



# Item 06 – GRI Sector Standard Project for Financial Services: Insurance Sector Standard – Exposure draft

## For GSSB approval

<b>Date</b>	20 December 2024
<b>Meeting</b>	23 January 2025
<b>Project</b>	GRI Sector Standards Project for Financial Services
<b>Description</b>	<p>This document sets out the exposure draft of the GRI Sector Standard for insurance. The document is submitted for GSSB approval for public exposure.</p> <p>If approved, the public exposure is proposed to commence in early March 2025 and run until the end of May 2025.</p>

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## 2 Introduction

3 *GRI XX: Insurance Sector 20XX* provides information for organizations in the insurance sector about  
4 their likely material topics. These topics are likely to be material for organizations in the insurance  
5 sector on the basis of the sector's most significant impacts on the economy, environment, and people,  
6 including on their human rights.

7 *GRI XX* also contains a list of disclosures for organizations in the insurance sector to report in relation  
8 to each likely material topic. This includes disclosures from the GRI Topic Standards and other  
9 sources.

10 The Standard is structured as follows:

- 11 • [Section 1](#) provides a high-level overview of the insurance sector, including its activities, business  
12 relationships, context, and the connections between the United Nations Sustainable Development  
13 Goals (SDGs) and the likely material topics for the sector.
- 14 • [Section 2](#) outlines the topics that are likely to be material for organizations in the insurance sector  
15 and therefore potentially merit reporting. For each likely material topic, the sector's most  
16 significant impacts are described and disclosures to report information about the organization's  
17 impacts in relation to the topic are listed.
- 18 • The [Glossary](#) contains defined terms with a specific meaning when used in the GRI Standards.  
19 The terms are underlined in the text and linked to the definitions.
- 20 • The [Bibliography](#) lists authoritative intergovernmental instruments and additional references used  
21 in developing this Standard, listed by topic. It also lists further resources that the organization can  
22 consult.

23 The rest of the Introduction section provides an overview of the sector this Standard applies to, an  
24 overview of the system of GRI Standards, and further information on using this Standard.

## 25 Sector this Standard applies to

26 *GRI XX* applies to organizations undertaking any of the following:

- 27 • Life insurance
- 28 • Non-life insurance
- 29 • Reinsurance
- 30 • Insurance intermediation, for example, by agents and brokers

31 This Standard can be used by any organization in the insurance sector, regardless of size, type,  
32 geographic location, or reporting experience.

33 The organization must use all applicable Sector Standards for the sectors in which it has substantial  
34 activities.

## 35 Sector classifications

36 Table 1 lists industry groupings relevant to the insurance sector covered in this Standard in the Global  
37 Industry Classification Standard (GICS®) [1], the Industry Classification Benchmark (ICB) [2], the  
38 International Standard Industrial Classification of All Economic Activities (ISIC) [3], and the  
39 Sustainable Industry Classification System (SICS®) [4].<sup>1</sup> The table is intended to assist an  
40 organization in identifying whether *GRI XX* applies to it and is for reference only.

41 **Table 1. Industry groupings relevant to the insurance sector in other classification systems**

Classification system	Classification number	Classification name
<b>GICS®</b>	403010	Insurance
	40301010	Insurance brokers
	40301020	Life & Health Insurance
	40301030	Multi-line Insurance
	40301040	Property & Casualty Insurance
	40301050	Reinsurance
<b>ICB</b>	3030	Insurance
	303010	Life Insurance
	303020	Nonlife Insurance
	30302010	Full Line Insurance
	30302015	Insurance Brokers
	30302020	Reinsurance
	30302025	Property and Casualty Insurance
<b>ISIC</b>	651	Insurance
	6511	Life Insurance
	6512	Non-life Insurance

<sup>1</sup> The relevant industry groupings in the Statistical Classification of Economic Activities in the European Community (NACE) [5] and the North American Industry Classification System (NAICS) [6] can also be established through available concordances with the International Standard Industrial Classification (ISIC).

	652	Reinsurance
	662	Activities auxiliary to insurance and pension funding
<b>SICS®</b>	FN-IN	Insurance

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## 42 System of GRI Standards

43 This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI  
44 Standards enable an organization to report information about its most significant impacts on the  
45 economy, environment, and people, including impacts on their human rights, and how it manages  
46 these impacts.

47 The GRI Standards are structured as a system of interrelated standards that are organized into three  
48 series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see [Figure 1](#) in  
49 this Standard).

### 50 **Universal Standards: GRI 1, GRI 2 and GRI 3**

51 [GRI 1: Foundation 2021](#) specifies the requirements that the organization must comply with to report in  
52 accordance with the GRI Standards. The organization begins using the GRI Standards by consulting  
53 [GRI 1](#).

54 [GRI 2: General Disclosures 2021](#) contains disclosures that the organization uses to provide  
55 information about its reporting practices and other organizational details, such as its activities,  
56 governance, and policies.

57 [GRI 3: Material Topics 2021](#) provides guidance on how to determine material topics. It also contains  
58 disclosures that the organization uses to report information about its process of determining material  
59 topics, its list of material topics, and how it manages each topic.

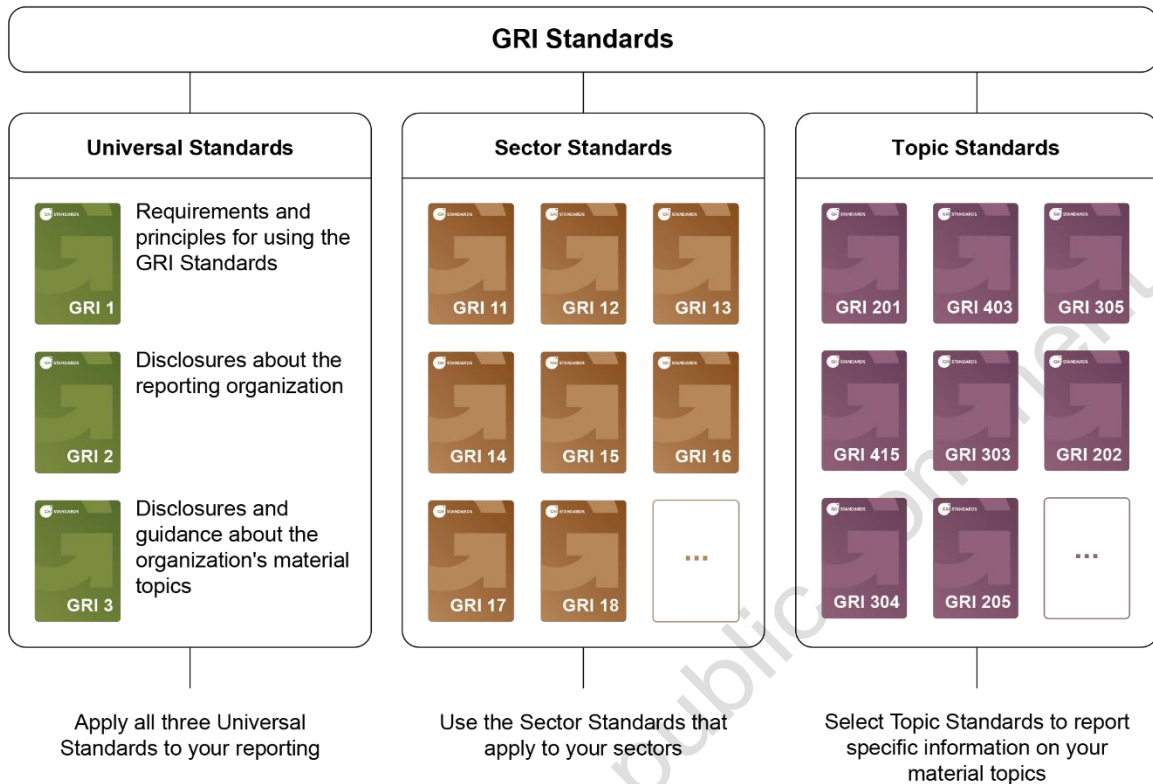
### 60 **Sector Standards**

61 The Sector Standards provide information for organizations about their likely material topics. The  
62 organization uses the Sector Standards that apply to its sectors when determining its material topics  
63 and when determining what to report for each material topic.

### 64 **Topic Standards**

65 The Topic Standards contain disclosures that the organization uses to report information about its  
66 impacts in relation to particular topics. The organization uses the Topic Standards according to the list  
67 of material topics it has determined using [GRI 3](#).

68 **Figure 1. GRI Standards: Universal, Sector and Topic Standards**



69 **Using this Standard**

70 An organization in the insurance sector reporting in accordance with the GRI Standards is required to  
 71 use this Standard when determining its material topics and then when determining what information to  
 72 report for the material topics.

73 **Determining material topics**

74 Material topics represent an organization's most significant impacts on the economy, environment,  
 75 and people, including their human rights.

76 [Section 1](#) of this Standard provides contextual information that can help the organization in identifying  
 77 and assessing its impacts.

78 [Section 2](#) outlines the topics that are likely to be material for organizations in the insurance sector.  
 79 The organization is required to review each topic described and determine whether it is a material  
 80 topic for it.

81 The organization needs to use this Standard when determining its material topics. However,  
 82 circumstances for each organization vary, and the organization needs to determine its material topics  
 83 according to its specific circumstances, such as its business model; geographic, cultural, and legal  
 84 operating context; ownership structure; and the nature of its impacts. Because of this, not all topics  
 85 listed in this Standard may be material for all organizations in the insurance sector. See [GRI 3:](#)  
 86 [Material Topics 2021](#) for step-by-step guidance on how to determine material topics.

87 If the organization has determined any of the topics included in this Standard as not material, then the  
 88 organization is required to list them in the GRI content index and explain why they are not material.

89 See [Requirement 3 in GRI 1: Foundation 2021](#) and [Box 5 in GRI 3](#) for more information on using  
90 Sector Standards to determine material topics.

## 91 **Determining what to report**

92 For each material topic, an organization reports information about its impacts and how it manages  
93 these impacts.

94 Once an organization has determined a topic included in this Standard to be material, the Standard  
95 also helps the organization identify disclosures to report information about its impacts relating to that  
96 topic.

97 For each topic in [section 2](#) of this Standard, a reporting sub-section is included. These sub-sections  
98 list disclosures from the GRI Topic Standards that are relevant to the topic. They may also list  
99 additional sector disclosures and recommendations for the organization to report. This is done in  
100 cases where the Topic Standards do not provide disclosures, or where the disclosures from the Topic  
101 Standards do not provide sufficient information about the organization's impacts in relation to a topic.  
102 These additional sector disclosures and recommendations may be based on other sources. [Figure 2](#)  
103 illustrates how the reporting included in each topic is structured.

104 The organization is required to report the disclosures from the Topic Standards listed for those topics  
105 it has determined to be material. If any of the Topic Standards disclosures listed are not relevant to  
106 the organization's impacts, the organization is not required to report them. However, the organization  
107 is required to list these disclosures in the GRI content index and provide 'not applicable' as the reason  
108 for omission for not reporting the disclosures. See [Requirement 6 in GRI 1: Foundation 2021](#) for more  
109 information on reasons for omission.

110 The additional sector disclosures and recommendations outline further information which has been  
111 identified as relevant for organizations in the insurance sector to report in relation to a topic. The  
112 organization should provide sufficient information about its impacts in relation to each material topic,  
113 so that information users can make informed assessments and decisions about the organization. For  
114 this reason, reporting these additional sector disclosures and recommendations is encouraged,  
115 however it is not a requirement.

116 When the organization reports additional sector disclosures, it is required to list them in the GRI  
117 content index (see [Requirement 7 in GRI 1](#)).

118 If the organization reports information that applies to more than one material topic, it does not need to  
119 repeat it for each topic. The organization can report this information once, with a clear explanation of  
120 all the topics it covers.

121 If the organization intends to publish a standalone sustainability report, it does not need to repeat  
122 information that it has already reported publicly elsewhere, such as on web pages or in its annual  
123 report. In such a case, the organization can report on a required disclosure by providing a reference in  
124 the GRI content index as to where this information can be found (e.g., by providing a link to the web  
125 page or citing the page in the annual report where the information has been published).

126 See [Requirement 5 in GRI 1](#) for more information on using Sector Standards to report disclosures.

## 127 **GRI Sector Standard reference numbers**

128 GRI Sector Standard reference numbers are included for all disclosures listed in this Standard, both  
129 those from GRI Standards and additional sector disclosures. When listing the disclosures from this  
130 Standard in the GRI content index, the organization is required to include the associated GRI Sector  
131 Standard reference numbers (see [Requirement 7 in GRI 1: Foundation 2021](#)). This identifier helps  
132 information users assess which of the disclosures listed in the applicable Sector Standards are  
133 included in the organization's reporting.

## 134 **Defined terms**

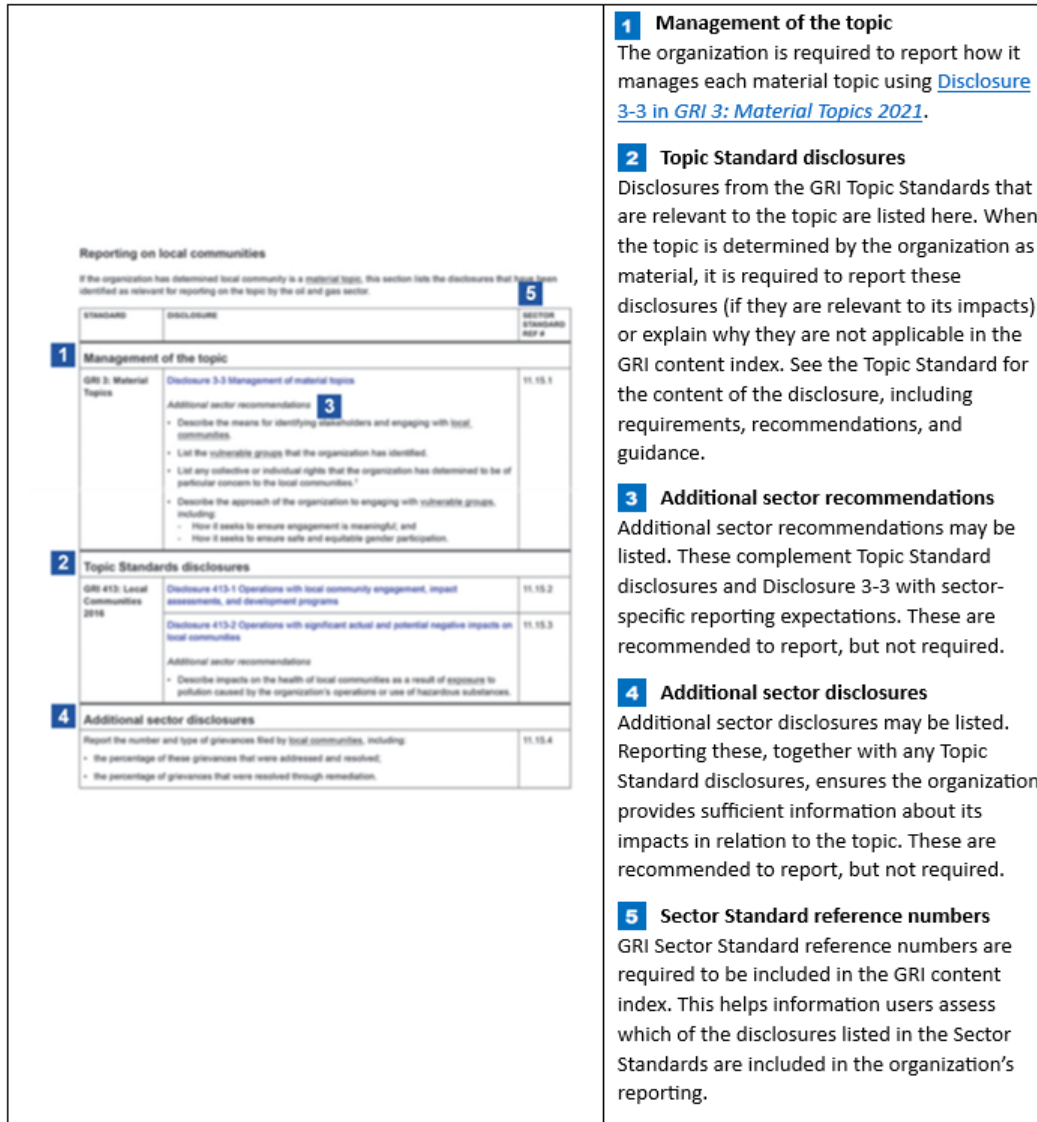
135 Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the  
136 [Glossary](#). The organization is required to apply the definitions in the Glossary.



137 **References and resources**

138 The authoritative intergovernmental instruments and additional references used in developing this  
 139 Standard, as well as further resources that may help report on likely material topics and can be  
 140 consulted by the organization are listed in the [Bibliography](#). These complement the references and  
 141 resources listed in *GRI 3: Material Topics 2021* and in the GRI Topic Standards.

142 **Figure 2. Structure of reporting included in each topic**



# 143 1. Sector profile

144 Insurance is an important safeguard against adverse events, protecting people and organizations  
145 from financial losses. The insurance sector enhances individuals' and organizations' financial stability  
146 and resilience through risk management and financial protection. Insurance plays a significant role in  
147 the global economy, with over USD 6 trillion in insurance premium value and USD 36 trillion in global  
148 assets under management in 2022.<sup>2</sup>

149 The insurance sector consists of organizations that offer risk management in the form of insurance  
150 policies. These policies are contracts between insurance organizations and customers, also referred  
151 to as policyholders. The policyholders can be individuals or organizations. The policies provide  
152 financial compensation, repair, or replacement to policyholders under agreed terms in the event of  
153 damage or loss. Typically, organizations in the insurance sector handle claims filed by customers and  
154 investigate their validity to ensure approved claims are appropriately compensated.

155 Insurance business lines include life and non-life insurance, with non-life covering health, property,  
156 casualty, liability, motor, travel, and financial guarantees. Reinsurers play an important role in the  
157 insurance sector, providing essential coverage for the substantial risks undertaken by insurers.  
158 Reinsurers are essential in managing risk across the economy and between countries by facilitating  
159 risk transfer solutions between insurers and institutional customers. They can use risk pooling and  
160 distribution strategies to ensure effective risk allocation within the insurance sector and beyond.  
161 Agents, brokers, and distributors act as insurance intermediaries representing insurers and  
162 customers, respectively.

163 Insurance premiums are the payments customers make to obtain their insurance coverage. The  
164 insurance premium, as well as the design and terms of the insurance policy, are determined by  
165 various factors, including the insurer's risk assessment, risk appetite, customer needs, underwriting  
166 guidelines, and, when applicable, regulatory requirements. Premiums are collected throughout the  
167 duration of an insurance contract and strategically invested to secure resources for future claims.  
168 Insurers with long-term products such as life insurance, savings, and retirement products can invest in  
169 longer-term assets matched to their liability terms. This positions them as influential long-term  
170 institutional investors, also referred to as asset owners.

