

1 **GRI 16: Banking Sector 2027**

Note: *This Sector Standard was approved by the GSSB at its virtual meeting on 17 September 2026. An official published version of the Standard will be made available (in English) ahead of the global launch in 2027.*

2 **EFFECTIVE DATE: 1 JANUARY 2029**
SECTOR STANDARD

GRI 16: Banking Sector 2027

Sector Standard

Effective Date

This Standard is effective for reports or other materials published on or after 1 January 2029.

Responsibility

This Standard is issued by the [Global Sustainability Standards Board \(GSSB\)](#). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process

This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability

This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

Copyright and trademark notice

This document is copyright-protected by Stichting Global Reporting Initiative (GRI). The reproduction and distribution of this document for information and/or use in preparing a sustainability report is permitted without prior permission from GRI. However, neither this document nor any extract from it may be reproduced, stored, translated, or transferred in any form or by any means (electronic, mechanical, photocopied, recorded, or otherwise) for any other purpose without prior written permission from GRI.

Global Reporting Initiative, GRI and logo, GSSB and logo, and GRI Sustainability Reporting Standards (GRI Standards) and logo are trademarks of Stichting Global Reporting Initiative.

© 2026 GRI. All rights reserved.

ISBN 978-90-8866-[NNN-N]

Content

Introduction	4
1. Sector profile	10
Sector activities and business relationships	10
The sector and sustainable development.....	12
2. Likely material topics.....	17
Disclosures on incorporating sustainability in banking and investment activities	17
Topic 16.1 Climate change.....	24
Topic 16.2 Biodiversity	29
Topic 16.3 Water and effluents	33
Topic 16.4 Waste.....	36
Topic 16.5 Financial health and inclusion	38
Topic 16.6 Customer privacy and data security	42
Topic 16.7 Marketing and labeling	45
Topic 16.8 Local communities and rights of Indigenous Peoples	48
Topic 16.9 Conflict-affected and high-risk areas	51
Topic 16.10 Non-discrimination and equal opportunity	55
Topic 16.11 Forced or compulsory labor.....	58
Topic 16.12 Child labor.....	61
Topic 16.13 Freedom of association and collective bargaining	64
Topic 16.14 Occupational health and safety	67
Topic 16.15 Employment.....	70
Topic 16.16 Remuneration and working time.....	72
Topic 16.17 Significant changes for workers.....	74
Topic 16.18 Economic impacts	76
Topic 16.19 Corruption and financial crime.....	79
Topic 16.20 Anti-competitive behavior	82
Topic 16.21 Tax.....	84
Topic 16.22 Public policy.....	86
Glossary	88
Bibliography	99

Introduction

GRI 16: Banking Sector 2027 provides information for organizations in the banking sector about their likely material topics. These topics are likely to be material for organizations in the banking sector on the basis of the sector's most significant impacts on the economy, environment, and people, including on their human rights.

GRI 16 also contains a list of disclosures for organizations in the banking sector to report in relation to each likely material topic. This includes disclosures from the GRI Topic Standards and other sources.

The Standard is structured as follows:

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

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

Sector this Standard applies to

GRI 16 applies to organizations in the banking sector undertaking any of the following:

- Consumer banking
- Commercial banking
- Corporate banking
- Investment banking
- Asset management

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

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

Sector classifications

Table 1 lists industry groupings relevant to the banking sector covered in this Standard in the Global Industry Classification Standard (GICS®) [5], the Industry Classification Benchmark (ICB) [3], the International Standard Industrial Classification of All Economic Activities (ISIC) [6], and the Sustainable Industry Classification System (SICS®) [4].¹ The table is intended to assist an organization in identifying whether GRI 16 applies to it and is for reference only.

Table 1. Industry groupings relevant to the banking sector in other classification systems

Classification system	Classification number	Classification name
GICS®	4010	Banks
	40201050	Commercial & Residential Mortgage Finance
	40201060	Transaction & Payment Processing Services
	40202010	Consumer Finance
	40203020	Investment Banking & Brokerage
ICB	3010	Banks
	30201020	Consumer Lending
	30201025	Mortgage Finance
	30202000	Diversified Financial Services
ISIC	641	Monetary intermediation
	6491	Financial leasing activities
	6495	Other credit granting activities
SICS®	FN-IB	Investment Banking & Brokerage
	FN-CB	Commercial Banks
	FN-CF	Consumer Finance
	FN-MF	Mortgage Finance

System of GRI Standards

¹ The relevant industry groupings in the Statistical Classification of Economic Activities in the European Community (NACE) [1] and the North American Industry Classification System (NAICS) [2] can also be established through available concordances with the International Standard Industrial Classification (ISIC).

