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# Item 07 – GRI Sector Standards Project for Financial Services – Proposed public comment questionnaire for the Banking exposure draft

## For GSSB approval

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<b>Date</b>	20 December 2024
<b>Meeting</b>	23 January 2025
<b>Description</b>	<p>This document contains a draft public comment questionnaire for the exposure draft of the Banking Sector Standard as part of the GRI Sector Standards Project for Financial Services to be submitted to the GSSB for approval at the upcoming meeting.</p> <p>If approved, the public exposure is proposed to commence in early March 2025 and run until the end of May, and an open questionnaire will be set up online to collect public feedback.</p> <p>This document sets out the proposed questions to be included in the feedback questionnaire.</p>

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# 1 Questions for the GRI Sector

## 2 Standard Project for Financial

### 3 Services - Banking exposure draft

#### 4 Scope of the exposure draft

Section 1, 'Sector this Standard applies to' (page 4), outlines the scope of the Standard.

The Sector Standard for banking will apply to organizations undertaking any of the following:

- 5 • Consumer banking
- 6 • Commercial banking
- 7 • Corporate banking
- 8 • Investment banking

9 This Standard can be used by any organization in the banking sector, regardless of size, type,  
10 geographic location, or reporting experience.

#### 11 Question 1

- 12 • For this Standard, is the sector's scope clear and practical? Are there any other activities or  
13 types of organizations that should fall within the scope of this Standard? Please suggest what  
14 could be improved.

#### 15 Reporting on investment activities

16 Disclosures on impacts arising from investment activities are most relevant to the capital markets  
17 sector. However, recognizing that many organizations in the banking sector also undertake investment  
18 activities, related disclosures have been included in the banking exposure draft. This approach aims to  
19 streamline reporting by enabling organizations in the banking sector with investment activities to report  
20 on these through a single Sector Standard.

#### 21 Question 2

- 22 • Do you agree with the inclusion of investment activities in the Banking Sector Standard? If not,  
23 please explain.

#### 24 Disclosures on incorporating sustainability in banking and 25 investment (page 15)

26 Through the provision of products, services, and investments, organizations in the banking sector can  
27 be involved with the impacts of their customers and investees and their respective value chains on the  
28 economy, environment, and people, including human rights. The exposure draft includes disclosures for  
29 banking organizations that focus on incorporating sustainability in banking and investment and  
30 assessing and managing impacts from institutional customers and investees (see pages 15-18,  
31 Disclosures XX.0.1 - XX.0.10). These disclosures aim to provide meaningful information on how  
32 impacts are assessed and managed, including roles, responsibilities, and processes for incorporating  
33 sustainability in banking and investment. All organizations in the banking sector reporting in accordance  
34 with the GRI Standards are expected to report these disclosures.

35 **Question 3.a**

- 36
- Is this section clear? If not, please explain what could be revised and how.

37 **Question 3.b**

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- Is the information requested in Disclosures XX.0.1 – XX.0.10 meaningful to understanding how banking organizations incorporate sustainability and assess and manage impacts related to their customers and investees? If not, please explain why and what could be improved.

41 **Likely material topics**

42 *Section 2, 'Likely material topics' (pages 19-75), lists 22 likely material topics for the banking sector.*

43 *'Likely material topics' encompass the sector's most significant impacts and are therefore likely to be*

44 *material for most banking organizations to report publicly.*

45 *'Impact' refers to the effect the sector or organizations operating in the sector have, or could have, on*

46 *the economy, environment, and people. Impacts can be positive or negative. Organizations can be*

47 *involved with negative impacts through their **activities** or as a result of their **business relationships***

48 *(see [GRI 1: Foundation 2021](#) for more information about key concepts).*

49 *When determining its material topics, a reporting organization in the banking sector needs to review*

50 *each topic described in the Standard and decide if it is material for it to report based on its specific*

51 *circumstances.*

52 *Not all topics listed in the Standard may be material for all organizations in the banking sector. For*

53 *organizations reporting in accordance with the GRI Standards, if any of the topics included in the*

54 *Standard are deemed not material, the organization lists them in the GRI Content Index and provides a*

55 *short explanation of why they are not material. Other topics not listed in the Standard may be relevant*

56 *to an organization based on its impacts or context and should also be reported on.*

57 **Question 4**

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- Do the topics included in the exposure draft represent the banking sector's most significant impacts and are therefore likely to be material for most organizations in the sector to report? If not, please explain which topics should not be listed as likely material for the sector or which topics or significant impacts are missing.

62 **Reporting sub-sections**

63 **For reporters**

64 *Section 2, 'Likely material topics' (pages 19-75), also lists relevant disclosures for the banking sector to*

65 *report on each topic. These disclosures are partly derived from existing GRI Topic Standards. However,*

66 *where disclosures from Topic Standards do not exist or do not provide sufficient information about*

67 *a banking organization's impacts in relation to a topic, additional sector recommendations and*

68 *disclosures are listed.*

69 *If any of the listed disclosures are irrelevant to the organization's impacts, the organization is not*

70 *required to report them.*

71 **Question 5.a**

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- Are the disclosures listed in this exposure draft (the recommendations and disclosures in the reporting sections) relevant for most banking organizations to report? If not, which disclosure(s) are not relevant and why?