171 Organizations in the insurance sector vary in their operational focus, which can be influenced by  
172 factors such as organization size, geographic location, and licensing constraints. While some  
173 organizations specialize in a particular type of insurance product or geographic location, others may  
174 diversify their operations across multiple insurance products or geographic locations. Additionally,  
175 insurance is a highly regulated sector, where regulations set requirements for organizations to fulfill  
176 policy obligations to customers and influence the range of products organizations can offer in specific  
177 markets. Insurers can be structured as traditional stock companies owned by shareholders or mutual  
178 organizations owned by the policyholders.

## 179 Sector activities and business relationships

180 Through their activities and business relationships, organizations can have an effect on the economy,  
181 environment, and people and, in turn, make negative or positive contributions to sustainable  
182 development. When determining its material topics, the organization should consider the impacts of  
183 both its activities and its business relationships. See [section 1 in GRI 3: Material Topics 2021](#) for more  
184 information.

### 185 Activities

186 The impacts of an organization vary according to the types of activities it undertakes. The following list  
187 outlines some of the key activities of the insurance sector, as defined in this Standard. This list is not  
188 exhaustive.

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<sup>2</sup> Data from Statista: [Assets of global insurance companies | Statista](#)

189 **Underwriting:** The process of assessing and evaluating the risk associated with insuring a particular  
190 individual, organization, asset, or event.

191 **Insurance premium collection:** The collection of insurance premiums from customers by  
192 organizations in the sector, typically on a regular basis (e.g., monthly, quarterly, or annually).

193 **Claims management:** The process of handling, assessing, and settling insurance claims filed by  
194 customers in the event of damage or loss.

195 **Risk management:** Managing risk concentrations, ensuring the sufficiency of reserves, maintaining  
196 capital adequacy to meet financial commitments and regulatory requirements, and setting policy  
197 terms to mitigate risk.

198 **Customer engagement:** Using the organization's leverage with their institutional customers to  
199 prevent or mitigate negative impacts. In this context, engagement refers to actions such as  
200 incorporating expectations of responsible business conduct into customers' insurance policies or  
201 connecting customers with information resources to help address their impacts.

202 **Asset management:** Managing assets to cover insurance losses by ensuring alignment with  
203 liabilities, primarily through Asset and Liability Management (ALM). As asset owners, insurers also  
204 manage their investment portfolios to optimize returns through portfolio construction and investment  
205 decision-making. Insurers may conduct their own asset management or outsource this to an external  
206 asset manager.

207 **Investee stewardship:** Using asset owners' and managers' influence to protect and enhance long-  
208 term value for customers, including the common economic, social, and environmental assets on  
209 which their interests depend [10]. Common investee stewardship tools include engagement and  
210 voting. Engagement involves interactions between an asset owner or asset manager and current or  
211 potential investees on various issues, including improving the investees' responsible business  
212 conduct. Voting comprises the formal right to vote on management or shareholder resolutions to  
213 express approval or disapproval on relevant matters.

214 **Data protection and analysis:** Collecting, storing, and analyzing customer data to develop customer  
215 risk profiles used for underwriting, to offer customized insurance solutions, and to protect the data  
216 from external threats. Cybersecurity is an essential part of data protection.

217 **Product and service development:** Developing new insurance products and services to meet  
218 evolving customer needs.

219 **Sales and marketing:** Promoting and selling insurance products and services to customers directly  
220 by insurers or through intermediaries such as agents and brokers.

## 221 **Business relationships**

222 An organization's business relationships include relationships that it has with business partners, with  
223 entities in its value chain, including those beyond the first tier, and with any other entities directly  
224 linked to its operations, products, or services. The following types of business relationships are  
225 prevalent in the insurance sector and are relevant when identifying the impacts of organizations in the  
226 sector.

227 **Institutional customers** are insurance policyholders, including businesses such as corporations,  
228 non-profit organizations, governments, and sovereigns.<sup>3</sup> Reinsurers refer to their customers as  
229 cedants. Cedants transfer risk through reinsurance agreements.

230 **Intermediaries** can be individuals or organizations, such as agents, brokers, and distributors, that  
231 intermediate between customers and insurers.

232 **Suppliers** provide a range of products and services to organizations in the sector to run their  
233 operations and support the claims process, including repair or replacement following insured damage  
234 or loss. Examples of suppliers include legal services providers, engineering firms, and appraisers.

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<sup>3</sup> In the GRI Standards, customers are understood to include end-customers (consumers) as well as business-to-business customers. When referring to 'customers' generally in this Standard, it covers both retail customers (end-customers [consumers]) and institutional customers (business-to-business customers).

235 **Asset managers** are organizations that insurers appoint to manage assets on their behalf.

236 **Investees** are public and private organizations that other organizations invest in for a financial return,  
237 including businesses such as corporations, governments, and sovereigns.

## 238 **The sector and sustainable development**

239 Organizations in the insurance sector play an important role in promoting economic stability and  
240 development. They protect individuals and organizations from financial losses, they provide financial  
241 stability and resilience through their products, and they contribute to the continuity and growth of  
242 organizations. Insurance facilitates credit access and signals the risks of activities or investments.  
243 Organizations in the insurance sector play a critical role in enabling others to take productive risks,  
244 such as lending or investing, and contribute significantly to the functioning of the financial system.  
245 They can also promote actions to prevent and mitigate various risks, such as offering incentives to  
246 encourage positive changes in customer behavior and increasing awareness of potential risks.

247 Organizations can be involved with impacts via their insurance and investment activities across a  
248 wide range of sectors in the economy [11]. Impacts can vary between different insurance business  
249 lines. For example, compared to other insurance business lines, health insurers have more significant  
250 impacts on public and customer health [12].

251 The insurance sector has a key role in mitigating the impacts of climate change and supporting  
252 climate adaptation through insuring, investing, and risk management strategies. The UN Office for  
253 Disaster Risk Reduction highlights the insurance sector's role in helping advance disaster risk  
254 reduction and climate adaptation [5]. Since 2016, the insured losses from natural catastrophes have  
255 grown globally at an annual rate of 5-7% [13], leading to higher insurance premiums, higher  
256 deductibles, policy exclusions, and, in some cases, uninsurable risks. This increases the insurance  
257 protection gap, the difference between economic and insured losses, exposing individuals and  
258 organizations to future risk.

259 Organizations in the sector can help stakeholders, such as policymakers, customers, and society,  
260 understand, prevent, and mitigate potential impacts related to climate change, for example, by sharing  
261 their expertise in risk modeling [14]. Organizations may contribute to climate change by insuring or  
262 investing in other organizations operating in greenhouse gas (GHG) emission-intensive sectors.  
263 Achieving the Paris Agreement goal to limit global warming to well below 2°C while pursuing efforts to  
264 limit it to 1.5°C above pre-industrial levels necessitates a reduction in insurance and investments  
265 contributing significantly to GHG emissions [15]. In addition, insurers can engage with institutional  
266 customers and investees to support their transition efforts. They can expedite this transition by  
267 insuring and investing in organizations offering products and services, such as renewable energy  
268 solutions, that are essential for the transition to a low-carbon economy.

269 Similarly, the sector plays an important supportive role in halting and reversing biodiversity loss by  
270 2030 [7]. The Kunming-Montreal Global Biodiversity Framework underscores the potential of  
271 leveraging private finance and fostering private sector investment in biodiversity. It also mandates that  
272 large financial institutions assess and disclose their impacts on biodiversity.

273 By insuring and investing in sectors or geographic locations at risk of severe human rights violations,  
274 such as child labor, organizations can become involved with these impacts. Organizations are  
275 expected to identify and assess negative human rights impacts across their business relationships  
276 and take steps to prevent and mitigate them [8].

277 Large population groups and organizations can be underinsured or uninsured against various factors,  
278 leaving them vulnerable to risks that contribute to financial hardship. In 2022, the annual value of this  
279 protection gap was estimated at \$1.8 trillion [16]. The insurance protection gap is particularly  
280 significant in emerging markets [17]. Access to affordable and suitable insurance products and  
281 services for all groups of people and organizations is crucial for reducing the protection gap and  
282 contributing to financial health and inclusion. For organizations in the insurance sector, achieving  
283 positive impacts on financial health and inclusion necessitates clear communication and transparency  
284 in their products' pricing and terms and conditions, and the swift settlement of claims.

285 Insurance organizations' discriminatory practices and internal policies can undermine achieving  
286 greater financial inclusion. Discrimination can occur when, for example, race, gender, and religion are

287 considered in the underwriting process [18]. The increasing use of digital technologies in insurance  
 288 underwriting may exacerbate the risks of discrimination in price setting, as algorithms and data  
 289 analytics can introduce biases or use misleading proxies. Discrimination can also manifest internally  
 290 within organizations, for example, in worker recruitment and promotion practices.

291 Considering the extensive data collected from customers, data privacy and security are important in  
 292 the insurance sector [19], underscoring the need for robust cybersecurity measures and privacy  
 293 safeguards to ensure the protection and trust of customers.

## 294 Sustainable Development Goals

295 The Sustainable Development Goals (SDGs), part of the 2030 Agenda for Sustainable Development  
 296 adopted by the 193 United Nations (UN) member states, comprise the world's comprehensive plan of  
 297 action to achieving sustainable development [9].

298 Since the SDGs and targets associated with them are integrated and indivisible, insurance  
 299 organizations have the potential to contribute to all SDGs by enhancing their positive impacts, or by  
 300 preventing and mitigating their negative impacts on the economy, environment, and people.

301 The insurance sector can contribute to achieving Goal 1: No Poverty and Goal 10: Reduced  
 302 Inequalities by helping individuals, households, and organizations withstand economic losses and by  
 303 expanding access to insurance to excluded or underserved groups and markets [20]. The sector can  
 304 also contribute to Goal 3: Good Health and Well-being by facilitating access to healthcare through the  
 305 provision of health insurance for underserved or low-income groups. Additionally, insurance  
 306 organizations can support preventing and mitigating negative health and safety impacts through  
 307 product design and incentives, and by raising awareness of these impacts.

308 By strengthening individuals' and organizations' financial stability and resilience, the insurance sector  
 309 can make positive contributions to Goal 8: Decent Work and Economic Growth. The sector also  
 310 promotes economic growth by enabling businesses to grow and facilitating imports and exports.

311 Insurance organizations can contribute to Goal 11: Sustainable Cities and Communities and Goal 13:  
 312 Climate Action by mitigating the after-effects of natural disasters on economic growth and by helping  
 313 governments and communities reduce and better respond to impacts arising from climate change  
 314 [21]. Organizations in the sector can also raise awareness of climate-related risks and encourage or  
 315 incentivize customers to use climate-related mitigation strategies.

316 Table 2 presents connections between the likely material topics for the insurance sector and the  
 317 SDGs. These linkages were identified based on an assessment of the impacts described in each  
 318 likely material topic and the targets associated with each SDG.

319 Table 2 is not a reporting tool but presents connections between the insurance sector's significant  
 320 impacts and the goals of the 2030 Agenda for Sustainable Development.

321

322 **Table 2. Linkages between the likely material topics for the insurance sector and the SDGs**

Likely material topic	Corresponding SDGs
Topic [XX].1 Climate change	Goal 1: No Poverty
	Goal 7: Affordable and Clean Energy
	Goal 8: Decent Work and Economic Growth
	Goal 11: Sustainable Cities and Communities
	Goal 13: Climate Action
	Goal 17: Partnerships for the Goals
Topic [XX].2 Biodiversity	Goal 2: Zero Hunger
	Goal 6: Clean Water and Sanitation
	Goal 12: Responsible Consumption and Production



	Goal 14: Life Below Water
	Goal 15: Life on Land
Topic [XX].3 Water and effluents	Goal 3: Good Health and Well-being
	Goal 6: Clean Water and Sanitation
	Goal 12: Responsible Consumption and Production
	Goal 14: Life Below Water
	Goal 15: Life on Land
Topic [XX].4 Waste	Goal 3: Good Health and Well-being
	Goal 6: Clean Water and Sanitation
	Goal 11: Sustainable Cities and Communities
	Goal 12: Responsible Consumption and Production
	Goal 15: Life on Land
Topic [XX].5 Financial health and inclusion	Goal 1: No Poverty
	Goal 2: Zero Hunger
	Goal 3: Good Health and Well-being
	Goal 4: Quality Education
	Goal 5: Gender Equality
	Goal 8: Decent Work and Economic Growth
	Goal 9: Industry, Innovation and Infrastructure
Goal 10: Reduced Inequalities	
Topic [XX].6 Customer privacy and data security	Goal 16: Peace, Justice and Strong Institutions
Topic [XX].7 Marketing and labeling	Goal 12: Responsible Consumption and Production
	Goal 16: Peace, Justice and Strong Institutions
Topic [XX].8 Local communities and rights of Indigenous Peoples	Goal 1: No Poverty
	Goal 2: Zero Hunger
	Goal 5: Gender Equality
	Goal 11: Sustainable Cities and Communities
	Goal 14: Life Below Water
	Goal 15: Life on Land
Topic [XX].9 Non-discrimination and equal opportunity	Goal 5: Gender Equality
	Goal 8: Decent Work and Economic Growth
	Goal 10: Reduced Inequalities
	Goal 16: Peace, Justice and Strong Institutions
Topic [XX].10 Forced or compulsory labor	Goal 8: Decent Work and Economic Growth
	Goal 16: Peace, Justice and Strong Institutions
Topic [XX].11 Child labor	Goal 8: Decent Work and Economic Growth
	Goal 16: Peace, Justice and Strong Institutions
Topic [XX].12 Freedom of association and collective bargaining	Goal 8: Decent Work and Economic Growth
	Goal 16: Peace, Justice and Strong Institutions
	Goal 3: Good Health and Well-being

Topic [XX].13 Occupational health and safety	Goal 8: Decent Work and Economic Growth
Topic [XX].14 Employment	Goal 5: Gender Equality
	Goal 8: Decent Work and Economic Growth
	Goal 10: Reduced Inequalities
Topic [XX].15 Remuneration and working time	Goal 5: Gender Equality
	Goal 8: Decent Work and Economic Growth
	Goal 10: Reduced Inequalities
Topic [XX].16 Significant changes for workers	Goal 8: Decent Work and Economic Growth
	Goal 16: Peace, Justice and Strong Institutions
Topic [XX].17 Economic impacts	Goal 1: No Poverty
	Goal 2: Zero Hunger
	Goal 8: Decent Work and Economic Growth
	Goal 9: Industry, Innovation and Infrastructure
	Goal 10: Reduced Inequalities
	Goal 17: Partnerships for the Goals
Topic [XX].18 Prevention of corruption and financial crime	Goal 10: Reduced Inequalities
	Goal 16: Peace, Justice and Strong Institutions
	Goal 17: Partnerships for the Goals
Topic [XX].19 Anti-competitive behavior	Goal 10: Reduced Inequalities
	Goal 16: Peace, Justice and Strong Institutions
Topic [XX].20 Tax	Goal 1: No Poverty
	Goal 10: Reduced Inequalities
	Goal 17: Partnerships for the Goals
Topic [XX].21 Public policy	Goal 13: Climate Action
	Goal 16: Peace, Justice and Strong Institutions
	Goal 17: Partnerships for the Goals
Topic [XX].22 Public and customer health and safety	Goal 1: No Poverty
	Goal 3: Good Health and Well-being
	Goal 11: Sustainable Cities and Communities
	Goal 13: Climate Action
Topic [XX].23 Incorporating sustainability in investment	Goal 16: Peace, Justice and Strong Institutions
	Goal 17: Partnerships for the Goals

## 323 2. Likely material topics

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

### 329 Disclosures on impacts from customers and 330 investees

331 Through the provision of products, services, and investments, organizations in the insurance sector  
332 can be involved with the impacts of their customers and investees and their respective value chains  
333 on the economy, environment, and people, including human rights. Given their many customers and  
334 investees, spanning all sectors, managing these impacts is central to their contribution to sustainable  
335 development.

336  
337 Through a due diligence approach on their current and potential customers and investees,  
338 organizations in the insurance sector can seek to address the negative impacts of their customers  
339 and investees [29]. Impact management includes managing negative and positive impacts. This can  
340 include different actions such as developing and implementing policies and processes, adjusting  
341 portfolio composition, customer engagement, investee stewardship, pursuing advocacy and  
342 partnerships, and enabling remediation of negative impacts.

343  
344 The additional sector disclosures complement Disclosures 3-1 and 3-3 in *GRI 3: Material Topics 2021*  
345 about how the organization identifies and manages actual and potential impacts across its activities,  
346 business relationships, and material topics.

347  
348 These disclosures should be reported for an organization's institutional customers. Organizations in  
349 the insurance sector that undertake investment should report these disclosures for both institutional  
350 customers and investees. Organizations with investment activities can report how they manage  
351 sustainability incorporation in investing and the related impacts under the topic *X.X.23 Incorporating*  
352 *sustainability in investment* if deemed material.

353  
354

#### **Box 1. Involvement of insurance organizations with negative impacts from institutional customers and investees**

Organizations in the insurance sector should identify actual and potential negative impacts across all their activities and business relationships and assess how they may be involved with them [30] [31]. For negative impacts via customers and investees, insurance organizations should consider business relationships with entities beyond the first tier [31]. This means that the organization should consider negative impacts from their customers and investees and those in their customers' and investees' value chains.

Insurance organizations can be involved with negative impacts via their customers and investees when they contribute to those impacts or when their operations, products, or services are directly linked to them. The negative impacts are often directly linked to their operations, products, or services. Direct links may occur when an insurance organization has provided insurance to a customer or finance to an investee. In the context of using this product, the customer or investee acts in such a way that it causes or contributes to a negative impact [29].

An insurance organization may contribute to a negative impact when their activities cause, facilitate, or incentivize another entity to cause a negative impact. For example, an organization may contribute to a negative impact if it wields significant managerial control over an investee [29].



The way an insurance organization is involved with negative impacts via customers and investees (i.e., whether it contributes to an impact or whether the impacts are directly linked to its customer or investee) determines how it should address the impacts and whether it has a responsibility to provide for or cooperate in their remediation (see [section 2.3 in GRI 1: Foundation 2021](#)).