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

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

Universal Standards: GRI 1, GRI 2 and GRI 3

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

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

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

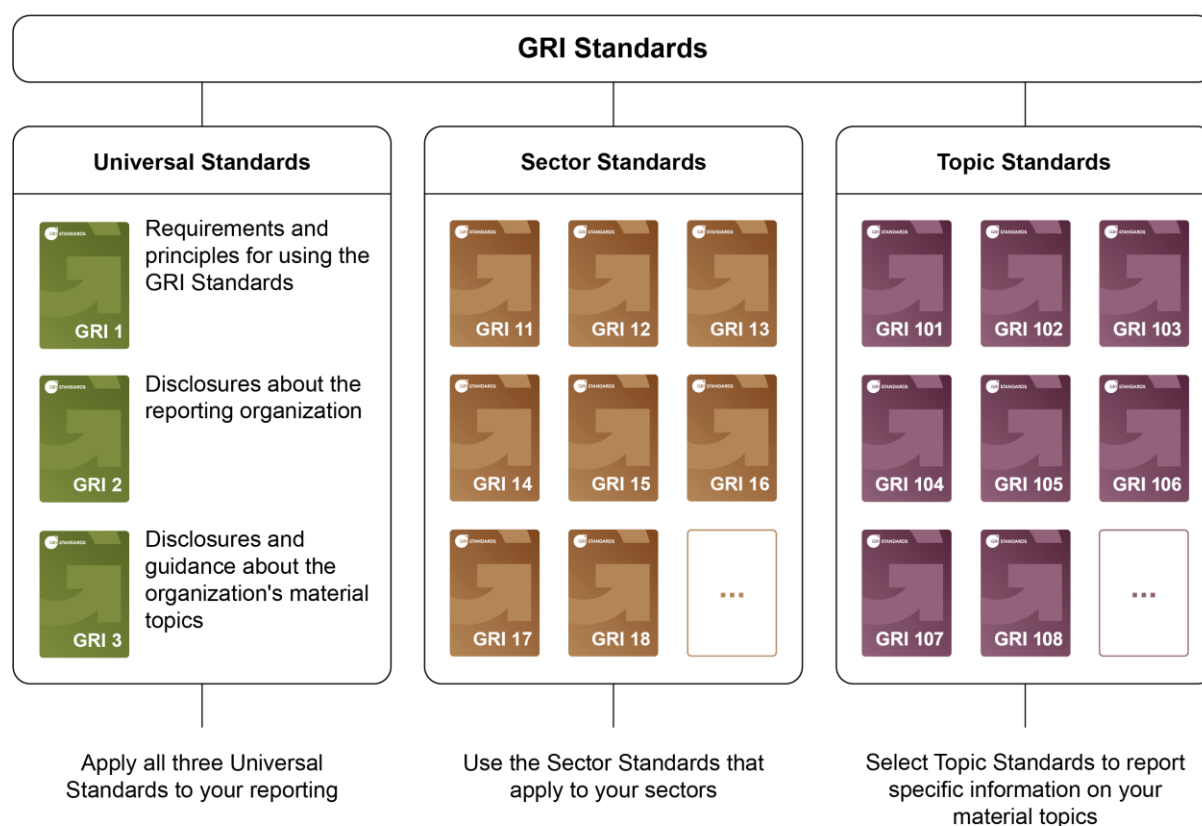
Sector Standards

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

Topic Standards

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

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



Using this Standard

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

Determining material topics

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

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

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

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

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

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

Determining what to report

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

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

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

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

The additional sector disclosures and recommendations outline further information which has been identified as relevant for organizations in the banking sector to report in relation to a topic. The organization should provide sufficient information about its impacts in relation to each material topic, so that information users can make informed assessments and decisions about the organization. For this reason, reporting these additional sector disclosures and recommendations is encouraged, however it is not a requirement. When the organization reports additional sector disclosures, it is required to list them in the GRI content index (see [Requirement 7 in GRI 1](#)).

