Item 05 – GRI Sector Standard Project for Financial Services – Technical Committees terms of reference

For GSSB information

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<tr>
<th>Date</th>
<th>30 January 2023</th>
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<tr>
<td>Meeting</td>
<td>16 February 2023</td>
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<tr>
<td>Project</td>
<td>GRI Sector Standard Project for Financial Services</td>
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<tr>
<td>Description</td>
<td>This document sets out the terms of reference for the technical committees for the GRI Sector Standard Project for Financial Services for GSSB information.</td>
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For more information: visit the project webpage
Terms of reference

These terms of reference outline the mandate of the GRI Sector Standard Project for Financial Services Technical Committees, including their selection and appointment, primary objectives, and time commitments. The GRI Sector Standard Project for Financial Services will engage three technical committees with the following formal titles:

- Banking Technical Committee
- Insurance Technical Committee
- Capital Markets Technical Committee

The terms of reference apply to the members on each technical committee, in their role on the specific technical committee to which they have been appointed.

A committee member can be appointed to more than one technical committee. In such cases, these terms of reference will apply to their roles on multiple technical committees.

As outlined in these terms of reference, the three technical committees will be required to collaborate via a cross-sector exchange in which all technical committees are present.

Background

The Global Sustainability Standards Board (GSSB), GRI's independent standard-setting body, has identified the banking, insurance, and capital markets sectors as a priority for developing GRI Sector Standards. A Sector Standard will be developed for each sector as part of a portfolio project called the GRI Sector Standard Project for Financial Services.

The objective of sustainability reporting using the GRI Standards is to provide transparency on how an organization contributes or aims to contribute to sustainable development. The GRI Standards enable an organization to publicly disclose its most significant impacts on the economy, environment, and people, including impacts on human rights and how the organization manages these impacts.

Sector Standards provide information for organizations in a given sector about their likely material topics. Sector Standards also contain a list of disclosures for organizations to report information about their impacts in relation to each likely material topic. They are designed to enhance the global comparability and quality of information within a sector, enable greater transparency and accountability of organizations, and support informed decision-making by stakeholders.

The GRI Sector Standard Project for Financial Services aims to develop Standards that improve the sustainability reporting of banking, insurance, and capital markets organizations, making reporting comprehensive and consistent across the sectors. It will be carried out following the GSSB Due Process Protocol.

See the project proposal for more information.

Mandate of the Financial Services Technical Committees

Sector Standards are developed using multi-stakeholder expertise, authoritative intergovernmental instruments, and other relevant evidence. The technical committees will contribute their expertise to develop Sector Standards for banking, insurance, and capital markets.

The overall work of the technical committees should support sustainability reporting as promoted by the GRI Standards.
Scope of work

The technical committees will be responsible for developing Sector Standards for the banking, insurance, and capital markets sectors for the consideration of the GSSB. Within the context of the GRI Sector Program, the three sectors within the Financial Services Project are described in the project proposal.

The technical committees will be tasked with providing recommendations on:

- the context of the banking, insurance, and capital markets sectors respectively, in relation to sustainable development, including relevant Sustainable Development Goals and international instruments and agreements;
- the likely material topics for organizations in the banking, insurance, and capital markets sectors based on significant impacts on the environment, economy, and people, including human rights (that may also include financed, facilitated, or portfolio impacts);
- the description of these impacts and authoritative references that evidence these impacts;
- the disclosures from GRI Topic Standards that are relevant for organizations from the banking, insurance, and capital markets sectors to report on each likely material topic;
- the cross-sector exchange, where the technical committees will provide recommendations on the reporting approach and disclosures relevant to the impacts that organizations in these sectors have through allocating capital (through investment or debt financing). Additionally, the cross-sector exchange will aim to ensure alignment on the descriptions and reporting on other common likely material topics;
- additional reporting that is recommended for disclosure by organizations in the banking, insurance, and capital markets sectors. Additional sector reporting is only included when the Topic Standards do not provide disclosures that sufficiently reflect the impacts associated with the sectors.

The technical committees may also provide recommendations on:

- the scope, relevant sector classification identifiers, and the Sector Standard name;
- considerations that may be relevant to Sector Standards for related sectors, specifically to the sectors included in the Financial Services project; and
- revisions or updates to other GRI Standards.

Impacts identified within this project for which no GRI Standard exists will be assessed and prioritized by the GSSB for future GRI Standards development.

The technical committees will not be responsible for editing the stylistic and grammatical presentation of deliverables. The Standards Division will undertake such edits to ensure consistency with existing GRI documents. Any style recommendations made by the technical committees will be reviewed and considered by the Standards Division in-house editorial team.

