainable Insurance
- EY
- ERM

Investment institutions

- Principles of Responsible Investment (PRI)
- Moodys
- S&P Global
- Sustainalytics
- MSF Investment Management
- Sura Investment Management
- Swiss Stock Exchange (SIX)
- Singapore Stock Exchange

Labor

- UNI Global Union

Peer reviewers

Peer reviewers

- OECD
- IFC's Sustainable Banking and Finance Network
- International Capital Markets Authority
- World Benchmarking Alliance
- Taskforce for Nature-related Financial Disclosures (TNFD)
- International Investors for Climate Change Group (IIGCC)
- Climate Safe Lending Network
- Rights Co-lab
- ShareAction
- BankTrack

Sector Standard Project for Financial Services

Collaboration with other standard setters and key stakeholders

Other standard setters

- EFRAG – holding regular meetings to share working content for these sectors
- ISSB – as of July 2024, finance sectors not prioritized for SASB Standards enhancements scheduled in the next two years

Key stakeholders

- All UNEP FI sector initiatives are represented on the technical committees
 - Principles of Responsible Banking, Principles of Responsible Investment, Principles of Sustainable Insurance

Sector Standard Project for Financial Services

Project overview



Status

- Project initiation – February 2023, with GSSB approval of final project proposal
- Project commencement – July 2023, with GSSB approval of three technical committees
- Draft development – September 2023 kick-off, with first technical committee meetings
 - Held in-person meeting with technical committees in Amsterdam in April 2024
 - Exposure drafts to be submitted to GSSB in January 2025 (expected)

Sector Standard Project for Financial Services

Summary of significant proposals

Likely material topics

- Circa 24 likely material topics per Sector Standard, mostly consistent across the sectors
- Most topics align with GRI Topic Standards that are existing or under revision, four are new to the GRI system

Reporting

- Common disclosures for impacts via customers and investees enable reporting on downstream impacts on any material topic
- Significant additional sector reporting is proposed across the topics, to address transparency expectations for the sectors

Sector context

- A focus on the sector's downstream impacts through the provision of products and services, specifically capital, to customers and investees

Sector Standard Project for Financial Services

Working list of likely material topics

1. Climate change	14. Employment
2. Biodiversity	15. Remuneration and working time
3. Water	16. Significant changes for workers
4. Waste	17. Public and customer health and safety (insurance only)
5. Local communities and rights of Indigenous Peoples	18. Prevention of corruption and financial crime
6. Financial health and inclusion	19. Anti-competitive behavior
7. Customer privacy	20. Public policy
8. Marketing and labeling	21. Tax
9. Non-discrimination and equal opportunity	22. Economic impacts
10. Forced or compulsory labor	23. Conflict-affected and high-risk areas (pending)
11. Child labor	24. Sustainability incorporation in investing (capital markets only - pending for banking and insurance)
12. Freedom of association and collective bargaining	
13. Occupational health and safety	

Sector Standard Project for Financial Services

New likely material topics	
1. Climate change	14. Employment
2. Biodiversity	15. Remuneration and working time
3. Water	16. Significant changes for workers
4. Waste	17. Public and customer health and safety (insurance only)
5. Local communities and rights of Indigenous Peoples	18. Prevention of corruption and financial crime
6. Financial health and inclusion	19. Anti-competitive behavior
7. Customer privacy	20. Public policy
8. Marketing and labeling	21. Tax
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11. Child labor	24. Sustainability incorporation in investing (capital markets only - pending for banking and insurance)
12. Freedom of association and collective bargaining	
13. Occupational health and safety	