If the organization reports information that applies to more than one material topic, it does not need to repeat it for each topic. The organization can report this information once, with a clear explanation of all the topics it covers. If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report on a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

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

GRI Sector Standard reference numbers

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

Defined terms

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

References and resources

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

Figure 2. Structure of reporting included in each topic

Reporting on local communities

If the organization has determined local community is a material topic, this section lists the disclosures that have been identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	5 SECTOR STANDARD REF #
1 Management of the topic		
GRI 3: Material Topics	Disclosure 3-3 Management of material topics Additional sector recommendations 3 - Describe the means for identifying stakeholders and engaging with local communities. - List the vulnerable groups that the organization has identified. - List any collective or individual rights that the organization has determined to be of particular concern to the local communities.⁷ - Describe the approach of the organization to engaging with vulnerable groups, including: - How it seeks to ensure engagement is meaningful, and - How it seeks to ensure safe and equitable gender participation.	11.15.1
2 Topic Standards disclosures		
GRI 413: Local Communities 2016	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities Additional sector recommendations Describe impacts on the health of local communities as a result of exposure to pollution caused by the organization's operations or use of hazardous substances.	11.15.2 11.15.3
4 Additional sector disclosures	Report the number and type of grievances filed by local communities, including: - the percentage of these grievances that were addressed and resolved, - the percentage of grievances that were resolved through remediation.	11.15.4

1 Management of the topic

The organization is required to report how it manages each material topic using [Disclosure 3-3 in GRI 3: Material Topics 2021](#).

2 Topic Standard disclosures

Disclosures from the GRI Topic Standards that are relevant to the topic are listed here. When the topic is determined by the organization as material, it is required to report these disclosures (if they are relevant to its impacts) or explain why they are not applicable in the GRI content index. See the Topic Standard for the content of the disclosure, including requirements, recommendations, and guidance.

3 Additional sector recommendations

Additional sector recommendations may be listed. These complement Topic Standard disclosures and Disclosure 3-3 with sector-specific reporting expectations. These are recommended to report, but not required.

4 Additional sector disclosures

Additional sector disclosures may be listed. Reporting these, together with any Topic Standard disclosures, ensures the organization provides sufficient information about its impacts in relation to the topic. These are recommended to report, but not required.

5 Sector Standard reference numbers

GRI Sector Standard reference numbers are required to be included in the GRI content index. This helps information users assess which of the disclosures listed in the Sector Standards are included in the organization's reporting.

1. Sector profile

Organizations in the banking sector serve as financial intermediaries, providing customers with financing to achieve their goals or expand their businesses and facilitating financial transactions across all sectors. The banking sector is a major contributor to the global economy. In 2024, the banking sector's global financial assets increased to USD 191.3 trillion, representing 38% of total global financial assets [1]. Organizations in the sector serve a diverse range of retail and institutional customers, including individuals, small- and medium-sized businesses, corporations, non-profit organizations, governments, and sovereigns. Banking organizations are licensed to receive deposits and make loans. Banking business lines are consumer, commercial, corporate, and investment banking. Additionally, organizations in the sector may offer asset management services.

The banking sector comprises various organizations serving specific customer groups across one or more business lines. Universal banking organizations provide a full range of banking services. Multilateral, bilateral, or regional development banks provide commercial banking services to private and public organizations in lower- and middle-income economies to promote economic development. These development banks are crucial for economic growth by facilitating access to capital and financial services. Other banking organizations include microfinance institutions and financial cooperatives. Microfinance institutions provide services, such as microloans, savings accounts, and financial education to low-income individuals and micro-, small-, and medium-sized enterprises (MSMEs) [14]. Financial cooperatives are owned by their members, and, like credit unions, offer traditional banking services, including checking and savings accounts, and loans.

Sector activities and business relationships

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

Activities

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

Business line activities

Consumer banking: Providing products and services to retail customers, namely deposit and savings accounts, payment services, consumer credit, leasing, and loans, including home loans.

Commercial banking: Providing products and services to small- and medium-sized organizations and local government, including deposit and savings accounts, payment services, lines of credit, and leasing and property lending.

Corporate banking: Providing products and services to large institutional customers such as corporations, non-profit organizations, governments, and sovereigns. Beyond commercial banking services, additional corporate services include project finance, leasing, trade finance, and export credit. Project finance is used to fund industrial projects and infrastructure projects such as roads, power plants, and hospitals.

Investment banking: Providing products and services to institutional customers associated with bond issuances, initial public offerings, and mergers and acquisitions.

Asset management: Managing a customer's assets to reach agreed objectives – financial and beyond – through portfolio construction, investment decision-making, active ownership, and stewardship. Risk assessment processes are implemented as part of asset management. These include screening investments by researching to evaluate organizations' financial health, governance practices, and sustainability commitments before investing. These services are generally provided to high-net-worth individuals or institutional customers.