Responsibilities of the Standards Division and GSSB

The Standards Division is responsible for:

- overall project management and ensuring compliance with the GSSB Due Process Protocol;
- facilitating, providing logistical support, and preparing materials for technical committee meetings;
- maintaining an online collaboration platform for the technical committees;
- engaging with the GSSB and other GRI Governance bodies;
- engaging other experts and interested parties in a peer review and on an as-needed basis;
- coordinating public exposure of the draft Sector Standards, including collecting and summarizing feedback for consideration by the technical committees;
- undertaking research to support the development of the Sector Standards; and
- drafting, editing, proofreading, and finalizing the content of the Sector Standards.
The Standards Division will draft the Sector Standards and other relevant deliverables in accordance with the recommendations of the technical committees. The Standards Division will use the Sector Standard template and apply the appropriate house rules for terminology, style, and presentation.

The GSSB approves the draft Sector Standard for public exposure and the final content of a Sector Standard through a formal voting process. The GSSB will review the drafted contents and may ask one or more of the technical committees to conduct further research and/or develop the draft recommendations. Technical committee members should be committed to supporting the revision of draft contents in addition to developing these contents. Further information on the role and authority of the GSSB can be found in the GSSB Due Process Protocol.

Additional considerations

The development of the Sector Standards is to be carried out within the existing structure and template of the GRI Standards, including preserving the hierarchy, coherence, and implementation approach of the GRI Standards. Sector Standard content must be in line with the ‘in accordance’ model outlined in *GRI 1: Foundation 2021*.

The technical committees should aim to develop topic descriptions that are clear, consistent, and focused on impacts from a sustainable development perspective. Content should also seek to be in line with key authoritative intergovernmental instruments (such as instruments of the United Nations, the International Labour Organization, and the OECD).

The discussions of the technical committees are confidential, but any recommendations made by the technical committees to the GSSB will be publicly available in accordance with the GSSB Due Process Protocol. Meeting materials are confidential and should not be shared outside the technical committees without prior permission from the Standards Division.

GRI will hold the copyright of any deliverables associated with the project.

Composition of the technical committees

It is anticipated that each sector-specific technical committee will have approximately eight members. Each technical committee will aim to have at least one person drawn from each constituency on which the membership of the GSSB is based: business enterprises, investment institutions, labor, civil society, and mediating institutions.

In addition, geographical, gender, and cultural diversity will be considered. There can only be one representative per organization in each technical committee.

<table>
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<tr>
<th>Table 1: Descriptions of constituencies represented on each Technical Committee</th>
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| **Business enterprise**  
| a) An enterprise (other than a mediating or investment institution) that has been established in order to generate a profit for the benefit of its investors or owners; or  
| b) An organization representing the collective interests of those falling into category ‘a’. |
| **Investment institution**  
| An enterprise primarily concerned with the direct or indirect, long-term investment of funds in business – including, but not limited to, asset owners, asset managers, development banks, exchanges, rating agencies, and market information brokers. |
| **Labor**  
| An organization established independently of employers and governments to represent the interests of workers. |
| **Civil society**  
| An organization established to promote or secure a public good relating to sustainability (environmental, social, and governance) that does not fall into any of the categories defined above. |
Mediating institution

An individual or organization that provides goods and/or services associated with the reporting process and benefits from doing so.

A GSSB sponsor(s) may join technical committee meetings.

**Selection criteria**

In accordance with the [GSSB Due Process Protocol](#), members of the technical committees are appointed by the GSSB. The principal criterion for selecting the technical committee is relevant knowledge and experience of a broad range of sustainable development issues for the banking, insurance, and capital markets sectors.

Members must be able to participate in technical committee meetings held in English and provide written feedback in English when requested.

In addition, the following criteria will be considered:

- relevant knowledge of sustainability reporting for the sector;
- familiarity with the needs of users of sustainability reports;
- related experience with multi-stakeholder initiatives;
- understanding of and willingness to work in a consensus-based, multi-stakeholder technical committee.

**Technical committee commitments**

Technical committee members are expected to:

- act in an individual capacity, exclusively in the public interest, and according to due process as defined in the [GSSB Due Process Protocol](#);
- review the materials provided by the Standards Division in advance of technical committee meetings in order to participate actively;
- provide timely feedback on documents or other materials distributed by the Standards Division;
- collaborate with other technical committees through the cross-sector exchange to ensure alignment across the different Financial Services Standards (banking, insurance, and capital markets) where reasonable;
- work in a manner that aims at achieving consensus.

The development of Sector Standards for banking, insurance, and capital markets is expected to take up to 30 months following the appointment of the technical committees. See the timeline included in Appendix 1.

The estimated time commitment for each technical committee member is approximately 80 hours across the entire project, including the possibility of a two-day in-person meeting. Members commit to attending approximately 40 hours of meetings and reviewing the draft Sector Standard a minimum of three times during that period. Members also commit to planning sufficient time to prepare for meetings, review other materials, and engage in supplementary content creation methods. It is estimated that this may result in up to 40 hours of time commitment across the project (excluding any necessary travel time).