355

Additional sector disclosures	SECTOR STANDARD REF #
<p>Report the total monetary value of the organization's insurance portfolio at the end of the <u>reporting period</u> and by percentage breakdown of relevant categories, including:</p> <ul style="list-style-type: none"> <li>• customer types and how they are defined;</li> <li>• sectors, including the public sector, and the classification system used;</li> <li>• geographic locations;</li> <li>• low-, middle-, and high-income countries and their definition.</li> </ul>	XX.0.1
<p>Report the total monetary value of assets under management at the end of the reporting period<sup>4</sup> and by percentage breakdown of relevant categories, including:</p> <ul style="list-style-type: none"> <li>• asset classes;</li> <li>• sectors, including the public sector, and the classification system used;</li> <li>• geographic locations;</li> <li>• low-, middle-, and high-income countries and their definition.</li> </ul> <p>Report the investment threshold the organization has determined in reporting the breakdown of assets under management.</p>	XX.0.2
<p>Describe the process to identify and assess actual and potential impacts from customers and investees at the insurance and investment portfolio levels, including:</p> <ul style="list-style-type: none"> <li>• the sectors, geographic locations, and any other factors that inform the process;</li> <li>• the material topics associated with these sectors, geographic locations, and other factors.</li> </ul>	XX.0.3
<p>Describe the process to identify and assess actual and potential impacts from customers and investees at the transaction level, including:</p> <ul style="list-style-type: none"> <li>• how the process differs by relevant categories, such as customer type, business line, asset class, and investment size;</li> <li>• frequencies at which the process is applied to relevant categories such as customer type, business line, asset class, and investment size, and the rationale for these frequencies;</li> <li>• how the organization integrates the findings in the decision-making for new and existing insurance and investments;</li> <li>• how the organization assesses its involvement with negative impacts of its customers and investees (see Box 1 in this Standard);</li> <li>• whether and how the process of identifying and assessing impacts differs by material topic.</li> </ul>	XX.0.4
<p>Describe the approach to customer engagement and investee stewardship, including:</p>	XX.0.5

<sup>4</sup> Assets under management (AUM) refers to the total market value of all assets that an organization or financial institution manages on behalf of its clients or investors. This figure includes uncalled commitments, such as those in private equity or infrastructure, policyholders' funds, off-balance-sheet assets, and the institution's portion of joint venture (JV) assets where relevant. AUM is typically reported at market value, but if market value is unavailable, the latest net realizable value estimate may be used.

<ul style="list-style-type: none"> <li>• the criteria for selecting customers for engagement and investees for stewardship;</li> <li>• the practices used, including collective and direct engagement, and how they differ by relevant categories such as customer type, business line, asset class, and investment size;</li> <li>• how direct engagement with customers and investees is defined;</li> <li>• the number of customers the organization directly engaged with for each material topic;</li> <li>• the number of investees the organization directly engaged with for each material topic;</li> <li>• where actions taken to address negative impacts do not lead to desired changes, the escalation processes used, including adjusted and stopped insurance, adjusted investment, and divestment;</li> <li>• whether and how the approach to customer engagement and investee stewardship differs by material topic.</li> </ul>	
<p>Describe the approach to collecting data about impacts from customers and investees to inform sustainability reporting, including:</p> <ul style="list-style-type: none"> <li>• whether primary data from customers and investees is collected and what it covers;</li> <li>• whether and how the organization uses data from third-party data providers;</li> <li>• how the organization addresses data gaps, including whether and how proxies and estimates are used.</li> </ul>	XX.0.6

356

## 357 **Topic [XX].[1] Climate change**

358 **Organizations contribute to climate change and are simultaneously affected by it. This topic**  
359 **covers an organization's approach to addressing climate change impacts and the transition to**  
360 **a low-carbon economy, including its contribution to mitigation, adaptation, and securing a just**  
361 **transition.**

362 Climate change mitigation and adaptation require actions that strengthen resilience and address  
363 vulnerability to impacts while aiming to limit global warming to 1.5°C above pre-industrial levels [33].  
364 Organizations in the insurance sector may be involved with climate change impacts through their own  
365 activities or as a result of their business relationships in all sectors of the economy.

366 Making financial flows consistent with a pathway towards low greenhouse gas (GHG) emissions and  
367 climate-resilient development requires organizations to assess how their insurance and investment  
368 activities align with internationally agreed climate goals [34], as per the Paris Agreement and the  
369 Intergovernmental Panel on Climate Change. They should develop science-based transition plans for  
370 mitigation and adaptation accordingly. This includes integrating climate impacts, risks, and  
371 opportunities across their value chain and into their management systems, as well as insurance  
372 policies and investment decisions [34].

373 The insurance sector can support the transition to a low-carbon economy by providing products and  
374 services that enable customers and investees to manage the phase-out of fossil fuel-powered energy.  
375 Organizations in the sector can contribute to this transition by redirecting insurance and financing  
376 away from new or expanded oil, coal, and gas (including liquefied natural gas) projects that can lead  
377 to further emissions toward renewable and non-emitting energy sources. Organizations can support  
378 mitigation efforts by using their leverage to engage customers and investees in emission-intensive  
379 sectors to adopt transition plans and GHG emissions reduction targets aligned with the latest science  
380 and internally agreed climate goals. Apart from oil, gas, and coal, other GHG emissions-intensive  
381 sectors include agriculture, aluminum, chemicals, cement, forestry, energy, steel, and transport [36].  
382 Organizations can engage with industry associations, regulators, or policymakers to foster a  
383 supportive environment to transition to a low-carbon economy [37].

384 Organizations in the insurance sector can contribute to climate change adaptation and resilience by  
385 providing risk expertise on adaptation and risk reduction measures and supporting recovery from the  
386 physical effects of climate change [38]. Property and casualty insurance can help drive adaptation  
387 and resilience by raising awareness about climate risks. In applying premium pricing that reflects the  
388 level of risk, the sector provides risk signals and incentives for adaptation and risk reduction.  
389 Organizations can help stakeholders understand and prevent climate-related risks by sharing their  
390 risk management expertise and data with regulators and policymakers [37]. These actions can be  
391 strengthened by working with regulators and industry groups to develop sustainability frameworks for  
392 the insurance sector (see [topic XX.21 Public policy](#)).

393 Organizations in the insurance sector can contribute to climate change adaptation and resilience by  
394 assessing the impacts of sectors and activities exposed to current and future physical effects of  
395 climate change that are more likely to harm people and the environment [34] and identifying those  
396 that require adaptation strategies, especially in vulnerable geographic locations. Organizations can  
397 also contribute to climate change adaptation and resilience by increasing insurance and investments  
398 in climate solutions. Such solutions can include climate change-resilient infrastructure, cooling  
399 systems, and activities safeguarding the natural environment, including biodiversity conservation or  
400 restoration, especially in geographic locations most vulnerable to climate impacts (see [topic XX.2](#)  
401 [Biodiversity](#)). Organizations in the sector can also engage with their customers and investees to  
402 understand and support their adaptation needs and develop financial products that support adaptation  
403 [37].

404 Organizations in the sector can also support the transition to a climate change-resilient economy by  
405 incorporating just transition considerations in their transition plans [39]. This involves developing  
406 policies and criteria for assessing the transition plans of customers and investees, which can result in  
407 impacts. Impacts can include social and economic opportunities, such as new skill sets for workers, or  
408 negative ones that increase the severity or likelihood of adverse human rights impacts [40].

409 Organizations in the sector can account for their GHG emissions, including Scope 1, Scope 2, and  
410 Scope 3, by each of the 15 categories. The primary focus will be on Scope 3, category 15 emissions,  
411 as most of the sector's GHG footprint comes from emissions attributable to organizations arising from  
412 their insurance and investment activities for GHG emissions-intensive sectors. Organizations are  
413 expected to set short-, medium-, and long-term emissions reduction targets and track and report their  
414 progress against those targets [39].

Exposure draft for public comment

415 **Reporting on climate change**

416 If the organization has determined climate change to be a material topic, this sub-section lists the  
 417 disclosures identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p><a href="#">Disclosure 3-3 Management of material topics</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>• Describe the impacts of climate change mitigation and adaptation activities associated with the insurance and investment portfolios, including:                             <ul style="list-style-type: none"> <li>- <u>local communities, vulnerable groups</u>, workers, and <u>Indigenous Peoples</u>;</li> <li>- biodiversity.</li> </ul> </li> <li>• For customer engagement and investee stewardship related to climate change, report:                             <ul style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.1.1
<b>Topic Standard disclosures</b>		
<b>GRI CC: Climate Change (Exposure draft)</b>	<p><a href="#">Disclosure CC-1 Transition plan for climate change mitigation</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>• When reporting the transition plan-related policies, include:                             <ul style="list-style-type: none"> <li>- policies for insuring and investing in customers and investees that:                                     <ul style="list-style-type: none"> <li>- undertake new oil, gas, and coal projects;</li> <li>- expand existing oil, gas, and coal projects;</li> </ul> </li> <li>- policies for managing the early retirement of fossil fuel-related assets;</li> <li>- policies for the provision of insurance products and services in GHG-emissions-intensive sectors, with a breakdown by sector;</li> <li>- any products, services, and business relationships excluded from the transition plan-related policies and actions;</li> <li>- the rationale for any exclusions.</li> </ul> </li> <li>• Describe the policies to evaluate the transition plans of customers and investees, including:                             <ul style="list-style-type: none"> <li>- which sectors and customer types the policy applies to</li> <li>- the criteria to assess the quality of the transition plan in line with the latest science and internationally agreed climate goals;</li> <li>- the criteria to assess just transition considerations in the transition plan;</li> </ul> </li> </ul>	XX.1.2

	<p><a href="#">Disclosure CC-2 Climate change adaptation plan</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>• When describing the climate change adaptation plan, include: <ul style="list-style-type: none"> <li>- how the organization assesses the impacts of insurance and investments that are associated with climate change-related physical risks, including impacts related to: <ul style="list-style-type: none"> <li>- workers, local communities, and Indigenous Peoples;</li> <li>- biodiversity.</li> </ul> </li> <li>- the policies for the provision of insurance products and services related to climate change adaptation and resilience, including: <ul style="list-style-type: none"> <li>- insurance products and services aimed at preventing the physical risks of climate change;</li> <li>- insurance products and services aimed at remediating and recovering from the physical risks of climate change.</li> </ul> </li> </ul> </li> </ul>	XX.1.3
	<p><a href="#">Disclosure CC-4 GHG emissions reduction target setting and progress</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>• When reporting the short-, medium- and long-term emissions reduction target setting and progress for Scope 3, category 15, include: <ul style="list-style-type: none"> <li>- targets that apply to the oil, gas, and coal sectors;</li> <li>- targets that apply to other GHG-emissions-intensive sectors;</li> <li>- actions or planned actions to increase the scope of targets to cover all sectors;</li> <li>- the monetary value at the end of the <u>reporting period</u> of the relevant insurance and investment portfolios that the targets apply to, reported as: <ul style="list-style-type: none"> <li>- an absolute amount;</li> <li>- a percentage of the total value of each portfolio, reported separately;</li> <li>- a breakdown by sector;</li> </ul> </li> <li>- any products, services, or business relationships excluded from the targets;</li> <li>- the rationale for any exclusions.</li> </ul> </li> <li>• When reporting the progress towards Scope 3, category 15, targets include: <ul style="list-style-type: none"> <li>- the progress towards targets related to the oil, gas, and coal sectors;</li> <li>- the progress towards targets related to other GHG-emissions-intensive sectors;</li> <li>- how progress resulted in actual economic decarbonization or was caused by portfolio changes.</li> </ul> </li> <li>• Report whether an independent third party has validated Scope 3, category 15, GHG emissions reduction targets, and the related emissions reduction progress.</li> </ul>	XX.1.4
GRI CC: Climate Change	<p><a href="#">Disclosure GH-1 Scope 1 GHG emissions</a></p>	XX.1.5
	<p><a href="#">Disclosure GH-2 Scope 2 GHG emissions</a></p>	XX.1.6

<b>(Exposure draft)</b>	<p><b>Disclosure GH-3 Scope 3 GHG emissions</b></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>When reporting Scope 3 emissions, category 15: <ul style="list-style-type: none"> <li>include insurance-associated emissions, with a breakdown by business line and sector;</li> <li>include financed emissions, with a breakdown by asset class and sector;</li> <li>report monetary value at the end of the reporting period of the insurance and investment portfolios covered by the calculations, reported as: <ul style="list-style-type: none"> <li>an absolute amount;</li> <li>a percentage of the total value of each portfolio;</li> </ul> </li> <li>explain any limitations of the data collected about customers and investees and any plans to improve the accuracy of the data.</li> </ul> </li> </ul>	XX.1.7
	<p><b>Disclosure GH-4 GHG emissions intensity</b></p> <p><i>Additional sector recommendations:</i></p> <ul style="list-style-type: none"> <li>Report emissions intensity ratio(s) for Scope 3, category 15, and the metric (denominator) used.</li> </ul>	XX.1.8
	<p><b>Disclosure CC-6 Carbon credits</b></p>	XX.1.9
<b>Additional sector disclosures</b>		
<p>Report the monetary value at the end of the reporting period of the insurance and investment portfolios separately, including the percentage of the total value of each portfolio allocated to customers and investees that:</p> <ul style="list-style-type: none"> <li>are active in the oil, gas, and coal sectors, with a breakdown by type;</li> <li>received products or services for new or expansion projects related to the oil, gas, and coal sectors during the reporting period, with a breakdown by geographic location;</li> <li>are active in other GHG emissions-intensive sectors, with a breakdown by sector.</li> </ul>	XX.1.10	
<p>Report the monetary value at the end of the reporting period of the insurance and investment portfolios with externally verified targets and transition plans that are in line with the latest science and internationally agreed climate goals, reported separately for each portfolio, including:</p> <ul style="list-style-type: none"> <li>the absolute amount;</li> <li>the percentage of the total value of each portfolio;</li> <li>a breakdown by sector.</li> </ul> <p>Report the monetary value at the end of the reporting period of the insurance and investment portfolios allocated to customers and investees that have included just transition considerations in their transition plans, reported separately for each portfolio including:</p> <ul style="list-style-type: none"> <li>the absolute amount;</li> <li>the percentage of the total value of each portfolio.</li> </ul> <p>Describe any limitations of the data collected about customers and investees regarding their transition plans and any plans to improve data accuracy.</p>	XX.1.11	

<p>Report the monetary value at the end of the reporting period of the insurance and investment portfolios separately, including the percentage of the total value of each portfolio allocated to customers and investees that undertake:</p> <ul style="list-style-type: none"> <li>• renewable energy projects, with a breakdown by geographic location;</li> <li>• other climate mitigation activities, with a breakdown by sector and geographic location;</li> <li>• climate adaptation activities, with a breakdown by sector and geographic location.</li> </ul> <p>Report the organization’s taxonomies and definitions to classify climate mitigation and adaptation activities.</p> <p>Report any targets the organization has set for improving, insuring, and investing in climate mitigation and adaptation activities.</p>	<p>XX.1.12</p>
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418 **References and resources**

419 *GRI CC: Climate Change (exposure draft)* lists authoritative intergovernmental instruments and  
420 additional references relevant to reporting on this topic.

421 The additional authoritative instruments and references used in developing this topic, as well as  
422 resources that may be helpful for reporting on climate change by the insurance sector, are listed in  
423 the [Bibliography](#).



## 424 **Topic [XX].[2] Biodiversity**

425 **Biodiversity is the variability among living organisms. It includes diversity within species,**  
426 **between species, and of ecosystems. Biodiversity has intrinsic value and is vital to human**  
427 **health, food security, economic prosperity, and mitigation of climate change and adaptation to**  
428 **its impacts. This topic covers impacts on biodiversity, including genetic diversity, animal and**  
429 **plant species, and natural ecosystems.**

430 Commercial activities have significantly altered nature worldwide, leading to unprecedented declines  
431 in biodiversity and ecosystem services and posing systemic economic risks [50]. Organizations in the  
432 insurance sector may be involved with biodiversity impacts mainly as a result of their business  
433 relationships in all sectors of the economy.

434 Organizations are expected to align their policies, strategies, and decision-making processes,  
435 including insuring and investing, with global biodiversity goals and targets [51] [52]. The Kunming-  
436 Montreal Global Biodiversity Framework outlines a pathway to achieve the global vision of a world  
437 'living in harmony with nature' by 2050. The Framework includes goals for 2050 and targets for 2030.  
438 It urges organizations across various economic sectors, including financial institutions, to help halt  
439 and reverse biodiversity loss. It aims to put nature on a path to recovery by conserving, restoring, and  
440 sustainably using biodiversity and by ensuring the fair and equitable sharing of benefits from using  
441 genetic resources. This requires organizations to adopt new business models, enhance reporting  
442 transparency, redirect financing away from harmful activities, and scale up those with positive  
443 impacts. This can help ensure enough financing to close the biodiversity finance gap by meeting the  
444 necessary costs of conserving and restoring genetic diversity, species, and ecosystems worldwide  
445 [52].

446 The Kunming-Montreal Global Biodiversity Framework also sets out expectations for organizations to  
447 identify, monitor, and assess biodiversity-related impacts across their activities and business  
448 relationships. For organizations in the sector, these impacts can be related to customers and  
449 investees whose activities and suppliers' activities lead or could lead to one or more of the direct  
450 drivers of biodiversity loss (see [Box 1 in GRI 101: Biodiversity 2024](#)) or whose sites are located in or  
451 near ecologically sensitive areas (see [Table 1 in GRI 101: Biodiversity 2024](#)) [53]. To identify  
452 customers and investees with the most significant impacts on biodiversity, insurance organizations  
453 can identify geographical locations and sectors where impacts on biodiversity are most likely to be  
454 present and significant. Organizations may not have the information to identify customers and  
455 investees with the most significant impacts across their insurance and investment portfolios. However,  
456 organizations are encouraged to work with data providers and tools, such as remote sensing, to  
457 gather the needed data. Organizations in the sector are also expected to report the biodiversity  
458 impacts of their own operations if deemed material [54].

459 By identifying where impacts on biodiversity occur, insurance organizations can also address the  
460 nexus between biodiversity and other impacts, such as how water cycles may be disrupted (see [topic](#)  
461 [XX.3 Water and effluents](#)). Similarly, biodiversity plays a crucial role in climate change mitigation and  
462 adaptation by enhancing carbon sequestration and providing species with the capacity to respond to  
463 environmental changes (see [topic XX.1 Climate change](#)). In addition, impacts on biodiversity may also  
464 have consequences for Indigenous Peoples' territories and local communities' resources (see [topic](#)  
465 [XX.8 Local communities and rights of Indigenous Peoples](#)).

466 Organizations in the insurance sector can contribute to reversing biodiversity loss by providing  
467 insurance and financing for nature-based solutions that protect, sustainably manage, and restore  
468 biodiversity and its associated ecosystem services [55] [56]. When organizations are involved with  
469 negative biodiversity impacts as a result of their business relationships, they can engage institutional  
470 customers and investees to address them, including through investee stewardship activities.  
471 Organizations in the insurance sector can further enhance their impact by collaborating with other  
472 stakeholders to align financing activities with global biodiversity goals and targets, such as industry  
473 initiatives, regulators, or policymakers [55].