Sector Standard Project for Financial Services



New topics to the GRI system

<p>Financial health and inclusion (FHI)</p>	<p>Topic framing</p> <ul style="list-style-type: none"> • Impacts on customer financial health and inclusion through access to affordable and suitable products and services • Focus on customer groups that are typically excluded 	<p>Reporting</p> <ul style="list-style-type: none"> • Organization's FHI initiatives and targeted customer groups • Policies regarding de-risking (banking only) • Claims handling (insurance only)
<p>Prevention of corruption and financial crime</p>	<p>Topic framing</p> <ul style="list-style-type: none"> • Extension of Anti-corruption topic • Impacts via connection to the broader financial system and criminal activities targeting customers 	<p>Reporting</p> <ul style="list-style-type: none"> • Management disclosures relating to organization's compliance program • Number of incidents and customer funds lost
<p>Sustainability incorporation in investing (pending for banking and insurance)</p>	<p>Topic framing</p> <ul style="list-style-type: none"> • Systematic consideration and incorporation of sustainability impacts in investing, to reduce negative impacts and enhance positive ones 	<p>Reporting</p> <ul style="list-style-type: none"> • Organization-level disclosures on assets under management, sustainable investment commitments, governance and oversight, thematic investment focuses

Sector Standard Project for Financial Services



New topics to the GRI system

<p>Public and customer health and safety (insurance only)</p>	<p>Topic framing</p> <ul style="list-style-type: none">• Risk reduction by incentivizing healthy and safe customer behaviors• Disaster risk reduction through collaboration with governments and communities	<p>Reporting</p> <ul style="list-style-type: none">• How the organizations utilizes its risk expertise beyond its core business, including incentives, awareness-raising, collaboration with stakeholders on disaster preparedness
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Sector Standard Project for Financial Services

Key challenges

Determining likely material topics for these sectors

Likely material topics are **informed by transparency expectations** of the sector and **authoritative instruments**

GRI Topic Standards provide limited disclosures for downstream impacts

New set of common disclosures for impacts via customers and investees, and **additional sector reporting**

Reporting on investment activities for banking and insurance organizations

Incorporate investment activities into the Sector Standards for banking and insurance

Aligning with current revision projects of GRI Topic Standard

Align with current exposure drafts for Climate Change, Employment, Remuneration and Working Time, Significant Changes



Common disclosures for reporting impacts via customers and investees

- Rationale
 - Due to size and complexity of portfolios, organizations take a risk-based approach to identifying, assessing, and managing negative impacts, e.g., exposure to sectors, geographies, etc.
 - Understanding this approach is a critical transparency expectation of the sector

- Authoritative instruments
 - OECD due diligence guidance for finance sectors
 - UN Guiding Principles on Business and Human Rights

- Disclosures enable organizations to report
 - How they identify and assess impacts via customers and investees
 - Approach to customer engagement and investee stewardship
 - On any material topic



Common disclosures for reporting impacts via customers and investees

- Placement: description and disclosures sit above the first likely material topic

2. Likely material topics

This section comprises the likely material topics for the banking sector. Each topic describes the sector's most significant impacts related to the topic and lists disclosures that have been identified as relevant for reporting on the topic by banking sector organizations. The organization is required to review each topic in this section and determine whether it is a material topic for the organization, and then to determine what information to report for its material topics.

Disclosures for impacts via customers and investees

Through the provision of products and services, banking organizations can be involved with the negative impacts of their customers and investees, and their respective value chains.

Through a risk-based due diligence approach on their current and potential customers and investees, banking organizations can seek to prevent and address impacts on sustainable development facilitated through their financial flows and other products and services [12] [13] [14].

The following disclosures enable banking organizations to report their approach to impacts via customers and investees, across any material topic, specifically:

- identifying and assessing impacts via customers and investees related to a material topic;
- managing impacts via customers and investees, including customer engagement and investee stewardship, related to a material topic.