75 **Question 5.b**

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- Are the additional sector recommendations and disclosures included understandable and feasible to report? If not, please identify which recommendations or disclosures and what could be improved.

79 **Question 5.c**

- 80
- 81
- 82
- Are there any significant impacts on the economy, environment, or people that are not reflected in the reporting in this exposure draft but are relevant for most organizations in the sector?

83 **Question 5.d**

- 84 • Is it clear whether the disclosures listed in this exposure draft (the recommendations and  
85 disclosures listed in the reporting sections) apply to a banking organization's activities, its  
86 business relationships, or both?

87 **For information users**

88 *Section 2, 'Likely material topics' (pages 19-75), also lists relevant disclosures for the banking sector to*  
89 *report on each topic. These disclosures are partly derived from existing GRI Topic Standards. However,*  
90 *where disclosures from Topic Standards do not exist or do not provide sufficient information about*  
91 *a banking organization's impacts in relation to a topic, additional sector recommendations and*  
92 *disclosures are listed.*

93 *The additional sector reporting included in this exposure draft outlines further information that has been*  
94 *identified as relevant for organizations in the banking sector to report in relation to a topic. The reporting*  
95 *organization should provide sufficient information about its impacts in relation to each material topic so*  
96 *users can make informed assessments and decisions about the organization.*

97 **Question 6.a**

- 98 • Are the disclosures listed in this exposure draft (the recommendations and disclosures in the  
99 reporting sections) critical and useful for information users to understand an organization's  
100 impacts related to each topic? If not, please explain what could be improved.

101 **Question 6.b**

- 102 • Are there impacts currently not (sufficiently) covered by the disclosures in this exposure draft,  
103 but you would expect to see reported by banking organizations? If so, please explain what  
104 should be included and the rationale for inclusion.

105 **Topic-specific questions**

106 **Climate change (page 19)**

107 This topic covers how organizations contribute to climate change, including the transition to a low-  
108 carbon economy, climate change mitigation and adaptation, and securing a just transition. Reporting on  
109 this topic covers a banking organization's approach to managing climate change-related impacts,  
110 including its contribution to real economy decarbonization, its approach to customers' and investees'  
111 transition plans and just transition principles, and its contribution to climate change adaptation and  
112 resilience.<sup>1</sup>

113 **Question 7.a**

- 114 • Are the disclosures listed (the recommendations and disclosures in the reporting section) likely  
115 to generate critical information on banking organizations' approach to climate change? Is there  
116 anything missing? Please explain what could be revised and how.

117 **Question 7.b**

- 118 • Does the proposed reporting meet transparency expectations for the sector regarding climate  
119 change? Are there any gaps or additional information that should be included?

120 **Biodiversity (page 24)**

121 This topic covers organizations' impacts on biodiversity, including genetic diversity, animal and plant  
122 species, and natural ecosystems. Reporting on this topic covers policies for providing products and  
123 services to customers and investees that can or could have an impact on biodiversity, including through  
124 the use of genetic resources. It also covers the actions of banking organizations to assess their  
125 portfolios, identify customers and investees with the most significant impacts on biodiversity, and  
126 actions to halt and reverse biodiversity loss.

127 **Question 8.a**

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<sup>1</sup> The likely material topic Climate change lists relevant disclosures from the Climate Change Topic Standard exposure draft. These disclosures are subject to change based on the final revisions to this Topic Standard, which is expected to be released in Q1 2025.

- 128 • Are the disclosures listed (the recommendations and disclosures in the reporting section) likely  
129 to generate critical information on banking organizations' approach to biodiversity and how  
130 they manage related impacts? Is there anything missing? Please explain what could be revised  
131 and how.

132 **Question 8.b**

- 133 • Does the proposed reporting meet transparency expectations for the sector regarding  
134 biodiversity? Are there any gaps or additional information that should be included?

135 **Financial health and inclusion (page 32)**

136 This topic covers an organization's approach to promoting financial health and inclusion. Reporting on  
137 this topic includes actions and processes aimed at improving access to and usage of banking products  
138 and services for identified targeted customer groups, as well as policies related to de-risking.

139 **Question 9.a**

- 140 • Is what this topic covers clear? Are there impacts missing from the topic description? If so,  
141 please explain what could be revised and how.

142 **Question 9.b**

- 143 • Are the disclosures listed (the recommendations and disclosures in the reporting section)  
144 likely to generate critical information on banking organizations' approach to financial health and  
145 inclusion, and how they manage the related impacts? Is there anything missing? Please  
146 explain what could be revised and how.

147 **Question 9.c**

- 148 • Are the additional sector recommendations related to de-risking practices (XX.5.1) feasible for  
149 organizations to report? Do they reflect transparency expectations for the banking sector  
150 regarding de-risking? Please explain what could be revised and how.