474

475 **Reporting on biodiversity**

476 If the organization has determined biodiversity to be a material topic, this sub-section lists the  
 477 disclosures identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p><a href="#">Disclosure 3-3 Management of material topics</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>Describe how the organization incorporates biodiversity considerations in its products and services.</li> <li>Report the indicators and data used to measure the impacts of customers and investees on biodiversity.</li> <li>For customer engagement and investee stewardship related to biodiversity, report:               <ul style="list-style-type: none"> <li>agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.2.1
<b>Topic Standard disclosures</b>		
<b>GRI 101: Biodiversity 2024</b>	<p><a href="#">Disclosure 101-1 Policies to halt and reverse biodiversity loss</a></p> <p><i>Additional sector recommendations</i></p> <p>When reporting on the policies to halt and reverse biodiversity loss, include:</p> <ul style="list-style-type: none"> <li>the policies for providing insurance products and services to customers and investing in organizations that have or could have an impact on biodiversity, with a breakdown by sector;</li> <li>the policies for providing insurance products and services to customers and investing in organizations that have sites in or near ecologically sensitive areas, with a breakdown by sector;</li> <li>the policies for providing insurance products and services to customers and investing in organizations that conserve, restore, and protect biodiversity, with a breakdown by sector;</li> <li>the policies for providing insurance products and services to customers and investing in organizations that use genetic resources to ensure they provide access to and share the benefits fairly and equitably with Indigenous Peoples and local communities;</li> <li>the business lines, business relationships, and geographic locations excluded from these policies, and describe the rationale for any exclusion.</li> </ul>	XX.2.2
<b>Additional sector disclosures</b>		
<p>Describe how the organization identifies customers and investees with the most significant actual and potential impacts on biodiversity, including a description of:</p> <ul style="list-style-type: none"> <li>the sectors and the extent of their <u>supply chain</u> covered;</li> <li>the taxonomies and definitions used to select sectors for the assessment;</li> </ul>		XX.2.3

<ul style="list-style-type: none"> <li>• the methods used and the assumptions made to identify customers and investees with the most significant impacts on biodiversity, including data sources used;</li> <li>• the organization's plans to improve or expand the scope of the assessment over the short-, medium- and long-term;</li> <li>• the business lines excluded from the assessment and the rationale for excluding them.</li> </ul> <p>Describe any limitations of the data collected about customers and investees to identify the ones with the most significant actual and potential impacts on biodiversity.</p> <p>Report the monetary value at the end of the <u>reporting period</u> of the insurance and investment portfolios included in the assessment, reported separately for each portfolio, including:</p> <ul style="list-style-type: none"> <li>• the absolute amount;</li> <li>• the percentage of the total value of the portfolio;</li> <li>• a breakdown by sector.</li> </ul>	
<p>Report the monetary value at the end of the reporting period of the insurance and investment portfolios allocated to customers and investees that have identified sites with the most significant impacts on biodiversity, reported separately for each portfolio, including:</p> <ul style="list-style-type: none"> <li>• the absolute amount;</li> <li>• the percentage of the total value of each portfolio;</li> <li>• a breakdown by sector.</li> </ul>	XX.2.4
<p>Report the monetary value at the end of the reporting period of the insurance and investment portfolios allocated to customers and investees that have set targets to minimize negative impacts on biodiversity, reported separately for each portfolio, including:</p> <ul style="list-style-type: none"> <li>• the absolute amount;</li> <li>• the percentage of the total value of the portfolio;</li> <li>• a breakdown by sector.</li> </ul>	XX.2.5
<p>Report the monetary value at the end of the reporting period of the insurance portfolio allocated to customers that have sites in or near ecologically sensitive areas, including:</p> <ul style="list-style-type: none"> <li>• the absolute amount;</li> <li>• the percentage of the total value of the portfolio;</li> <li>• a breakdown by sector.</li> </ul>	XX.2.6
<p>Report the monetary value at the end of the reporting period of the insurance and investment portfolios separately, including the percentage of the total value of the portfolio allocated to customers and investees that:</p> <ul style="list-style-type: none"> <li>• restore or rehabilitate degraded ecosystems;</li> <li>• conserve ecosystems;</li> <li>• undertake climate change mitigation or adaptation activities that contribute to the protection of biodiversity.</li> </ul> <p>Report the taxonomies and definitions that the organization uses to classify restoration and conservation activities, as well as other activities that contribute to the protection of biodiversity.</p> <p>Report the goals and targets for insuring and investing in organizations that conserve, restore, and protect biodiversity.</p>	XX.2.7

478 **References and resources**

479 [GRI 101: Biodiversity 2024](#) lists authoritative intergovernmental instruments and additional references  
480 relevant to reporting on this topic.

481 The additional authoritative instruments and references used in developing this topic, as well as  
482 resources that may be helpful for reporting on biodiversity by the insurance sector, are listed in the  
483 [Bibliography](#).

Exposure draft for public comment

## 484 **Topic [XX].[3] Water and effluents**

485 **Recognized as a human right, access to fresh water is essential for human life and well-being.**  
486 **The amount of water withdrawn and consumed by an organization and the quality of its**  
487 **discharges can have impacts on ecosystems and people. This topic covers impacts related to**  
488 **the withdrawal and consumption of water and the quality of water discharged.**

489 In 2023, approximately half of the world's population faced severe water scarcity, a consequence  
490 attributed to the effects of climate change alongside compounding factors such as land use change,  
491 pollution [63], and the privatization of water resources. Organizations in the insurance sector may be  
492 involved with water-related impacts mainly as a result of their business relationships in all sectors of  
493 the economy.

494 Impacts can be more significant when insurance and investment portfolios focus on organizations in  
495 water-intensive sectors and areas with water stress [64]. Organizations in the sector can also ensure  
496 infrastructure upgrades that reduce water loss, improve effluent discharge quality, and support  
497 desalination projects in areas with water stress.

498 Organizations increasingly align their insurance and investment activities with water stewardship to  
499 meet market expectations. This includes assessing and managing water-related impacts via  
500 customers and investees, establishing goals for water stewardship, and integrating water  
501 considerations into portfolio decision-making processes. This can consider how water stress caused  
502 by unsustainable water withdrawal and pollution has negative impacts on economic sectors, local  
503 communities, and biodiversity (see [topic XX.2 Biodiversity](#)). In local communities, impacts can lead to  
504 concerns over food security, disruptions to essential ecosystems crucial for livelihoods, and an  
505 increased risk of water-related conflicts (see [topic XX.8 Local communities and rights of Indigenous Peoples](#)).  
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507 By engaging with customers and investees, organizations can support the long-term sustainable  
508 management of water resources. They can incentivize customers and investees, especially those in  
509 water-intensive sectors, to reduce water usage and implement sustainable water management  
510 practices. By providing environmental impairment liability insurance (EIL) or environmental pollution  
511 liability insurance (EPLI), insurers can promote environmental responsibility [65]. By incorporating  
512 stringent criteria into their insurance processes, organizations can encourage their customers to  
513 adhere to high environmental standards.

514 **Reporting on water and effluents**

515 If the organization has determined water and effluents to be a material topic, this sub-section lists the  
 516 disclosures identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<a href="#">Disclosure 3-3 Management of material topics</a> <i>Additional sector recommendations</i> <ul style="list-style-type: none"> <li>For customer engagement and investee stewardship related to water and effluents, report:               <ul style="list-style-type: none"> <li>agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.3.1
<b>Topic Standard disclosures</b>		
<b>GRI 303: Water and Effluents 2018</b>	<a href="#">Disclosure 303-1 Interactions with water as a shared resource</a>	XX.3.2
<b>Additional sector disclosures</b>		
	Report the average amount of water consumed by investees (m <sup>3</sup> ) per million (currency) of revenue of investees. <sup>5</sup>	XX.3.3
	Report the percentage of investees with sites located in areas of high water stress without a water management policy. <sup>6</sup>	XX.3.4

517 **References and resources**

518 [GRI 303: Water and Effluents 2018](#) lists authoritative intergovernmental instruments and additional  
 519 references relevant to reporting on this topic.

520 The additional authoritative instruments and references used in developing this topic, as well as  
 521 resources that may be helpful for reporting on water and effluents by the insurance sector, are listed  
 522 in the [Bibliography](#).

<sup>5</sup> This disclosure is aligned with the Principle Adverse Indicators included in the EU's Sustainable Finance Disclosures Regulation (SFDR) [Regulation - 2019/2088 - EN - sfd - EUR-Lex \(europa.eu\)](#).

<sup>6</sup> This disclosure is aligned with the Principle Adverse Indicators included in the EU's Sustainable Finance Disclosures Regulation (SFDR) [Regulation - 2019/2088 - EN - sfd - EUR-Lex \(europa.eu\)](#).

## 523 **Topic [XX].[4] Waste**

524 **Waste refers to anything that a holder discards, intends to discard, or is required to discard.**  
525 **When inadequately managed, waste can have negative impacts on the environment and**  
526 **human health, which can extend beyond the locations where waste is generated and**  
527 **discarded. This topic covers the impacts of waste and the management of waste.**

528 By 2050, annual global waste is projected to reach 3.4 billion tons. Currently, over 30% of solid waste  
529 streams fail to meet environmentally safe treatment standards [69]. Organizations in the insurance  
530 sector may be involved with waste-related impacts mainly as a result of their business relationships in  
531 all sectors of the economy.

532 Organizations may be involved with impacts related to waste by insuring or investing in organizations  
533 with unsustainably managed waste that may contaminate the environment and have negative impacts  
534 on ecosystems as well as on human health. Waste contributes to pollution by releasing harmful  
535 substances into the environment, similar to how the discharge of effluents and other pollutants  
536 degrades water quality (see [topic XX.3 Water and effluents](#)). Other negative impacts associated with  
537 waste can include greenhouse gas emissions and biodiversity loss (see [topic XX.1 Climate change](#)  
538 and [XX.2 Biodiversity](#)). Incorporating waste management and circularity considerations in insurance  
539 and investment analysis, decision-making, and engagement can lead to better waste management  
540 practices and contribute to increased resource efficiency and prolonged use of products.

541 The insurance sector can identify, avoid, and mitigate potential waste-related impacts via customers  
542 and investees by focusing on waste prevention and adopting circularity measures. This includes  
543 conducting customer and investee screening and due diligence processes to identify high-waste  
544 sectors, especially those with high volumes of hazardous waste or low recycling rates [70].  
545 Organizations can further assess negative waste-related impacts by evaluating customers' and  
546 investees' policies and plans to manage waste and their mitigation strategies.

547 In addition, organizations can engage with customers and investees to encourage them to sustainably  
548 manage waste and adopt circular economy principles, such as those aimed at reducing plastic waste.  
549 Circular economy strategies can also drive more sustainable investment [71]. This shift can be  
550 supported by dedicated insurance products and services designed to scale up innovations. Insurance  
551 products and services are crucial for reducing the risks associated with circular economy financing,  
552 especially in developing countries and markets [72].

553 **Reporting on waste**

554 If the organization has determined waste to be a material topic, this sub-section lists the disclosures  
 555 identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<a href="#">Disclosure 3-3 Management of material topics</a> <i>Additional sector recommendations</i> <ul style="list-style-type: none"> <li>• For customer engagement and investee stewardship related to waste, report:               <ul style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.4.1
<b>Topic Standard disclosures</b>		
<b>GRI 306: Waste 2020</b>	<a href="#">Disclosure 306-2 Management of significant waste-related impacts</a>	XX.4.2
<b>Additional sector disclosures</b>		
Report the tons of hazardous waste and radioactive waste generated by investees per million (currency) invested, expressed as a weighted average. <sup>7</sup>		XX.4.3

556 **References and resources**

557 [GRI 306: Waste 2020](#) lists authoritative intergovernmental instruments and additional references  
 558 relevant to reporting on this topic.

559 The additional authoritative instruments and references used in developing this topic, as well as  
 560 resources that may be helpful for reporting on waste by the insurance sector, are listed in the  
 561 [Bibliography](#).

<sup>7</sup> This disclosure is aligned with the Principle Adverse Indicators included in the EU's Sustainable Finance Disclosures Regulation (SFDR) [Regulation - 2019/2088 - EN - sfdr - EUR-Lex \(europa.eu\)](#).



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## Topic [XX].[5] Financial health and inclusion

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**Financial health is the ability of an individual, household, or organization to effectively handle current financial commitments and risks while enabling the achievement of future financial goals. Financial inclusion guarantees affordable and effective access to all individuals and organizations to use suitable financial products and services. This topic covers an organization’s approach to financial health and inclusion.**

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Organizations in the insurance sector may be involved with impacts related to financial health and inclusion through their activities or as a result of their business relationships.

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Insurance organizations can support financial health and inclusion by providing customers with access to affordable and suitable products and services that protect them from unexpected events and costs, such as property damage, health emergencies, and natural disasters. This supports sustainable development by reducing poverty, addressing inequalities, and driving positive economic and societal outcomes. Insurance organizations can further enhance financial health and inclusion by addressing the protection gap with products and services targeting vulnerable or underserved groups and organizations, such as low-income households, remote communities, and micro-, small, and medium-sized enterprises (MSMEs) (see [topic XX.8 Local communities and rights of Indigenous Peoples](#)). Microinsurance, which is insurance accessed by the low-income population, is an example of such a product [79].

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Positive impacts on financial health and inclusion require policies, procedures, products, and services emphasizing customer protection and supporting their best interests, including appropriate dispute and recourse mechanisms. Organizations are expected to provide fair products and services without discrimination or bias and clearly communicate pricing, terms, and conditions [80]. Fairness should be a priority throughout the customer journey, including product design, marketing, and selling (see [topic XX.9 Non-discrimination and equal opportunity](#) and [XX.7 Marketing and labeling](#)).

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While insurance sector organizations need to assess claim validity to protect themselves against wrongful and fraudulent claims, it is important to ensure valid claims are well-managed and do not place undue hardship on customers. Organizations in the sector can achieve this by implementing claims processes that avoid onerous requirements when customers submit claims and ensure customers receive timely payments. Clear and transparent terms and conditions are also crucial to protect customers and prevent misunderstanding or mis-selling, resulting in claims not being paid.

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Financial education can strengthen customers’ financial literacy and behaviors, particularly for first-time users. It enhances their access to suitable products and improves their understanding of relevant terms, conditions, and risks. Insurance organizations can support financial literacy by targeting programs to vulnerable and underserved groups or those excluded from the formal financial system. Additionally, organizations in the insurance sector can invest in innovative technologies that improve organizations’ and individuals’ access to insurance products and services. Digital financial services can improve access to financial services [81]. However, ensuring that all customers benefit from these services requires education to improve digital literacy, as some groups may risk exclusion due to limited access to or understanding of digital tools.

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Distribution and sales channels, including workers, agents, and third-party platforms, are important in driving positive impacts on financial health and inclusion, particularly when recommending products to customers or processing their complaints. These channels can support positive impacts by considering customers’ financial health when providing advice and selling products. Organizations in the insurance sector can take actions targeted at distributors, such as implementing incentive and training systems that encourage them to promote customers’ financial health and inclusion.

607 **Reporting on financial health and inclusion**

608 If the organization has determined financial health and inclusion to be a material topic, this sub-  
 609 section lists the disclosures identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p data-bbox="379 524 927 555"><a href="#">Disclosure 3-3 Management of material topics</a></p> <p data-bbox="379 591 799 622"><i>Additional sector recommendations</i></p> <ul data-bbox="427 629 1198 1182" style="list-style-type: none"> <li>• Describe the dispute and recourse mechanisms for complaints relating to financial health and inclusion.</li> <li>• Describe the approach to assessing the financial health of the organization’s customers, including the use of financial health-related metrics or scores.</li> <li>• Describe the actions targeted at workers, distributors, and third-party platforms aimed at promoting customers’ financial health and inclusion.</li> <li>• Describe whether and how the organization is involved in initiatives and partnerships aimed at enhancing financial health and inclusion.</li> <li>• For customer engagement and investee stewardship related to financial health and inclusion, report:                             <ul data-bbox="523 1032 1198 1182" style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.5.1
<b>Additional sector disclosures</b>		
	Report the customer groups the organization intends to reach through its financial health and inclusion policies (hereafter referred to as identified customer groups) and the process used to determine the customer groups.	XX.5.2
	Describe how the organization addresses the needs of the identified customer groups, including through: <ul data-bbox="240 1451 1190 1574" style="list-style-type: none"> <li>• product and service design, including how it incorporates actions to improve access to products and services;</li> <li>• financial education and literacy initiatives, including reporting the number of participants.</li> </ul>	XX.5.3
	Report the total number of complaints related to financial health and inclusion, including: <ul data-bbox="240 1675 1166 1921" style="list-style-type: none"> <li>• a breakdown of <u>substantiated</u> and non-substantiated complaints;</li> <li>• a breakdown by type of complaint;</li> <li>• a breakdown by type of complainant, including both customers (e.g., retail customers) and non-customers (e.g., individuals that have been denied access to a product or service);</li> <li>• most prevalent issues;</li> <li>• any observed trends per complaint type, comparing data from the current period to that from the previous reporting period.</li> </ul>	XX.5.4
	Describe the approach to claims management, including timeframes for processing claims and related payments, by each product type.	XX.5.5

Report the average claims turnaround time for accepted claims by each product type, including comparisons with at least one previous reporting period and explanations for any deterioration.	XX.5.6
Report any insurance exclusions and uninsurable risks, including the affected groups or conditions and the reasons for these exclusions.	XX.5.7

610 **References and resources**

611 The authoritative instruments and references used in developing this topic, as well as resources that  
612 may be helpful for reporting on financial health and inclusion by the insurance sector, are listed in the  
613 [Bibliography](#).

## 614 **Topic [XX].[6] Customer privacy and data security**

615 **Customer privacy and data security refers to a customer’s right to protect their data and**  
616 **personal information from losses, data breaches, misuse, or use for purposes other than**  
617 **initially intended. This topic covers the impacts on customer privacy and the loss of customer**  
618 **data.**

619 Financial services is one of the most data-intensive industries in the world [90], collecting vast  
620 amounts of customer data, including personal information about spending habits, health, and assets.  
621 Organizations in the insurance sector may be involved with impacts related to customer privacy and  
622 data security through their activities or as a result of their business relationships.

623 Customer data, when supplemented with other sources of data such as natural catastrophe  
624 forecasting, is integral to the sector for risk assessment and pricing. Digital financial services have  
625 increased the datasets available to organizations. The availability of large amounts of personal  
626 information can threaten customer privacy through potential misuse or loss via scams or cyberattacks  
627 (see [topic XX.18 Prevention of corruption and financial crime](#)). Organizations in the sector are reliant  
628 on solid cybersecurity measures to prevent the exposure or misuse of confidential customer  
629 information like financial details and personal identifiers.

630 Organizations in the sector can collect personal customer information via various sources, such as  
631 wearables that monitor health data, home sensors, and car telematics. More personalized customer  
632 profiles allow for improved risk assessments and tailored products, which can enhance financial  
633 inclusion (see [topic XX.5 Financial health and inclusion](#)). However, increased personalization may  
634 lead to negative impacts for customers. With detailed customer information, organizations can  
635 encourage customers to purchase tailored products that are not necessarily in their best interests,  
636 which can compromise financial health.