ADDITIONAL SECTOR DISCLOSURES	SECTOR STANDARD REF #
<p>Report the organization's approach to identifying and assessing impacts via customers and investees related to [topic], including:</p> <ul style="list-style-type: none"> • the sectors, geographic locations, and other factors that inform the organization's identification of potential and actual negative impacts in lending and investment portfolios; • the approach applied at customer and investee level to identify and assess potential and actual negative impacts, including: <ul style="list-style-type: none"> - how the approach differs by customer and investee type, business line and asset class, loan and investment size; - the quantitative and qualitative data sources used, and the limitations of these sources; - how the organization integrates the findings from its identification and assessment of impacts in the decision-making for new lending and investments; 	xx.0.1
<p>applied to different customer and investee types, business line and asset class, loan and investment size, and the rationale for different frequencies.</p> <ul style="list-style-type: none"> • how the organization assesses its level of involvement with actual negative impacts of customers and investees. 	
<p>Report the organization's approach to managing impacts via customers and investees, including customer engagement and investee stewardship, related to [topic], including:</p> <ul style="list-style-type: none"> • the rationale for selecting customers and investees; • goals or targets for these activities; • the number of customers and investees the organization directly engaged with, reported separately; • the engagement and stewardship approaches- used, and if they differ by customer and investee type, business line and asset class, loan, and investment size; • examples of outcomes of customer engagement and investee stewardship; 	xx.0.2



Common disclosures for reporting impacts via customers and investees

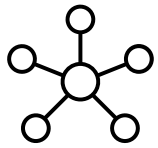
- Reference to common disclosures on every likely material topic. Example:

Reporting on local communities and rights of Indigenous Peoples		
If the organization has determined local communities and rights of Indigenous Peoples to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the banking sector.		
STANDARD	DISCLOSURE	SECTOR STANDARD REF. #.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	x.x
	<p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> • Describe the approach to identifying and assessing impacts via customers and investees related to local communities and rights of Indigenous Peoples according to disclosure xx.0.1 • Describe the approach to managing impacts via customer and investees, including customer engagement and investee stewardship related to local communities and rights of Indigenous Peoples according to disclosure xx.0.2. • Describe how the organization: <ul style="list-style-type: none"> - assesses the quality of engagement with stakeholders conducted by its customers and investees; - assesses the quality of safeguards for the protection of human rights defenders of other stakeholders that are 	



Banking and Insurance Sector Standards allow for reporting on investment activities

- Investment activities technically covered in the scope of Sector Standard for Capital Markets
- However, banking and insurance organizations commonly undertake investment activities
- Technical committees recommend incorporating investment activities into these sector standards –
- This approach means banking and insurance organizations with investment activities can report using a single Standard
- Aligns with other standard setters



Alignment of likely material topics and disclosures from Topic Standard exposure drafts

- Alignment with labor project
 - Standards list Employment, Remuneration and Working Time, Significant Changes as likely material topics, as well as relevant disclosures – subject to change pending public finalization of labor Standards
- Alignment with climate project
 - Standards list Climate Change as a likely material topic, as well as relevant disclosures – subject to change pending final Climate Change Standard

Sector Standard Project for Financial Services

Project overview



Next steps

- Complete draft development – Exposure drafts to be submitted to GSSB in January 2025 (expected)
- Public exposure – 1 March - 31 May 2025
 - Global engagement – through GRI’s networks, key stakeholders, and technical committee members
- Standard revision – June 2025 - March 2026
- Approval and publication – April 2026 (expected)

Sector Standard Project for Financial Services

Project team

Claire Dugan

Senior Manager Standards

Project lead

(Maternity leave November 2024 – August 2025)



Patricia Oliveira Dias

Manager Standards

Alper Cezmi Ozdemir

Research

Associate



Lisa van den Hoven

Manager Standards

Victoria Lacroze

Technical Content

Manager



Steve Gillman

Senior Editor



Natalia Abril Bonilla

Senior Standards

Officer

Sector Standard Project for Financial Services



GSSB discussion

- Questions
- Possibility of adding a GSSB sponsor to the project?

Session 4

**Any other business and close of
public sessions**

Carol Adams

THANK YOU



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