151 **Local communities and rights of Indigenous Peoples (page 41)**

152 This topic covers socioeconomic and human rights impacts on local communities and the rights of  
153 Indigenous Peoples, including in relation to cultural heritage and community health. These impacts can  
154 stem from providing loans and investing in infrastructure projects and economic activities leading to, for  
155 example, environmental degradation, displacement, involuntary resettlement, or changes in land use.  
156 Reporting on this topic focuses on managing the impacts the organization is involved with through their  
157 customers and investees.

158 **Question 10.a**

- 159 • Is what this topic covers clear? Are there impacts missing from the description? If so, please  
160 explain what could be revised and how.

161 **Question 10.b**

- 162 • Additional sector recommendation XX.8.1 recommends organizations describe their approach  
163 to managing impacts from customers and investees on local communities and rights of  
164 Indigenous Peoples, including quality assessments of customers and investees' stakeholder  
165 engagements, safeguarding human rights defenders, and direct engagement with affected  
166 stakeholders.
- 167 ○ This additional sector recommendation is currently included for the topic of local  
168 communities and rights of Indigenous Peoples. Should it also be included for  
169 other human rights topics? If so, which topics?

170 **Conflict-affected and high-risk areas (page 44)**

171 This topic covers an organization's approach and impacts related to operating in or providing services  
172 to customers and investees in conflict-affected and high-risk areas. Reporting on this topic addresses  
173 due diligence expectations and adherence to international humanitarian law for customers and  
174 investees, portfolio exposure and contextual information on how lending and investment portfolios are  
175 exposed to these areas, and the organization's approach to providing products and services to  
176 investees in the defense sector.

177 **Question 11.a**

- 178 • Is what this topic covers clear? Are there impacts missing from the description? If so, please  
179 explain what could be revised and how.

180 **Question 11.b**

- 181 • Are the disclosures listed (the recommendations and disclosures in the reporting section) likely  
182 to generate critical information on banking organizations' approach and impacts related to  
183 conflict-affected and high-risk areas, including due diligence expectations and adherence to  
184 international humanitarian law? Is there anything missing? Please explain what could be  
185 improved.

186 **Economic impacts (page 65)**

187 This topic covers an organization's impacts on economic systems, including the economic well-being of  
188 their stakeholders through operations, the quality of products and services, and business relationships  
189 at local, national, and global levels. Reporting includes the direct economic value generated and  
190 distributed and financial assistance received from governments, including interventions during financial  
191 crises.

192 **Question 12.a**

- 193 • Is this topic's scope clear? Are there impacts missing from the description? If so, please  
194 explain what could be revised and how.

195 **Question 12.b**

- 196 • How do banking organizations affect economic systems through their products, services, and  
197 investments? Please explain your answer.

198 **Question 12.c**

- 199 • Are the disclosures listed (the recommendations and disclosures in the reporting section) likely  
200 to generate critical information on banking organizations' impacts on economic systems and  
201 how they manage the related impacts? Is there anything missing? Please explain what could  
202 be improved.

203 **Prevention of corruption and financial crime (page 67)**

204 This topic covers the impacts of corruption and financial crime, focusing on how banking organizations  
205 can prevent such activities through their services and business relationships. Reporting on this topic  
206 covers procedures and operations assessed for risk of corruption and financial crime, training,  
207 communication of policies and procedures, and incidents of corruption and financial crime.

208 **Question 13.a**

- 209 • Is what this topic covers clear? Are there impacts missing from the description? If so, please  
210 explain what could be revised and how.

211 **Question 13.b**

- 212 • Are the disclosures listed (the recommendations and disclosures in the reporting section) likely  
213 to generate critical information on banking organizations' approaches and impacts on  
214 preventing corruption and financial crime? Is there anything missing? Please explain what  
215 could be improved.

216 **Public and customer health and safety (page 70 [of the insurance exposure draft])**

217 Public and customer health and safety is a likely material topic in the exposure draft of the Insurance  
218 Sector Standard. This topic addresses how insurance organizations utilize their risk expertise beyond  
219 their core business to support public and customer health and safety, including through product and  
220 service design, incentives, awareness-raising on risks, and collaboration with stakeholders on disaster  
221 preparedness. In addition, the topic addresses how organizations in the insurance sector can be  
222 involved with impacts related to health and safety through their business relationships (e.g., insuring or  
223 investing in organizations that manufacture tobacco).

224 While this topic is tailored for the insurance sector, an adapted version for the banking sector could  
225 address their involvement with public health and safety impacts through business relationships, such as  
226 lending to or investing in organizations involved with negative impacts on health and safety.

227 **Question 14**

- 228 • Do you consider an adapted version of this topic to be material for the banking sector? If so,  
229 what specific impacts might banking organizations have regarding this topic?

230 **Open question**

231 **Question 15**

232 Are there any other comments or feedback you would like to provide about the banking  
233 exposure draft?

This document does not represent an official position of the GSSB