637 New customer datasets and customer behavior information can lead to differential pricing practices,  
638 where customers with similar risk are charged differently for the same product. With this information,  
639 organizations can tailor premiums according to customer behavior, such as a low propensity to switch  
640 insurance providers. Customers who are inclined to switch to competing providers are more likely to  
641 benefit from such practices, while those who do not can miss out and face even higher costs on  
642 renewal [91]. This is particularly concerning for vulnerable customers such as low-income groups or  
643 those out of work.

644 Open finance allows customers to access a wide range of products and services by efficiently sharing  
645 customer data between various providers [92]. However, due to its reliance on data sharing, open  
646 finance raises concerns about data protection. For instance, where the quality of providers’ security  
647 systems and governance may not be consistent or where providers operate under different regulatory  
648 regimes where applicable customer protection laws do not align.

649 Customers may also not understand the value of their data or how organizations utilize it. They may,  
650 therefore, consent to data sharing without fully understanding the potential negative impacts [93].  
651 Customer data, used in conjunction with other big data sets sourced externally, for example, from  
652 social media, can feed artificial intelligence (AI) and machine learning applications that, while having  
653 the objective to avoid biases from human interaction, can instead exacerbate them. This can result in  
654 discrimination or unfair treatment of specific customer groups based on their behaviors or preferences  
655 [94] (see [topic XX.9 Non-discrimination and equal opportunity](#)).

656 Organizations can strengthen customer privacy and data security through robust data management  
657 systems and practices to ensure sensitive data is not inappropriately used or shared and to reduce  
658 threats of data breaches. By providing clear and transparent information about data handling and  
659 privacy policies, organizations can help customers understand how their data is used, make informed  
660 decisions about their personal information, and build customer trust [95] (see [topic XX.7 Marketing](#)  
661 [and labeling](#)).

662 **Reporting on customer privacy and data security**

663 If the organization has determined customer privacy and data security to be a material topic, this sub-  
 664 section lists the disclosures identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p data-bbox="379 524 927 555"><a href="#">Disclosure 3-3 Management of material topics</a></p> <p data-bbox="379 562 799 593"><i>Additional sector recommendations</i></p> <ul data-bbox="427 600 1190 996" style="list-style-type: none"> <li>• Describe the approach to cybersecurity in relation to customer privacy and data security.</li> <li>• Describe the approach to privacy and security when disclosing customer data to third parties.</li> <li>• Describe how the organization informs customers about the use of customer data in data analytics, including in conjunction with external data sources.</li> <li>• For customer engagement and investee stewardship related to customer privacy and data security, report:                             <ul data-bbox="427 884 1150 996" style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.6.1
<b>Topic Standard disclosures</b>		
<b>GRI 418: Customer Privacy 2016</b>	<p data-bbox="379 1099 1174 1160"><a href="#">Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</a></p> <p data-bbox="379 1167 799 1198"><i>Additional sector recommendations</i></p> <ul data-bbox="427 1205 1161 1294" style="list-style-type: none"> <li>• Report the total number of customers affected by the identified leaks, thefts, or losses of customer data and the percentage of the affected retail customers.</li> </ul>	XX.6.2

665 **References and resources**

666 [GRI 418: Customer Privacy 2016](#) lists authoritative intergovernmental instruments relevant to  
 667 reporting on this topic.

668 The additional authoritative instruments and references used in developing this topic, as well as  
 669 resources that may be helpful for reporting on customer privacy and data security by the insurance  
 670 sector, are listed in the [Bibliography](#).

## 671 **Topic [XX].[7] Marketing and labeling**

672 **Marketing and labeling refers to the information communicated when selling products and**  
673 **services to customers, which can influence their decision-making. This topic covers the**  
674 **impacts of the organization’s product and service information, marketing communication, and**  
675 **labeling.**

676 Organizations in the insurance sector may be involved with impacts related to marketing and labeling  
677 when communicating terms and conditions for products and services through their activities or as a  
678 result of their business relationships in all sectors of the economy. Impacts largely come from the  
679 complex nature of insurance contracts, which aim to differentiate products and meet customer needs.  
680 Retail customers are most susceptible to the impacts of marketing and labeling. However,  
681 institutional customers can find themselves in disputes with organizations over the terms and  
682 conditions for products or services.

683 Organizations in the insurance sector are responsible for providing customers with fair and  
684 transparent terms and conditions for their products and services, including associated sustainability  
685 credentials [100]. Long and complex terms and conditions can be challenging to understand,  
686 particularly for customers with lower levels of financial literacy. At the same time, clear and  
687 transparent information supports customer protection and financial health and inclusion, along with  
688 appropriate products offered and adequate recourse mechanisms (see [topic XX.5 Financial health](#)  
689 [and inclusion](#)).

690 How product information is communicated can affect a customer’s ability to fully understand a product  
691 or service and make informed decisions. Where organizations or their distributors misstate or omit  
692 essential information, customers may purchase products they do not understand or need.  
693 Organizations can also mislead their customers when sustainability information about their  
694 operations, products, or services is exaggerated or incorrect, resulting in less funding to support  
695 sustainable development than expected. Both institutional and retail customers risk purchasing  
696 products that are not in their best interest or falling victim to mis-selling practices, such as aggressive  
697 and high-pressure sales. This can occur when there is a conflict of interest between the organization  
698 or its distributors and the customer, which may be exacerbated by internal and commercial pressures,  
699 such as remuneration schemes that encourage workers to prioritize sales over customers’ needs.

700 By adhering to regulations and codes of conduct, organizations and their distributors can avoid  
701 misleading statements or omissions in marketing and labeling their products and services,  
702 contributing to stronger customer protection. Anti-greenwashing regulations and sustainability  
703 taxonomies increasingly protect customers from greenwashing and provide greater assurance of  
704 financial products’ environmental and social credentials. However, these regulatory developments are  
705 jurisdiction-specific, meaning such assurance is neither universal nor consistent worldwide.

706 Organizations can use different means to assist customers in understanding and engaging with  
707 product information. For example, organizations can make key product information more accessible  
708 by translating information, employing simple language, and using different font sizes [101].  
709 Organizations can also implement mechanisms to manage marketing and labeling-related impacts,  
710 such as relevant training, internal systems that signal risky levels of selling, and procedures that halt  
711 conflicted transactions from taking place.



712 **Reporting on marketing and labeling**

713 If the organization has determined marketing and labeling to be a material topic, this sub-section lists  
 714 the disclosures identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p data-bbox="379 524 927 555"><a href="#">Disclosure 3-3 Management of material topics</a></p> <p data-bbox="379 568 799 600"><i>Additional sector recommendations</i></p> <ul data-bbox="427 618 1198 1328" style="list-style-type: none"> <li>• Describe the actions taken by the organization to assist customers in understanding the terms and conditions of its insurance products, including promoting training for workers and distributors.</li> <li>• Describe how the organization monitors the fairness and transparency of its distributors' <u>marketing communications</u> when selling and promoting its insurance products.</li> <li>• Describe how the organization informs potential and current customers at the pre-sale stage about conflicts of interest, including remuneration schemes based on the number of products sold.</li> <li>• Describe the dispute and recourse mechanisms for customer complaints regarding marketing and labeling, including:                             <ul data-bbox="523 1021 1198 1111" style="list-style-type: none"> <li>- Mislabeling of insurance products;</li> <li>- Mis-selling practices by the organization's workers or distributors.</li> </ul> </li> <li>• For customer engagement and investee stewardship related to marketing and labeling, report:                             <ul data-bbox="523 1178 1198 1328" style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.7.1
<b>Topic Standard disclosures</b>		
<b>GRI 417: Marketing and Labeling 2016</b>	<p data-bbox="379 1420 1158 1478"><a href="#">Disclosure 417-2 Incidents of non-compliance concerning product and service information and labeling</a></p> <p data-bbox="379 1491 799 1523"><i>Additional sector recommendations</i></p> <ul data-bbox="427 1536 1198 1648" style="list-style-type: none"> <li>• Report the total number of incidents of non-compliance with regulations or voluntary codes concerning <u>product and service information and labeling</u> that remained unresolved at the end of the period.</li> </ul>	XX.7.2
	<p data-bbox="379 1662 1185 1720"><a href="#">Disclosure 417-3 Incidents of non-compliance concerning marketing communications</a></p> <p data-bbox="379 1733 799 1765"><i>Additional sector recommendations</i></p> <ul data-bbox="427 1778 1198 1895" style="list-style-type: none"> <li>• Report the total number of incidents of non-compliance with regulations or voluntary codes concerning marketing communications that remained unresolved at the end of the period.</li> </ul>	XX.7.3
<b>Additional sector disclosures</b>		

Report the taxonomies, regulations, and standards the organization complies with in marketing and labeling its sustainable insurance products.	XX.7.4
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715 **References and resources**

716 *GRI 417: Marketing and Labeling 2016* lists authoritative intergovernmental instruments and  
717 additional references relevant to reporting on this topic.

718 The additional authoritative instruments and references used in developing this topic, as well as  
719 resources that may be helpful for reporting on marketing and labeling by the insurance sector, are  
720 listed in the [Bibliography](#).

Exposure draft for public comment



721 **Topic [XX].[8] Local communities and rights of**  
722 **Indigenous Peoples**

723 **Local communities and Indigenous Peoples comprise individuals living or working in areas**  
724 **that are affected, or that could be affected by an organization’s activities. Indigenous Peoples**  
725 **are at higher risk of experiencing negative impacts more severely as a result of an**  
726 **organization’s activities. This topic covers socioeconomic and human rights impacts on local**  
727 **communities and the rights of Indigenous Peoples, including in relation to cultural heritage**  
728 **and health.**

729 Organizations in the insurance sector may be involved with impacts on local communities and the  
730 rights of Indigenous Peoples as a result of their business relationships in all sectors of the economy.

731 Impacts on local communities and the rights of Indigenous Peoples can stem from insuring and  
732 investing in infrastructure projects and economic activities. These activities may lead to environmental  
733 degradation, displacement, involuntary resettlement, or changes in land use. Such impacts can affect  
734 the cultural preservation and livelihoods of Indigenous Peoples and local communities, as well as  
735 result in threats to human rights defenders and other stakeholders that may be exposed to retaliation.  
736 Negative impacts can be particularly severe for Indigenous Peoples, undermining their relationship  
737 with ancestral lands, territories, and resources (see [topic XX.2 Biodiversity](#)). As such, organizations  
738 must uphold Indigenous Peoples’ right to free, prior, and informed consent (FPIC) and safeguard the  
739 rights to self-determination and participation [103].

740 Organizations are expected to conduct human rights due diligence to identify risks to people and to  
741 address and account for actual and potential human rights impacts [102] [104]. This includes  
742 identifying the negative impacts on local communities and the rights of Indigenous Peoples from  
743 customers and investees, assessing the nature of these impacts, and determining the organizations’  
744 involvement with them. Based on this assessment, actions should be taken to address the negative  
745 impacts. Insurance organizations can also incorporate requirements that respect Indigenous Peoples  
746 and their territories, such as not providing insurance for projects without FPIC.

747 The sector can also have positive impacts on local communities and Indigenous Peoples by  
748 supporting economic development through insurance for socially beneficial activities, provided the  
749 terms are responsible and fair. Increasing access to insurance for women, Indigenous Peoples, and  
750 small and medium-sized enterprises can promote job creation and enhance economic development  
751 (see [topic XX.17 Economic impacts](#)). In addition, responsible business practices can help local  
752 communities through actions such as micro-insurance and community development projects.

753 **Reporting on local communities and rights of Indigenous Peoples**

754 If the organization has determined local communities and rights of Indigenous Peoples to be  
 755 a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic  
 756 by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p><a href="#">Disclosure 3-3 Management of material topics</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>• Describe the approach to managing impacts from customers and investees on local communities and rights of Indigenous Peoples and local communities, including:                             <ul style="list-style-type: none"> <li>- how the organization assesses the quality of engagement with affected stakeholders conducted by its customers and investees;</li> <li>- how the organization assesses the extent to which customers and investees abide by Free, Prior, and Informed Consent procedures;</li> <li>- how the organization assesses the quality of safeguards implemented by customers and investees for the protection of human rights defenders of other stakeholders that are exposed to retaliation;</li> <li>- whether and how the organization conducts its own engagement with stakeholders affected by its customers and investees, including:                                     <ul style="list-style-type: none"> <li>○ if engagement with stakeholders affected by its customers or investees is done through proxies or experts and how those are selected.</li> </ul> </li> </ul> </li> <li>• For customer engagement and investee stewardship related to local communities and rights of Indigenous Peoples, report:                             <ul style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.8.1
<b>Additional sector disclosures</b>		
Report the total number of identified incidents of violations involving the rights of Indigenous Peoples related to infrastructure insurance or investment provided by the organization.		XX.8.2

757 **References and resources**

758 [GRI 411: Rights of Indigenous Peoples 2016](#) and [GRI 413: Local Communities 2016](#) list authoritative  
 759 intergovernmental instruments and additional references relevant to reporting on this topic.

760 The additional authoritative instruments and references used in developing this topic, as well as  
 761 resources that may be helpful for reporting on local communities and rights of Indigenous Peoples by  
 762 the insurance sector, are listed in the [Bibliography](#).

## 763 **Topic [XX].[9] Non-discrimination and equal** 764 **opportunity**

765 **Freedom from discrimination is a human right and a fundamental right at work. Discrimination**  
766 **can impose unequal burdens on individuals or deny fair opportunities on the basis of**  
767 **individual merit. This topic covers impacts from discrimination and practices related to equal**  
768 **opportunity.**

769 Organizations in the insurance sector may be involved with impacts related to discrimination and  
770 equal opportunity through their activities or as a result of their business relationships in all sectors of  
771 the economy.

772 Discrimination against workers within the insurance sector can take various forms, such as hiring  
773 biases, unfair promotion opportunities, and unfair workload distribution. It can occur, for example,  
774 based on ethnicity, religion, gender, or socioeconomic background. Organizations can take actions to  
775 promote diversity and equal opportunity at governance and worker levels, such as anti-discrimination  
776 policies and inclusive hiring practices. These actions can combat discrimination and promote equal  
777 opportunity, resulting in fairer access to promotions, job opportunities, and remuneration (see [topic](#)  
778 [XX.15 Remuneration and working time](#)) [112].

779 Discrimination can occur between an insurance organization and its customers or between the  
780 organization's distributors, such as agents or brokers, and its customers through unequal treatment,  
781 or access to insurance products and services (see [topic XX.5 Financial health and inclusion](#)). Insurers  
782 set premiums based on risks and factors they can consider by law, such as an applicant's age.  
783 Discrimination can occur when factors such as ethnicity, national origin, and religion are used during  
784 insurance underwriting [113].

785 The use of data analytics for profile construction and classification may lead to further discrimination  
786 in price-setting for insurance. Proxies and algorithms can also discriminate against customers. While  
787 direct discrimination is prohibited, proxies or opaque algorithms are often not regulated. They may  
788 lead to decisions based on misleading or biased data, resulting in potentially unfair treatment of  
789 customers. Establishing transparent, accountable processes for algorithmic decision-making is crucial  
790 for promoting fairness and equality in insurance practices [114].

791 Discrimination may also occur in claims handling processes within the insurance sector, where biased  
792 treatment may arise during the assessment and settlement of claims. Organizations in the insurance  
793 sector can combat discrimination by implementing policies and procedures that prevent customer  
794 discrimination and making these policies publicly available. This can include anti-discrimination  
795 guidelines, a transparent complaint resolution process, and audits to ensure compliance.

796 Organizations in the insurance sector may be involved with impacts related to discrimination and  
797 equal opportunity as a result of their business relationships by insuring or investing in organizations  
798 that promote unfair treatment of their workers and customers, such as organizations that exclude  
799 certain groups from their products or services based on gender or ethnicity. They may also be  
800 involved with impacts related to discrimination and equal opportunity when outsourcing services to  
801 organizations that discriminate against workers or do not provide equal opportunities at work.

802 Organizations are expected to conduct human rights due diligence to address discrimination and lack  
803 of equal opportunity. This includes identifying the negative impacts related to discrimination and equal  
804 opportunity across their activities and business relationships, assessing the nature of these impacts,  
805 and determining organizations' involvement with them. Based on this assessment, actions should be  
806 taken to address the negative impacts [111]. When organizations are involved with negative impacts  
807 related to discrimination and equal opportunity as a result of their business relationships, they are  
808 expected to use their leverage to encourage their business relationships to address those impacts.  
809 This can involve engaging with customers, investees, or suppliers and playing a role in providing for  
810 or cooperating in the remediation of those impacts [111].

811 **Reporting on non-discrimination and equal opportunity**

812 If the organization has determined non-discrimination and equal opportunity to be a material topic, this  
 813 sub-section lists the disclosures identified as relevant for reporting on the topic by the insurance  
 814 sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p><a href="#">Disclosure 3-3 Management of material topics</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>• Describe the initiatives to promote equal opportunities for workers.</li> <li>• Describe the training initiatives for workers and distributors aimed at promoting non-discriminatory practices towards customers.</li> <li>• Describe the policies and procedures to prevent or mitigate negative impacts related to discrimination against customers, including how they are implemented, monitored, and followed in practice, including in:               <ul style="list-style-type: none"> <li>- underwriting processes;</li> <li>- claims management processes;</li> <li>- data and algorithms used.</li> </ul> </li> <li>• For customer engagement and investee stewardship related to non-discrimination and equal opportunity, report:               <ul style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.9.1
<b>Topic Standard disclosures</b>		
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	<p><a href="#">Disclosure 405-1 Diversity of governance bodies and employees</a></p>	XX.9.2
<b>GRI 406: Non-discrimination 2016</b>	<p><a href="#">Disclosure 406-1 Incidents of discrimination and corrective actions taken</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>• Report a breakdown of the total number of incidents of discrimination during the <u>reporting period</u> by:               <ul style="list-style-type: none"> <li>- incidents related to discrimination of workers;</li> <li>- incidents related to discrimination of customers;</li> <li>- incidents related to discrimination of other <u>stakeholders</u>.</li> </ul> </li> </ul>	XX.9.3

815 **References and resources**

816 [GRI 405: Diversity and Equal Opportunity 2016](#) and [GRI 406: Non-discrimination 2016](#) list  
 817 authoritative intergovernmental instruments relevant to reporting on this topic.

818 The additional authoritative instruments and references used in developing this topic, as well as  
 819 resources that may be helpful for reporting on non-discrimination and equal opportunity by the  
 820 insurance sector, are listed in the [Bibliography](#).