Meetings and other engagement methods will vary depending on the needs of the technical committees and the project, such as the cross-sector exchange. Commonly used methods include full group meetings in person and virtually, sub-group workshops, and digital content creation platforms.

The use of these methods will also consider any travel restrictions or risk factors related to Covid-19.

Availability to travel to Amsterdam for a two-day in-person meeting in October or November 2023 is expected.
Virtual meetings are normally held between 1.00-2.30 pm Central European Time (CET), so that members in most time zones can join. This will be adjusted based on the final geographical representation of the technical committees.

Specific dates for virtual and in-person meetings will be defined based on the availability of technical committee members within the time frames indicated below. This timeline is subject to change due to, for example, members’ availability, project scope changes, and internal resourcing availability.

See appendix 1 for the proposed meeting schedule and an itemized time commitment.

Technical committee members volunteer their time. There is no fee or compensation associated with participation in a technical committee. Upon request, technical committee members will be eligible for travel and accommodation reimbursement for in-person meetings in accordance with GRI policies.

Ensuring confidentiality

Technical committee meetings are held under the Chatham House Rule: ‘When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.’

Meeting materials are confidential; they can be shared with colleagues for input, but not with outside parties without prior permission from the GRI Standards Division.

Public communications protocol

Public communication on issues related to the activities of the technical committees and the development of the GRI Standards is the responsibility of the GSSB. Technical committee members may publicly express their personal opinions and views but may not speak on behalf of the technical committee, GSSB, or GRI.

The names and biographies of members will be published on the GRI website. Members are welcome to publicize their participation and the activities of the technical committees through press releases or social media channels. Members are asked to work with the Standards Division or GRI’s communication team to coordinate any such activity ahead of time.

Technical committee members are advised to use the following when referring to their participation in this process:

'[name of member] has been appointed by the Global Sustainability Standards Board (GSSB), GRI’s independent standard-setting body, to serve on a technical committee to produce a Standard for the [banking/insurance/capital markets] sector. This work will also consider how organizations in this sector should report sustainability information with regards to their role as investors across many other sectors.'

In such communication, technical committee members will always frame their contribution and participation in relation to the specific sector for which they were selected (e.g., the banking sector and Banking Technical Committee).
Appendix 1. Proposed project timeline

To be completed prior to technical committee appointments. The commencement date of this project has not been finalized and is subject to resource availability. The following project timeline is based on the estimated project duration.

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## Appendix 2. Meeting schedule

The following table outlines the minimum number of meetings expected to occur throughout the project. Specific dates for all meetings will be defined based on the availability of technical committee members within the time frames indicated below. This timeline is subject to change due to, for example, members’ availability, project scope changes, and internal resourcing availability.

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Time commitment</th>
<th>Approximate date</th>
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<tbody>
<tr>
<td>Technical committee meeting 1 (all sector briefing and project introduction)</td>
<td>2-hour virtual meeting + 2 hours review of preparatory materials</td>
<td>May 2023</td>
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<tr>
<td>Technical committee meeting 2</td>
<td>3-hour virtual meeting + 2 hours review of preparatory materials</td>
<td>July 2023</td>
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<tr>
<td>Technical committee meeting 3 (cross-sector exchange)</td>
<td>2-day in-person (approx. 12 hours) meeting + 2 hours review of preparatory materials</td>
<td>October or November 2023</td>
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<tr>
<td>Technical committee meeting 4</td>
<td>2-hour virtual meeting + 2 hours review of preparatory materials</td>
<td>January 2024</td>
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<tr>
<td>Technical committee meeting 5 (cross-sector exchange)</td>
<td>3-hour virtual meeting + 2 hours review of preparatory materials</td>
<td>April 2024</td>
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<tr>
<td>Technical committee meeting 6</td>
<td>2-hour virtual meeting + 2 hours review of preparatory materials</td>
<td>July 2024</td>
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<tr>
<td>Sub-group meetings</td>
<td>1.5-hour virtual sub-group meeting</td>
<td>As needed</td>
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<tr>
<td>Public comment period</td>
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<td>October-December 2024</td>
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<tr>
<td>Technical committee meeting 7 (cross-sector exchange)</td>
<td>3-hour virtual meeting + 2 hours review of preparatory materials</td>
<td>March 2025</td>
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<tr>
<td>Technical committee meeting 8</td>
<td>2-hour virtual meeting + 2 hours review of preparatory materials</td>
<td>April 2025</td>
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<tr>
<td>Technical committee meeting 9</td>
<td>2-hour virtual meeting + 2 hours review of preparatory materials</td>
<td>July 2025</td>
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</table>

In addition to the meetings listed above, it is expected that the technical committees will participate in a survey following meeting 1, review the draft Sector Standard three times, twice prior to the public exposure and once following, and participate in stakeholder engagement activities during the public exposure period and support the launch of the Standard.