## 821 **Topic [XX].[10] Forced or compulsory labor**

822 **Forced or compulsory labor is work or service which is exacted from any person under the**  
823 **menace of penalty and for which a person has not offered themselves voluntarily. Freedom**  
824 **from forced or compulsory labor is a human right and a fundamental right at work. This topic**  
825 **covers an organization's approach to identifying and addressing forced or compulsory labor**  
826 **across its value chain.**

827 In 2021, around 50 million people were estimated to be involved with compulsory labor, with 27.6  
828 million of these individuals subjected to forced labor [118]. Organizations in the insurance sector may  
829 be involved with impacts related to forced or compulsory labor through their activities or as a result of  
830 their business relationships in all sectors of the economy. Although forced or compulsory labor is not  
831 common within organizations in the insurance sector, they may be involved with related impacts, for  
832 example, when outsourcing services to organizations that use forced or compulsory labor.

833 Organizations are expected to conduct human rights due diligence to address forced or compulsory  
834 labor. This includes identifying negative impacts related to forced or compulsory labor across their  
835 activities and business relationships, assessing the nature of these impacts, and determining  
836 organizations' involvement with them. Based on this assessment, actions should be taken to address  
837 the negative impacts [117]. Organizations may be involved with the negative impacts of forced or  
838 compulsory labor through their business relationships, such as by insuring organizations or procuring  
839 products or services from suppliers involved with impacts related to forced or compulsory labor.  
840 Special attention may be needed when dealing with business relationships in sectors with heightened  
841 risks of forced or compulsory labor. A similar focus can also apply to specific geographic locations,  
842 particularly where there are heightened risks for vulnerable workers, such as migrant workers [119].

843 When organizations are involved with negative impacts related to forced or compulsory labor as a  
844 result of their business relationships, they are expected to use their leverage to encourage their  
845 business relationships to address the impacts. This can involve engaging with customers, investees,  
846 or suppliers and playing a role in providing for or cooperating in the remediation of those impacts  
847 [117]. To increase their leverage, organizations in the insurance sector can engage with other  
848 stakeholders that address impacts related to forced or compulsory labor, such as civil society  
849 organizations or sector-wide initiatives.

850 Insurers also play a role in setting and enforcing the terms on which insurance is offered, including  
851 prohibitions on unlawful conduct, such as forced or compulsory labor. For example, insurers can use  
852 exclusionary clauses for specific insurance products, such as employers' and directors' liability or  
853 workplace insurance, even in the presence of risks of forced or compulsory labor [120].

854 **Reporting on forced or compulsory labor**

855 If the organization has determined forced or compulsory labor to be a material topic, this sub-section  
 856 lists the disclosures identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<a href="#">Disclosure 3-3 Management of material topics</a>  <i>Additional sector recommendations</i> <ul style="list-style-type: none"> <li>• For customer engagement and investee stewardship related to forced or compulsory labor, report:                             <ul style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.10.1
<b>Topic Standard disclosures</b>		
<b>GRI 409: Forced or Compulsory Labor 2016</b>	<a href="#">Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor</a>	XX.10.2

857 **References and resources**

858 [GRI 409: Forced or Compulsory Labor 2016](#) lists authoritative intergovernmental instruments relevant  
 859 to reporting on this topic.

860 The additional authoritative instruments and references used in developing this topic, as well as  
 861 resources that may be helpful for reporting on forced or compulsory labor by the insurance sector, are  
 862 listed in the [Bibliography](#).

## 863 **Topic [XX].[11] Child labor**

864 **Child labor is defined as work that deprives children of their childhood, their potential, and**  
865 **their dignity, and that is harmful to their development, including by interfering with their**  
866 **education. It is a violation of human rights and can lead to lifelong negative impacts. Abolition**  
867 **of child labor is a fundamental principle and right at work. This topic covers an organization's**  
868 **approach to identifying and addressing child labor across its value chain.**

869 Around 160 million children were engaged in child labor in 2020, with nearly half subjected to  
870 dangerous and hazardous work [124]. Organizations in the insurance sector may be involved with  
871 impacts related to child labor through their activities or as a result of their business relationships in all  
872 sectors of the economy. Although child labor is not common within organizations in the insurance  
873 sector, they may be involved with related impacts, for example, when outsourcing services to  
874 organizations that use child labor.

875 Organizations are expected to conduct human rights due diligence to address child labor. This  
876 includes identifying negative impacts related to child labor across their activities and business  
877 relationships, assessing the nature of these impacts, and determining organizations' involvement with  
878 them. Based on this assessment, actions should be taken to address the negative impacts [123].  
879 Organizations may be involved with impacts related to child labor through the provision of products  
880 and services, such as insuring or investing in organizations in sectors with heightened risks of child  
881 labor or in geographic locations where the remuneration of parents is insufficient to meet the basic  
882 cost-of-living estimates. Additionally, organizations in the insurance sector may procure products or  
883 services from suppliers involved with child labor impacts.

884 When organizations are involved with negative impacts related to child labor as a result of their  
885 business relationships, they are expected to use their leverage to encourage their business  
886 relationships to address those impacts. This can include engaging with customers, investees, or  
887 suppliers and playing a role in providing for or cooperating in the remediation of those impacts [123].  
888 To increase their leverage, organizations in the insurance sector can engage with other stakeholders  
889 that address impacts related to child labor, such as civil society organizations or sector-wide  
890 initiatives.

891 Insurers also play a role in setting and enforcing the terms on which insurance is offered, including  
892 prohibitions on unlawful practices such as child labor. For example, insurers can use exclusionary  
893 clauses for specific insurance products, such as employers' and directors' liability insurance, even in  
894 the presence of risks of child labor [125].



895 **Reporting on child labor**

896 If the organization has determined child labor to be a material topic, this sub-section lists the  
 897 disclosures identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<a href="#">Disclosure 3-3 Management of material topics</a>  <i>Additional sector recommendations</i> <ul style="list-style-type: none"> <li>• For customer engagement and investee stewardship related to child labor, report:                             <ul style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.11.1
<b>Topic Standard disclosures</b>		
<b>GRI 408: Child Labor 2016</b>	<a href="#">Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor</a>	XX.11.2

898 **References and resources**

899 [GRI 408: Child Labor 2016](#) lists authoritative intergovernmental instruments relevant to reporting on  
 900 this topic.

901 The additional authoritative instruments and references used in developing this topic, as well as  
 902 resources that may be helpful for reporting on child labor by the insurance sector, are listed in the  
 903 [Bibliography](#).

904 **Topic [XX].[12] Freedom of association and**  
905 **collective bargaining**

906 **Freedom of association and collective bargaining are human rights and fundamental rights at**  
907 **work. They include the rights of employers and workers to form, join, and run their own**  
908 **organizations without prior authorization or interference, and to collectively negotiate working**  
909 **conditions and terms of employment. This topic covers an organization’s approach and**  
910 **impacts related to freedom of association and collective bargaining.**

911 Organizations in the insurance sector may be involved with impacts related to freedom of association  
912 and collective bargaining through their activities or as a result of their business relationships in all  
913 sectors of the economy.

914 Organizations in the insurance sector are significant employers and play an important role in shaping  
915 labor practices that enable or prevent freedom of association and collective bargaining. This can  
916 include outsourcing or offshoring certain job functions to locations with weaker labor protections. The  
917 rise of casualization, marked by casual work and contract labor that lack social protection and  
918 employment security, can also have impacts on freedom of association and collective bargaining (see  
919 [topic XX.14 Employment](#) and [XX.16 Significant changes for workers](#)) [129]. Organizations can  
920 establish clear policies and procedures regarding freedom of association and collective bargaining to  
921 uphold worker rights. These measures ensure that workers can form and join trade unions and  
922 engage in collective bargaining without fear of reprisal.

923 Organizations may be involved with impacts related to freedom of association and collective  
924 bargaining by providing insurance to or investing in organizations that violate workers’ rights, such as  
925 those that obstruct union activity [130]. Additionally, they may procure products or services from  
926 suppliers that are involved with impacts related to freedom of association and collective bargaining.  
927 Particular attention may be needed when dealing with business relationships in sectors and  
928 geographic locations where there are heightened risks of violations of freedom of association and  
929 collective bargaining [130].

930 Organizations are expected to conduct human rights due diligence to address negative impacts  
931 related to freedom of association and collective bargaining. This includes identifying those negative  
932 impacts across their activities and business relationships, assessing the nature of those impacts, and  
933 determining organization’s involvement with them. Based on this assessment, actions should be  
934 taken to address the negative impacts [128].

935 When organizations are involved with negative impacts related to freedom of association and  
936 collective bargaining as a result of their business relationships, they are expected to use their  
937 leverage to encourage their business relationships to address those impacts. This can involve  
938 engaging with customers, investees, or suppliers and playing a role in providing for or cooperating in  
939 the remediation of those impacts [128]. To increase their leverage, organizations can engage with  
940 other stakeholders that address impacts related to freedom of association and collective bargaining,  
941 such as trade unions, global union federations, or sector-wide initiatives.

942 **Reporting on freedom of association and collective bargaining**

943 If the organization has determined freedom of association and collective bargaining to be a material  
 944 topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the  
 945 insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p data-bbox="363 555 911 584"><a href="#">Disclosure 3-3 Management of material topics</a></p> <p data-bbox="363 622 783 651"><i>Additional sector recommendations</i></p> <ul data-bbox="411 667 1230 846" style="list-style-type: none"> <li>• For customer engagement and investee stewardship related to freedom of association and collective bargaining, report:               <ul style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.12.1
<b>Topic Standard disclosures</b>		
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	<p data-bbox="363 936 1217 999"><a href="#">Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</a></p>	XX.12.2

946 **References and resources**

947 [GRI 407: Freedom of Association and Collective Bargaining 2016](#) lists authoritative intergovernmental  
 948 instruments relevant to reporting on this topic.

949 The additional authoritative instruments and references used in developing this topic, as well as  
 950 resources that may be helpful for reporting on freedom of association and collective bargaining by the  
 951 insurance sector, are listed in the [Bibliography](#).

952

## Topic [XX].[13] Occupational health and safety

953 **Healthy and safe work conditions are recognized as a human right and a fundamental right at**  
954 **work. Occupational health and safety involves the prevention of physical and mental harm to**  
955 **workers and the promotion of workers' health. This topic covers impacts related to workers'**  
956 **health and safety.**

957 Organizations in the insurance sector may be involved with occupational health and safety impacts  
958 through their activities or as a result of their business relationships in all sectors of the economy.

959 Organizations in the insurance sector can have negative impacts on the mental and physical health of  
960 their workers due to excessive workloads, commercial pressures, and job insecurity, which can lead  
961 to stress, burnout, and anxiety. Harassment and bullying at work can further exacerbate mental and  
962 physical health issues and violate human rights. Inequality in earnings or opportunities and  
963 discrimination can also lead to increased stress and the worsening of mental health conditions (see  
964 [topic XX.9 Non-discrimination and equal opportunity](#)). They may be involved with negative health and  
965 safety impacts when outsourcing services to organizations with weaker occupational health and  
966 safety standards.

967 Addressing issues from long working hours and flexible work arrangements is crucial to worker well-  
968 being and a healthy work-life balance, including for remote workers (see [topic XX.15 Remuneration](#)  
969 [and working time](#)). Organizations can integrate mental health into their occupational health and safety  
970 management systems to address psychosocial risks comprehensively. This integration involves  
971 prioritizing collective actions, engaging workers to identify and manage impacts, and ensuring  
972 compliance with legal frameworks. Manager training in mental health awareness and communication  
973 and worker training in mental health literacy are also essential for a healthy workplace [133].

974 Organizations in the insurance sector can have positive impacts on occupational health and safety by  
975 promoting prevention measures with their customers to minimize workplace accidents and illnesses.  
976 They can provide financial support to injured workers and facilitate risk management strategies within  
977 workplaces. Organizations can also develop comprehensive policies that outline safety  
978 responsibilities and measures to minimize fatalities, injuries, and health impacts through underwriting  
979 and claims management practices [134].

980 An estimated 2.78 million workers die each year from a work-related injury or ill health, while an  
981 additional 374 million workers suffer from non-fatal work-related incidents [135]. Organizations may  
982 be involved with negative operational health and safety impacts as a result of their business  
983 relationships, such as insuring, investing in, or procuring products or services from other  
984 organizations that fail to meet proper workplace safety standards. Special attention may be needed  
985 when dealing with business relationships in sectors and geographic locations where there are  
986 heightened work-related hazards. Specific sectors can have more significant occupational health and  
987 safety impacts on workers due to a range of physical and long-term health risks. The most vulnerable  
988 to occupational health and safety impacts include those in precarious employment, informal workers,  
989 MSME employees, and workers from marginalized groups, such as migrant workers and racial  
990 minorities [136].

991 Organizations are expected to conduct human rights due diligence to address negative occupational  
992 health and safety impacts. This includes identifying negative occupational health and safety impacts  
993 across their activities and business relationships, assessing the nature of these impacts, and  
994 determining the organizations' involvement with them. Based on this assessment, actions should be  
995 taken to address the negative impacts [132].

996 **Reporting on occupational health and safety**

997 If the organization has determined occupational health and safety to be a material topic, this sub-  
 998 section lists the disclosures identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p>Disclosure 3-3 Management of material topics</p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>For customer engagement and investee stewardship related to occupational health and safety, report:                             <ul style="list-style-type: none"> <li>agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.13.1
<b>Topic Standard disclosures</b>		
<b>GRI 403: Occupational Health and Safety 2018</b>	Disclosure 403-1 Occupational health and safety management system	XX.13.2
	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	XX.13.3
	Disclosure 403-3 Occupational health services	XX.13.4
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	XX.13.5
	Disclosure 403-5 Worker training on occupational health and safety	XX.13.6
	Disclosure 403-6 Promotion of worker health	XX.13.7
	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	XX.13.8
	Disclosure 403-8 Workers covered by an occupational health and safety management system	XX.13.9
	Disclosure 403-9 Work-related injuries	XX.13.10
	Disclosure 403-10 Work-related ill health	XX.13.11

999 **References and resources**

1000 *GRI 403: Occupational Health and Safety 2018* lists authoritative intergovernmental instruments and  
 1001 additional references relevant to reporting on this topic.

1002 The additional authoritative instruments and references used in developing this topic, as well as  
 1003 resources that may be helpful for reporting on occupational health and safety by the insurance sector,  
 1004 are listed in the [Bibliography](#).

## 1005 **Topic [XX].[14] Employment**

1006 **Employment refers to the various policies and practices that affect the relationship between an**  
1007 **organization and its workers. Employment-related policies and practices include recruitment,**  
1008 **termination, performance management, and privacy of workers. This topic covers impacts**  
1009 **related to employment practices.**

1010 Organizations in the insurance sector may be involved with impacts related to employment through  
1011 their activities or as a result of their business relationships in all sectors of the economy.

1012 Organizations in the insurance sector are significant employers and facilitate employment in other  
1013 sectors through access to insurance and capital via investments (see [topic XX.17 Economic impacts](#))  
1014 [138]. As employers, the practices and policies of organizations in the insurance sector have impacts  
1015 on workers, including employment arrangements, recruitment and termination policies, and  
1016 performance management systems. Impacts related to employment practices are not limited to  
1017 employees but also extend to workers who are not employees, such as agency workers, apprentices,  
1018 and workers of suppliers to whom services are outsourced. By outsourcing activities, organizations  
1019 can reduce labor costs or bypass collective agreements (see [topic XX.12 Freedom of association and](#)  
1020 [collective bargaining](#)) that are in place for employees, potentially increasing disparities between  
1021 employees and workers who are not employees.

1022 Worker data is vital in contractual obligations, personnel administration, and human resources  
1023 functions. Organizations may monitor workers to track work hours, optimize processes, and evaluate  
1024 performance. When monitoring of workers is poorly managed, fails to adhere to applicable laws, or  
1025 when workers are not informed about monitoring activities, it can encroach upon a worker's privacy.  
1026 By implementing strong cybersecurity measures and adhering to data protection regulations,  
1027 organizations uphold their commitment to protect worker privacy [139].

1028 Organizations may be involved with negative impacts related to employment by insuring or investing  
1029 in organizations with inadequate policies and practices, such as precarious employment contracts or  
1030 insufficient safeguards for the protection of workers' personal data. Conversely, organizations in the  
1031 sector can contribute to positive impacts by insuring or investing in organizations with high-quality  
1032 employment practices. Organizations should use their leverage to encourage responsible  
1033 employment practices across their business relationships, such as customer engagement and  
1034 investee stewardship [140].

1035 **Reporting on employment**

1036 If the organization has determined employment to be a material topic, this sub-section lists the  
 1037 disclosures identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p><a href="#">Disclosure 3-3 Management of material topics</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>• For customer engagement and investee stewardship related to employment, report:               <ul style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.14.1
<b>Topic Standard disclosures</b>		
<b>GRI EMPL: Employment (Exposure draft)</b>	<a href="#">Disclosure EMPL 1 Employment arrangements</a>	XX.14.2
	<a href="#">Disclosure EMPL 2 Apprenticeship and internship</a>	XX.14.3
	<a href="#">Disclosure EMPL 3 Recruitment policies</a>	XX.14.4
	<a href="#">Disclosure EMPL 4 Performance management systems</a>	XX.14.5
	<a href="#">Disclosure EMPL 5 Personal data protection and privacy policies</a>	XX.14.6
	<a href="#">Disclosure EMPL 6 Termination policies</a>	XX.14.7
	<a href="#">Disclosure EMPL 7 New hires and turnover</a>	XX.14.8
	<a href="#">Disclosure EMPL 8 Incidents related to recruitment</a>	XX.14.9
	<a href="#">Disclosure EMPL 9 Performance reviews</a>	XX.14.10
	<a href="#">Disclosure EMPL 10 Incidents related to personal data protection and privacy</a>	XX.14.11

1038 **References and resources**

1039 *GRI EMPL: Employment (exposure draft)* lists authoritative intergovernmental instruments and  
 1040 additional references relevant to reporting on this topic.

1041 The additional authoritative instruments and references used in developing this topic, as well as  
 1042 resources that may be helpful for reporting on employment by the insurance sector, are listed in the  
 1043 [Bibliography](#).



## 1044 **Topic [XX].[15] Remuneration and working time**

1045 **Remuneration comprises the basic salary and additional amounts paid to a worker, which**  
1046 **should ensure gender equality and non-discrimination. Working time refers to the period when**  
1047 **workers are at the disposal of the organization during a specified timeframe and does not**  
1048 **reflect the intensity or efficiency of time spent on work. This topic covers an organization's**  
1049 **approach to remuneration and working time, including social protection.**

1050  
1051 Organizations in the insurance sector may be involved with impacts related to remuneration and  
1052 working time through their activities or as a result of their business relationships in all sectors of the  
1053 economy. Impacts related to remuneration and working time are not limited to employees and extend  
1054 to workers who are not employees, such as agency workers, apprentices, and workers of suppliers to  
1055 whom services are outsourced.

1056 Organizations in the insurance sector can have unequal remuneration practices. For example, there  
1057 can be remuneration disparities between senior executives and other workers within organizations,  
1058 raising concerns about income inequality. Remuneration practices can also be unequal based on  
1059 gender. Globally, men employed in financial services earn, on average, 22% higher incomes than  
1060 women with the same job profiles. The gender pay gap is notably higher among senior executives in  
1061 the financial services sector than in other sectors [143] (see [topic XX.9 Non-discrimination and equal](#)  
1062 [opportunity](#)).

1063 Long working hours are common for organizations in the insurance sector. With the advent of  
1064 digitalization and post-Covid adaptations, telework has seen a significant uptake in the sector. While  
1065 telework can have positive impacts on work-life balance, the transition to telework may exacerbate  
1066 issues related to extended working hours, contributing to psychosocial impacts and stress [144].  
1067 These factors emphasize the importance for employers to prioritize worker well-being, including  
1068 addressing the issue of working hours, promoting leave and rest hours, and fostering a healthy work-  
1069 life balance.

1070 In addition to addressing remuneration and working time practices, organizations can enhance  
1071 workers' overall well-being by implementing comprehensive social protection measures, such as  
1072 unemployment and retirement benefits. Organizations may also be involved with impacts related to  
1073 remuneration and working time through their business relationships, for example, by insuring other  
1074 organizations with inadequate policies and practices in these areas, such as excessive working hours.  
1075 Organizations can use their leverage to encourage responsible practices and policies related to  
1076 remuneration and working time, such as customer engagement and investee stewardship, across  
1077 their business relationships [145].

1078 **Reporting on remuneration and working time**

1079 If the organization has determined remuneration and working time to be a material topic, this sub-  
 1080 section lists the disclosures identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p><a href="#">Disclosure 3-3 Management of material topics</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>For customer engagement and investee stewardship related to remuneration and working time, report:               <ul style="list-style-type: none"> <li>agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.15.1
<b>Topic Standard disclosures</b>		
<b>GRI REWO: Remuneration and Working Time (Exposure draft)</b>	<a href="#">Disclosure REWO 1 Policies to determine remuneration</a>	XX.15.2
	<a href="#">Disclosure REWO 2 Policies to determine working time</a>	XX.15.3
	<a href="#">Disclosure REWO 3 Transparency of remuneration and working time</a>	XX.15.4
	<a href="#">Disclosure REWO 4 Remuneration of workers</a>	XX.15.5
	<a href="#">Disclosure REWO 5 Basic gender pay gap</a>	XX.15.6
	<a href="#">Disclosure REWO 6 Social protection coverage</a>	XX.15.7
	<a href="#">Disclosure REWO 7 Monitoring working time</a>	XX.15.8

1081 **References and resources**

1082 [GRI REWO: Remuneration and Working Time \(exposure draft\)](#) lists authoritative intergovernmental  
 1083 instruments and additional references relevant to reporting on this topic.

1084 The additional authoritative instruments and references used in developing this topic, as well as  
 1085 resources that may be helpful for reporting on remuneration and working time by the insurance sector,  
 1086 are listed in the [Bibliography](#).

1087

## Topic [XX].[16] Significant changes for workers

1088 **A significant change is an alteration to the organization’s pattern of operations that can have**  
1089 **significant impacts on workers performing the organization's activities, including mergers,**  
1090 **outsourcing operations, and restructuring. This topic covers an organization’s impacts related**  
1091 **to significant changes for workers.**

1092 Organizations in the insurance sector may be involved with impacts related to significant changes for  
1093 workers through their activities or as a result of their business relationships in all sectors of the  
1094 economy.

1095 Transformations for organizations in the insurance sector, such as automation, the deployment of new  
1096 technologies, including generative artificial intelligence (AI), increasing industry concentration, and  
1097 globalization, can result in job displacement and income insecurity [147]. Redeployment and up- and  
1098 re-skilling of workers are pivotal strategies that organizations can implement to support workers.

1099 Digitalization in financial services has also decentralized labor in the sector. Outsourcing activities  
1100 could allow organizations in the insurance sector to reduce labor costs or bypass collective  
1101 agreements that are in place for employees, potentially increasing disparities between employees and  
1102 workers who are not employees (see [topic XX.14 Employment](#) and [XX.12 Freedom of association](#)  
1103 [and collective bargaining](#)).

1104 Mergers, acquisitions, and restructuring can have impacts on workers, including job insecurity, higher  
1105 job stress and workload, and increased forms of disguised employment. These changes can also lead  
1106 to mass terminations, which require compliance with consultation and notice period regulations.  
1107 Organizations can mitigate these impacts by prioritizing transparent communication, providing early  
1108 notice of operational changes, engaging with trade unions or worker representatives, and providing  
1109 support through resources and open social dialogue [148].

1110 Organizations may also be involved with impacts related to significant changes for workers through  
1111 their business relationships, such as by insuring or investing in other organizations that undergo  
1112 significant changes affecting their workers. Organizations can use their leverage to encourage  
1113 responsible practices and policies for workers across their business relationships, such as customer  
1114 engagement and investee stewardship [149].

1115 **Reporting on significant changes for workers**

1116 If the organization has determined significant changes for workers to be a material topic, this sub-  
 1117 section lists the disclosures identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<a href="#">Disclosure 3-3 Management of material topics</a> <i>Additional sector recommendations</i> <ul style="list-style-type: none"> <li>• For customer engagement and investee stewardship related to significant changes for workers, report:               <ul style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.16.1
<b>Topic Standard disclosures</b>		
<b>GRI SICH: Significant Changes for Workers (Exposure draft)</b>	<a href="#">Disclosure SICH 1 Management of significant changes for workers</a>	XX.16.2
	<a href="#">Disclosure SICH 2 Minimum consultation and notice periods</a>	XX.16.3
	<a href="#">Disclosure SICH 3 Redeployment and training</a>	XX.16.4

1118 **References and resources**

1119 [GRI SICH: Significant Changes for Workers \(exposure draft\)](#) lists authoritative intergovernmental  
 1120 instruments and additional references relevant to reporting on this topic.

1121 The additional authoritative instruments and references used in developing this topic, as well as  
 1122 resources that may be helpful for reporting on significant changes for workers by the insurance sector,  
 1123 are listed in the [Bibliography](#).

## 1124 **Topic [XX].[17] Economic impacts**

1125 **An organization's economic impacts refer to how it affects economic systems, including the**  
1126 **economic well-being of its stakeholders, through its operations, quality of products and**  
1127 **services, and business relationships at local, national, and global levels.**

1128 Organizations in the insurance sector may be involved with economic impacts through their activities,  
1129 including managing and sharing risk, investing, or through business relationships in all sectors of the  
1130 economy.

1131 The insurance sector reduces the economic impacts of shocks, enabling productive risk-taking and  
1132 investment [150]. Risk pricing also sends signals to the rest of the economy, such as potentially  
1133 avoiding disaster-prone areas that lack climate adaptation measures (see [topic XX.1 Climate](#)  
1134 [change](#)). Through risk management and investment, organizations support capital mobility, facilitating  
1135 investment, entrepreneurial activity, and job creation. In the aftermath of natural disasters, insurance  
1136 can also prevent and mitigate negative impacts on economic growth and provide stimulus years later  
1137 [151].

1138 Organizations' policies and procedures on insuring, investing, and the associated compliance  
1139 requirements for policyholders can have negative impacts related to wealth creation and distribution,  
1140 employment, and innovation [152]. For example, economies dependent on the fossil fuel sector may  
1141 experience negative economic impacts when investments are redirected to renewable energies (see  
1142 [topic XX.1 Climate change](#)) [153]. In some cases, prohibitive compliance requirements may also  
1143 affect access to insurance for geographic locations or groups, limiting further possibilities of  
1144 entrepreneurship, innovation, and sustainable economic development, which can lead to economic  
1145 and social instability [153].

1146 Business models that incorporate long-term strategies and incentive structures tied to sustainability  
1147 outcomes can support positive economic impacts, as well as a long-term approach to sustainable  
1148 development [154] (see [topic XX.23 Incorporating sustainability in investment](#)). Approaches such as  
1149 stakeholder governance, which value the perspectives of various stakeholders, can help  
1150 organizations be more aware of the trade-offs associated with their actions [155].

1151 Organizations in the insurance sector can have large, sometimes cross-border, operations that spur  
1152 positive economic impacts through their revenues and operating costs, distributed as worker salaries  
1153 and tax payments. Organizations can have impacts on the long-term economic well-being of their  
1154 workforce through the provision of retirement plans with appropriate provisions to pay for such plans in  
1155 the event of a crisis. In addition, the insurance sector can benefit from the economic impacts of  
1156 government assistance through tax credits, financial incentives, guarantees to promote public trust,  
1157 and bailouts during financial crises.

1158 Organizations' economic impacts on individuals and micro-, small, and medium-sized enterprises  
1159 (MSMEs) are reflected in financial health and inclusion (see [topic XX.5 Financial health and](#)  
1160 [inclusion](#)).

1161 **Reporting on economic impacts**

1162 If the organization has determined economic impacts to be a material topic, this sub-section lists the  
 1163 disclosures identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p><a href="#">Disclosure 3-3 Management of material topics</a>  <i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>• Describe how the policies and commitments promote sustainable economic development through the development and distribution of its:               <ul style="list-style-type: none"> <li>- products and services;</li> <li>- investments.</li> </ul> </li> <li>• For customer engagement and investee stewardship related to economic impacts, report:               <ul style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.17.1
<b>Topic Standard disclosures</b>		
<b>GRI 201: Economic Performance 2016</b>	<p><a href="#">Disclosure 201-1 Direct economic value generated and distributed</a></p>	XX.17.2
	<p><a href="#">Disclosure 201-3 Defined benefit plan obligations and other retirement plans</a>  <i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>• Report whether the organization has a fund or strategy in place to pay its pension liabilities in the event of a financial or operational crisis.</li> </ul>	XX.17.3
	<p><a href="#">Disclosure 201-4 Financial assistance received from government</a>  <i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>• Report by country the total monetary value of:               <ul style="list-style-type: none"> <li>- government guarantees;</li> <li>- government bailouts.</li> </ul> </li> </ul>	XX.17.4

1164 **References and resources**

1165 [GRI 201: Economic Performance 2016](#) lists authoritative intergovernmental instruments and  
 1166 additional references relevant to reporting on this topic.

1167 The additional authoritative instruments and references used in developing this topic, as well as  
 1168 resources that may be helpful for reporting on economic impacts by the insurance sector, are listed in  
 1169 the [Bibliography](#).

## 1170 **Topic [XX].[18] Prevention of corruption and** 1171 **financial crime**

1172 **Anti-corruption refers to how an organization manages the potential of being involved with**  
1173 **corruption. Corruption is practices such as bribery, facilitation payments, fraud, extortion,**  
1174 **collusion, money laundering, or the offer or receipt of an inducement to do something**  
1175 **dishonest or illegal. Closely related to corruption, financial crime includes various forms of**  
1176 **theft and misuse for economic gain. This topic covers the impacts of corruption and financial**  
1177 **crime.**

1178 Losses from corruption are estimated to be worth over 5% of the annual global GDP, redirecting funds  
1179 from essential public services such as education and healthcare [159]. Organizations in the insurance  
1180 sector may be involved with impacts related to corruption and financial crime through their activities or  
1181 as a result of their business relationships in all sectors of the economy.

1182 Organizations can become involved in corruption and financial crime through their connections to the  
1183 broader financial system and criminal activities targeting their customers. This can occur when  
1184 workers participate in illicit activities, such as market manipulation, exerting undue influence to attract  
1185 customers and secure business [159], or accepting illegitimate insurance claims.

1186 Organizations can be exploited to facilitate money laundering activities and funding criminal activities  
1187 [160] [161]. Organizations can address the negative impacts of money laundering by adopting greater  
1188 transparency around their financial flows and aligning with stakeholder initiatives and regulations to  
1189 combat the issue. Anti-money laundering policies generally recommend a risk-based approach to  
1190 compliance procedures, focusing efforts on high-risk criteria and avoiding unnecessary compliance  
1191 burdens on customers. Where individuals or organizations cannot feasibly fulfill onerous compliance  
1192 requirements, their access to insurance may be compromised (see [topic XX.5 Financial health and](#)  
1193 [inclusion](#)).

1194 Organizations can identify corruption and criminal activity by adopting suitable policies and  
1195 procedures incorporating the three lines of defense: management controls, risk and compliance  
1196 oversight, and independent audit assurance [162]. These measures can consider where they do  
1197 business, their customer base, products, and services, and how they obtain and retain business,  
1198 including their engagement with third parties. Further mitigation measures might be required by  
1199 regulations targeting financial crimes, including enhanced due diligence for politically exposed  
1200 persons [163].

1201 Furthermore, the sector can address the negative impacts of corruption by participating in initiatives  
1202 on anti-bribery and corruption [164]. Through customer engagement and investee stewardship,  
1203 organizations can encourage existing or prospective customers and investees to adopt robust anti-  
1204 corruption policies and practices [165].



1205 **Reporting on prevention of corruption and financial crime**

1206 If the organization has determined prevention of corruption and financial crime to be a material topic,  
 1207 this sub-section lists the disclosures identified as relevant for reporting on the topic by the insurance  
 1208 sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p><a href="#">Disclosure 3-3 Management of material topics</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>For customer engagement and investee stewardship related to the prevention of corruption and financial crime, report:               <ul style="list-style-type: none"> <li>agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.18.1
<b>Topic Standard disclosures</b>		
<b>GRI 205: Anti-corruption 2016</b>	<p><a href="#">Disclosure 205-1 Operations assessed for risks related to corruption</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>Report operations assessed for risks related to financial crime.</li> </ul>	XX.18.2
	<p><a href="#">Disclosure 205-2 Communication and training about anti-corruption policies and procedures</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>Report communication and training about policies and procedures on the prevention of financial crime.</li> </ul>	XX.18.3
	<p><a href="#">Disclosure 205-3 Confirmed incidents of corruption and actions taken</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>Report the total number and nature of incidents related to financial crime, including:               <ul style="list-style-type: none"> <li>suspicious incidents identified;</li> <li>investigated incidents;</li> <li>confirmed incidents.</li> </ul> </li> </ul>	XX.18.4

1209 **References and resources**

1210 [GRI 205: Anti-corruption 2016](#) lists authoritative intergovernmental instruments and additional  
 1211 references relevant to reporting on this topic.

1212 The additional authoritative instruments and references used in developing this topic, as well as  
 1213 resources that may be helpful for reporting on the prevention of corruption and financial crime by the  
 1214 insurance sector, are listed in the [Bibliography](#).

1215

## Topic [XX].[19] Anti-competitive behavior

1216 **Anti-competitive behavior refers to actions by an organization that can result in collusion with**  
1217 **potential competitors, abuse of dominant market position, or exclusion of potential**  
1218 **competitors, thereby limiting the effects of market competition. This can include fixing prices**  
1219 **or coordinating bids, creating market or output restrictions, imposing geographic quotas, and**  
1220 **allocating customers, suppliers, geographic areas, or product lines. This topic covers impacts**  
1221 **as a result of anti-competitive behavior.**

1222 Fair, efficient, and competitive markets provide customers with a greater choice of quality financial  
1223 products and services while maintaining a higher quality of service and more competitive pricing.  
1224 Competition is a fundamental principle for financial customer protection [166]. Organizations in the  
1225 insurance sector may be involved with impacts related to anti-competitive behavior mainly through  
1226 their activities.

1227 Organizations in the sector can breach competition laws when they share and use sensitive customer  
1228 information to inform pricing policies [167]. These practices can result in negative impacts related to  
1229 customer protection, eroding trust and confidence in the financial system and potentially resulting in  
1230 legal action against the implicated organizations. Through lobbying efforts, organizations can also  
1231 influence regulation to increase barriers to entry, further limiting competition (see [topic XX.21 Public](#)  
1232 [policy](#)).

1233 Organizations can implement policies, procedures, and functions to prevent, detect, and report anti-  
1234 trust and monopoly practices, which may be similar to those implemented for corruption and financial  
1235 crime (see [topic XX.18 Prevention of corruption and financial crime](#)). Robust global policies on anti-  
1236 trust and monopoly practices can ensure consistent application across business units and  
1237 subsidiaries. Cooperation between competitors based on an anti-competitive code of conduct can  
1238 help the sector avoid these impacts while supporting better protection against others on the  
1239 environment and people, including their human rights [167]. Additionally, specialized training for  
1240 workers on anti-competitive behavior and clear guidelines about collaboration and information  
1241 exchanges can ensure that business units are aware of and comply with relevant regulations.  
1242 Organizations may also change governance bodies, oversight processes, and internal staffing  
1243 structures to address anti-competitive behavior.

1244 **Reporting on anti-competitive behavior**

1245 If the organization has determined anti-competitive behavior to be a material topic, this sub-section  
 1246 lists the disclosures identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p data-bbox="384 521 927 555"><a href="#">Disclosure 3-3 Management of material topics</a></p> <p data-bbox="384 566 804 600"><i>Additional sector recommendations</i></p> <ul data-bbox="432 600 1222 779" style="list-style-type: none"> <li>• For customer engagement and investee stewardship related to anti-competitive behavior, report:               <ul data-bbox="480 667 1198 779" style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.19.1
<b>Topic Standard disclosures</b>		
<b>GRI 206: Anti-competitive Behavior 2016</b>	<p data-bbox="384 880 1222 947"><a href="#">Disclosure 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</a></p> <p data-bbox="384 958 804 992"><i>Additional sector recommendations</i></p> <ul data-bbox="432 992 1190 1263" style="list-style-type: none"> <li>• Describe the claims of the legal actions reported.</li> <li>• Describe the corrective measures taken in response to the legal actions for anti-competitive behavior, including:               <ul data-bbox="480 1081 1190 1263" style="list-style-type: none"> <li>- changes to governance bodies and oversight processes;</li> <li>- restructuring within management, business units, or teams;</li> <li>- training for members of governance bodies, management, and workers.</li> </ul> </li> </ul>	XX.19.2

1247 **References and resources**

1248 [GRI 206: Anti-competitive Behavior 2016](#) lists authoritative intergovernmental instruments relevant to  
 1249 reporting on this topic.

1250 The additional authoritative instruments and references used in developing this topic, as well as  
 1251 resources that may be helpful for reporting on anti-competitive behavior by the insurance sector, are  
 1252 listed in the [Bibliography](#).

1253

## Topic [XX].[20] Tax

1254 **Organizations must adhere to tax legislation and align with stakeholder expectations on sound**  
1255 **tax practices. Aggressive tax strategies can deprive governments of revenue for implementing**  
1256 **public policy and investing in public services, undermining tax compliance more broadly. Tax**  
1257 **transparency promotes trust and credibility in an organization’s tax practices and the tax**  
1258 **system. This topic covers the impacts of an organization’s tax practices and its transparency**  
1259 **in implementing them.**

1260 Tax revenue plays a crucial role in financing public goods and services, supporting social protection  
1261 systems, and facilitating investments in public infrastructure [168]. In 2023, corporate profits estimated  
1262 at USD 1 trillion were redirected to tax havens worldwide, with 25% of global offshore financial wealth  
1263 remaining untaxed [169]. Organizations in the insurance sector may be involved with tax-related  
1264 impacts through their activities and as a result of their business relationships in all sectors of the  
1265 economy.

1266 As taxpayers, organizations in the insurance sector are responsible for their tax liabilities. Therefore,  
1267 they must adhere to tax legislation to fulfill their obligations to stakeholders and meet sound tax  
1268 practice standards. The sector is expected to uphold transparency and foster collaborative  
1269 communication with tax authorities to enhance compliance and contribute to an improved tax system  
1270 [170].

1271 Where insurers operate across jurisdictions, cost allocations and transfer pricing can be employed for  
1272 tax planning. These practices may comply with laws and international treaties but can significantly  
1273 reduce government revenues, which can particularly affect low- and middle-income countries.  
1274 Organizations may also operate across many geographic locations for wider product distribution and  
1275 diversification of insurance risks. However, through international branches or captive structures,  
1276 organizations can use internal reinsurance arrangements and transfer pricing to change the tax paid  
1277 in certain jurisdictions. Transparency on revenue earned and tax payable can inform stakeholders of  
1278 insurers’ tax impacts across all geographic locations of operation. Insurance brokers can also assist  
1279 customers with captive structuring, provide sound advice on tax risks, and apply appropriate  
1280 management strategies to help ensure that these structures remain tax-compliant.

1281 Insurance premiums can include other costs, such as parafiscal charges, which can take the form of  
1282 taxes, levies, or duties and affect the affordability and access of insurance products. In such cases,  
1283 insurers can advocate for changes to these charges.

1284 Organizations can also systematically consider responsible tax practices within investment decisions  
1285 and pursue ongoing investee stewardship, as well as develop engagement strategies with various  
1286 actors, including policymakers and other stakeholders [171]. This can include requesting transparency  
1287 regarding an investee’s tax approach and payments and holding them accountable for questionable  
1288 behavior if motivated by tax.

1289 **Reporting on tax**

1290 If the organization has determined tax to be a material topic, this sub-section lists the disclosures  
 1291 identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<a href="#">Disclosure 3-3 Management of material topics</a>  <i>Additional sector recommendations</i> <ul style="list-style-type: none"> <li>• For customer engagement and investee stewardship related to tax, report:               <ul style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.20.1
<b>Topic Standard disclosures</b>		
<b>GRI 207: Tax 2019</b>	<a href="#">Disclosure 207-1 Approach to tax</a>	XX.20.2
	<a href="#">Disclosure 207-2 Tax governance, control, and risk management</a>  <i>Additional sector recommendations</i> <ul style="list-style-type: none"> <li>• Describe how the organization's tax governance and control framework addresses the tax practices of its investees.</li> </ul>	XX.20.3
	<a href="#">Disclosure 207-3 Stakeholder engagement and management of concerns related to tax</a>	XX.20.4
	<a href="#">Disclosure 207-4 Country-by-country reporting</a>	XX.20.5

1292 **References and resources**

1293 [GRI 207: Tax 2019](#) lists authoritative intergovernmental instruments and additional references  
 1294 relevant to reporting on this topic.

1295 The additional authoritative instruments and references used in developing this topic, as well as  
 1296 resources that may be helpful for reporting on tax by the insurance sector, are listed in the  
 1297 [Bibliography](#).

1298

## Topic [XX].[21] Public policy

1299 **An organization can participate in public policy development, directly or through an**  
1300 **intermediary organization, by means of lobbying or making financial or in-kind contributions**  
1301 **to political parties, politicians, or causes. While an organization can encourage the**  
1302 **development of public policy that benefits society, participation can also be associated with**  
1303 **corruption, bribery, undue influence, or an imbalanced representation of the organization’s**  
1304 **interests. This topic covers an organization’s approach to public policy advocacy and the**  
1305 **impacts that can result from the influence an organization exerts.**

1306 Organizations can exert influence directly through financial support to political parties, election  
1307 campaigns, research initiatives, and think tanks [172] or indirectly through industry alliances and  
1308 affiliated associations. Revolving door practices can cause other negative public policy impacts when  
1309 organizations hire individuals previously employed by financial regulators [173]. This influence can  
1310 significantly shape public policy on a wide range of topics, including environmental policy and  
1311 customer protection, potentially leading to regulations that favor a select few organizations. This can  
1312 result in higher barriers to entry for competitors and unfair prices for financial products [174] (see [topic](#)  
1313 [XX.19 Anti-competitive behavior](#)), with far-reaching impacts that undermine the financial stability of  
1314 the broader economy (see [topic XX.17 Economic impacts](#)).

1315 Enhancing consistency and accountability regarding lobbying efforts can mitigate negative public  
1316 policy impacts, such as reporting meetings with regulators [173] and political contributions. This  
1317 includes reporting conflicts between an organization’s stated sustainability commitments and  
1318 opposing advocacy efforts [175] and avoiding ‘astroturfing’ tactics where a special interest group  
1319 backs false grassroots support for an issue. Transparency can also prevent conflicts of interest and  
1320 enable stakeholders to assess the influence organizations have on legislative decisions, policy-  
1321 making, and regulatory approvals.

1322 Organizations can further support public policy by engaging in debates that positively shape  
1323 sustainability frameworks across all sectors. This helps create additional momentum for other sectors  
1324 to fulfill environmental and human rights commitments and additional certainty for allocating capital  
1325 [175]. As the sector takes a long-term approach to risk management, public policy engagement may  
1326 include setting agendas on long-term matters such as public health, climate adaptation, and  
1327 preparedness for natural catastrophes. Engaging responsibly with policy issues not yet publicly  
1328 discussed mitigates the risk of undue influence [176].

1329 **Reporting on public policy**

1330 If the organization has determined public policy to be a material topic, this sub-section lists the  
 1331 disclosures identified as relevant for reporting on the topic by the insurance sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p><a href="#">Disclosure 3-3 Management of material topics</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>• Describe the policy on employment and appointment of former public officials or persons formerly entrusted with special public service functions to the organization’s governing bodies.</li> <li>• Describe the policy on in-kind contributions for public officials or persons entrusted with special public service functions.</li> <li>• Describe the escalation policy for addressing misalignments between its representative associations or committees and its own public policy stance.</li> <li>• For customer engagement and investee stewardship related to public policy, report:               <ul style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.21.1
<b>Topic Standard disclosures</b>		
<b>GRI 415: Public Policy 2016</b>	<p><a href="#">Disclosure 415-1 Political contributions</a></p>	XX.21.2
<b>Additional sector disclosures</b>		
Report the resources allocated to public policy engagement, including monetary value and percentage of budgetary allocations.		XX.21.3

1332 **References and resources**

1333 [GRI 415: Public Policy 2016](#) lists authoritative intergovernmental instruments relevant to reporting on  
 1334 this topic.

1335 The additional authoritative instruments and references used in developing this topic, as well as  
 1336 resources that may be helpful for reporting on public policy by the insurance sector, are listed in the  
 1337 [Bibliography](#).



1338 **Topic [XX].[22] Public and customer health and**  
1339 **safety**

1340 **Public and customer health and safety refers to people’s ability to live in a state of physical,**  
1341 **mental, and social well-being, including feeling safe and leading a healthy life. This topic**  
1342 **covers impacts related to public and customer health and safety.**

1343 Organizations in the insurance sector may be involved with impacts related to public and customer  
1344 health and safety through their activities or as a result of their business relationships in all sectors of  
1345 the economy.

1346 Organizations in the insurance sector can reduce and prevent risks to the public and customer health  
1347 and safety by encouraging certain behaviors through product and service design and incentives. They  
1348 can also raise awareness of the risks associated with unhealthy and unsafe behaviors. For example,  
1349 organizations can design products incorporating preventive healthcare services, such as annual  
1350 health screenings, at no additional cost. An example of incentives includes offering premium  
1351 discounts for implementing safety measures, such as installing fire extinguishers and alarms [181].  
1352 These incentives should be linked to risk profiles and appropriately adapted to be accessible to all  
1353 customers. Furthermore, organizations in the insurance sector can engage with customers,  
1354 healthcare providers, and other stakeholders to promote public and customer health and safety [182].

1355 Insurance organizations also play a vital role in health and safety through disaster risk reduction. In  
1356 addition to covering liability in extreme incidents, organizations can help governments, regulators, and  
1357 communities prevent and mitigate impacts related to these threats, including wildfires, floods, and  
1358 pandemics. This support is also important for managing climate risk and mitigating its impacts [183]  
1359 (see [topic XX.1 Climate change](#)). They can also share their expertise in risk modeling and advise on  
1360 or raise awareness of possible risks [181].

1361 Insurers, particularly health insurers, provide products and services to protect customers from  
1362 unforeseen health and safety impacts. This strengthens customers’ capacity to cope with the financial  
1363 consequences of accidents, illnesses, or other incidents related to health and safety [184]. Ensuring  
1364 accessibility and affordability of products and services is key in bridging the health insurance  
1365 protection gap, particularly in geographic locations with limited or no access to national health  
1366 protection schemes. Organizations can enhance positive impacts by extending insurance coverage to  
1367 under-represented or low-income groups [185] (see [topic XX.5 Financial health and inclusion](#)).

1368 Organizations in the insurance sector can be involved with health and safety impacts through their  
1369 business relationships, such as insuring or investing in organizations that manufacture  
1370 pharmaceuticals, tobacco, or arms. Business relationships undermining health and safety can be  
1371 screened by conducting due diligence. Organizations can also drive efforts to propose and finance  
1372 actions to prevent negative impacts related to health and safety, such as initiatives or campaigns  
1373 addressing smoking or air pollution.

1374 **Reporting on public and customer health and safety**

1375 If the organization has determined public and customer health and safety to be a material topic, this  
 1376 sub-section lists the disclosures identified as relevant for reporting on the topic by the insurance  
 1377 sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	<p data-bbox="379 551 927 584"><a href="#">Disclosure 3-3 Management of material topics</a></p> <p data-bbox="379 629 799 663"><i>Additional sector recommendations</i></p> <ul data-bbox="427 678 1201 1234" style="list-style-type: none"> <li>• Describe whether and how the organization utilizes its risk expertise beyond its core business to support public and customer health and safety, including:               <ul data-bbox="475 768 1166 1014" style="list-style-type: none"> <li>- product and services design and customer incentives;</li> <li>- awareness raising on risks;</li> <li>- promotion of proactive measures in disaster risk reduction;</li> <li>- collaboration and engagement with relevant stakeholders, e.g., governments, policymakers, and <u>local communities</u>, to prevent and mitigate risks.</li> </ul> </li> <li>• For customer engagement and investee stewardship related to public and customer health and safety, report:               <ul data-bbox="523 1081 1201 1234" style="list-style-type: none"> <li>- agreed-upon targets related to customers' and investees' performance, along with metrics for evaluating progress;</li> <li>- examples of outcomes of customer engagement and investee stewardship.</li> </ul> </li> </ul>	XX.22.1

1378 **References and resources**

1379 The authoritative instruments and references used in developing this topic, as well as resources that  
 1380 may be helpful for reporting on public and customer health and safety by the insurance sector, are  
 1381 listed in the [Bibliography](#).

1382 **Topic [XX].[23] Incorporating sustainability in**  
1383 **investment**

1384 **Organizations that allocate capital through investments play an important role in shaping**  
1385 **global economics and can promote sustainable development. This topic explores how**  
1386 **organizations define and manage sustainability impacts through their asset allocation and**  
1387 **stewardship.**

1388 Through their investments, organizations in the insurance sector can be involved with the impacts of  
1389 their investees and their respective value chains on the economy, environment, and people, including  
1390 human rights [188]. Given their many investees, spanning all sectors, managing these impacts and  
1391 incorporating sustainability in investment is central to their contribution to sustainable development.

1392 Organizations in the insurance sector can contribute to sustainable development through their  
1393 investments by supporting efforts to prevent and mitigate negative impacts related to investees and  
1394 enhance positive ones [189]. This includes impacts from structuring and pricing capital, as well as  
1395 impacts of investees on stakeholders along their respective value chains. Focusing too strongly on  
1396 short-term returns can conflict with the organization's investment activities and decisions and long-  
1397 term sustainability [190].

1398 Asset owners' and managers' fiduciary duties and mandates increasingly include considerations of  
1399 the long-term implications of their investment decisions, which may contribute to broader systemic  
1400 impacts [191]. Incorporating sustainability issues into the investment process allows organizations in  
1401 the sector to assess their investments more comprehensively.

1402  
1403 Common approaches for incorporating sustainability include integrating sustainability criteria into  
1404 analysis, decision-making, and portfolio construction. This ensures a focus on investees aligned with  
1405 the organization's sustainability goals while screening out those that do not. When investees fail to  
1406 prevent or mitigate their negative impacts, or when exclusion policies necessitate it, divestment might  
1407 be employed as a further measure to uphold sustainability standards [192]. Investment strategies  
1408 such as thematic and impact investing can also play a significant role in directing capital toward  
1409 initiatives that generate positive environmental and social impacts. Additionally, organizations can  
1410 leverage their influence by engaging with stakeholders and policymakers to drive meaningful change  
1411 [192].

1412 **Reporting on incorporating sustainability in investment**

1413 If the organization has determined incorporating sustainability in investment to be a material topic, this  
 1414 sub-section lists the disclosures identified as relevant for reporting on the topic by the insurance  
 1415 sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
<b>Management of the topic</b>		
<b>GRI 3: Material Topics 2021</b>	Disclosure 3-3 Management of material topics	XX.23.1
<b>Additional sector disclosures</b>		
<p>Report whether the organization is an asset owner or asset manager, or both.</p> <p>Report whether assets are managed directly or indirectly through asset managers and, if asset managers are used, the criteria for selecting them.</p> <p>For asset managers, report:</p> <ul style="list-style-type: none"> <li>the percentage breakdown of clients by institutional and retail clients;</li> <li>whether the organization has wholesale channels.</li> </ul>		XX.23.2
<p>Report the following information about the organization’s definitions and commitments to incorporate sustainability in investment:</p> <ul style="list-style-type: none"> <li>how impacts on the economy, environment, and people are considered in determining its strategy and business model;</li> <li>its investment commitments and objectives on sustainability;</li> <li>how sustainable investment is defined, including the jurisdiction-level taxonomies or labeling regimes it applies or is subject to, where available;</li> <li>how incorporating sustainability in investment relates to fulfilling its fiduciary duties or equivalent obligations.</li> </ul>		XX.23.3
<p>Describe how the organization implements the above definitions and commitments in its approach to incorporating sustainability in investment, including:</p> <ul style="list-style-type: none"> <li>minimum standards and exclusion policies;</li> <li>how it uses sustainability-related information in investment decisions, particularly in research, valuation, and portfolio construction through methods such as norms-based, negative, and positive screening;</li> <li>how its investment objectives are linked to investment instruments with a specific sustainability focus (e.g., green bonds), with a percentage breakdown of assets under management and the criteria for specifying the instruments (e.g., ICMA guidelines);</li> <li>thematic investment and impact investment products, with a percentage breakdown of assets under management.</li> </ul>		XX.23.4
<p>Report the <u>governance bodies</u> and roles responsible for overseeing and implementing the incorporation of sustainability in investment, including:</p> <ul style="list-style-type: none"> <li>their competencies regarding sustainable development;</li> <li>the number of employees with formal responsibilities on sustainability incorporation and the percentage of these compared to the organization’s total number of employees;</li> <li>the number of employees with formal responsibilities on investee stewardship and the percentage of these compared to the organization’s total number of employees;</li> <li>how their <u>remuneration</u> policies and performance reviews align with the organization’s sustainable investment objectives and any differences in</li> </ul>		XX.23.5

incentive structures and performance reviews across teams, particularly the investment and stewardship teams.	
Describe the approach to proxy voting, including: <ul style="list-style-type: none"> <li>• the number of proxy votes cast in the last annual general meeting season;</li> <li>• the subject of proxy votes cast in the last annual general meeting season;</li> <li>• how the organization monitors the proxy voting approaches of externally managed portfolios for consistency with its approach to proxy voting</li> </ul>	XX.23.6
Describe how engagement with relevant stakeholders and experts has informed approaches to sustainability incorporation in investment.	XX.23.7

1416 **References and resources**

1417 The authoritative instruments and references used in developing this topic, as well as resources that  
1418 may be helpful for reporting on incorporating sustainability in investment by the insurance sector, are  
1419 listed in the [Bibliography](#).

1420

# Glossary

1421 This glossary provides definitions for terms used in this Standard. The organization is required to  
1422 apply these definitions when using the GRI Standards.

1423 The definitions included in this glossary may contain terms that are further defined in the complete  
1424 [GRI Standards Glossary](#). All defined terms are underlined. If a term is not defined in this glossary or in  
1425 the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

1426

- 1427 • anti-competitive behavior
- 1428 • anti-trust and monopoly practice
- 1429 • basic salary
- 1430 • benefit
- 1431 • business partner
- 1432 • business relationships
- 1433 • child
- 1434 • collective bargaining
- 1435 • conflict of interest
- 1436 • corruption
- 1437 • direct (Scope 1) GHG emissions
- 1438 • discrimination
- 1439 • due diligence
- 1440 • effluent
- 1441 • employee
- 1442 • energy indirect (Scope 2) GHG emissions
- 1443 • forced or compulsory labor
- 1444 • freedom of association
- 1445 • greenhouse gas (GHG)
- 1446 • governance body
- 1447 • hazardous waste
- 1448 • human rights
- 1449 • impact
- 1450 • indigenous peoples
- 1451 • infrastructure
- 1452 • local community
- 1453 • marketing communication
- 1454 • material topic
- 1455 • mitigation
- 1456 • occupational health and safety management system
- 1457 • other indirect (Scope 3) GHG emissions
- 1458 • political contribution
- 1459 • product and service information and labeling
- 1460 • remedy / remediation
- 1461 • remuneration
- 1462 • reporting period
- 1463 • scope of GHG emissions
- 1464 • senior executive
- 1465 • severity
- 1466 • stakeholder
- 1467 • substantiated complaint
- 1468 • supplier

- 1469 • supply chain
- 1470 • sustainable development / sustainability
- 1471 • value chain
- 1472 • vulnerable group
- 1473 • waste
- 1474 • water stewardship
- 1475 • water stress
- 1476 • water withdrawal
- 1477 • worker
- 1478 • worker representative
- 1479 • work-related hazard
- 1480 • work-related incident
- 1481 • work-related injury or ill health

Exposure draft for public comment



## 1482 Bibliography

1483 This section lists authoritative intergovernmental instruments and additional references used in  
1484 developing this Standard, as well as resources that the organization can consult.

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