Operational activities

Customer engagement: Using the organization's leverage with its institutional customers to influence them to prevent or mitigate negative impacts. In this context, customer engagement refers to direct interaction between the organization and the customer. It can include actions such as incorporating expectations of responsible business conduct into customer contracts or requesting time-bound action from customers to address or mitigate a particular impact.

Investee stewardship: Using investor rights and influence to protect and enhance long-term value for customers, including the common economic, social, and environmental assets on which their interests depend. Investee stewardship tools include engagement and voting. Engagement can be conducted individually or collaboratively with other asset owners or managers. Individual engagement refers to direct engagement between an organization and a current or potential investee to address responsible business conduct issues, such as engaging the investee's management to take action to prevent, mitigate, or remedy impacts. Voting comprises the formal right to vote on management or shareholder resolutions to express approval or disapproval on relevant matters.

Data protection and analysis: Collecting, storing, and analyzing customer data to offer customized banking solutions and protect data and assets from external threats. Cybersecurity is essential to protecting customer data and assets.

Product and service development: Developing new banking products and services to meet customers' evolving needs.

Sales and marketing: Promoting and selling banking products and services to customers directly or through distributors, such as agents.

Business relationships

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

Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

Investees are public and private organizations, including businesses such as corporations, governments, and sovereigns, that banking organizations invest in for a financial return on behalf of their customers or for the banking organization itself.

Distributors are organizations that provide sales channels for the banking organizations' products and services, such as agents and third-party platforms.

Suppliers are organizations that provide a range of products and services to banking organizations to run their operations. These include cleaning services, premises security, cybersecurity, IT support, insurance, and sustainability-related services, such as consultants and providers of sustainability data.

The sector and sustainable development

The banking sector plays a crucial role in supporting the overall health of the economy by facilitating transactions and providing financial services. Banking organizations equip individuals, households, and organizations with the financial resources to withstand economic shocks and invest in the future. By extending an estimated USD 46 trillion in credit annually to the real economy worldwide [12], banking organizations enable all sectors of the economy to operate, which may have positive and negative impacts on the economy, environment, and people, including on their human rights.

Banking products, such as general-purpose corporate loans or project finance, support institutional customers' activities, which can have various impacts. By assessing and disclosing impacts in their lending and investment portfolios, banking organizations can better understand the impacts of their institutional customers and investees. This information helps guide financing decisions, customer engagement, and investee stewardship activities.

The banking sector is increasingly shaped by emerging technologies, such as artificial intelligence (AI), which are transforming business models, operations, and value chains through innovations like algorithmic credit scoring, AI-enabled fraud detection, and blockchain-based payment systems. These developments can have negative impacts on the economy, environment, and people. For example, greater AI use can raise emissions linked to expanded data processing and infrastructure, and may also lead to customer discrimination when algorithms are trained on biased historical data.

The banking sector can contribute to global environmental goals, including decarbonization, climate transition, and halting nature loss by providing products and services towards activities that support the transition to a more sustainable economy. In addition, banking organizations can use their leverage to influence the efforts of their institutional customers and investees. The Paris Agreement aims to limit global warming to well below 2°C while pursuing efforts to limit it to 1.5°C above pre-industrial levels [9]. Achieving this goal requires substantial investment in low-carbon technologies, climate adaptation, resilience, and activities that safeguard the natural environment. Banking organizations have an important role to play in mobilizing and allocating capital towards these activities, alongside other enabling factors including public policy and technological innovation. Microfinance institutions serving rural areas are key for traditionally unbanked populations that are among the most vulnerable to climate change impacts. Microfinance institutions can provide financial and technical support for small and medium-sized entrepreneurs to adopt greener practices and protective measures against climate change impacts [16].

Banking organizations can support halting and reversing biodiversity loss by providing financial resources for nature-based solutions, conservation, and restoration efforts [11], including in emerging markets and developing economies [21]. The Kunming-Montreal Global Biodiversity Framework underscores the potential of leveraging private finance and investment in biodiversity, and mandates that large financial services organizations assess and disclose their impacts on biodiversity. Development banks can play a central role in attracting private-sector investment to emerging markets and developing economies by leveraging their financial strength to mitigate risks that might otherwise deter private investors. They are critical for mobilizing capital for climate change mitigation and adaptation, halting biodiversity loss, and supporting economic recovery in conflict contexts [19].

Organizations in the banking sector are responsible for respecting human rights [8]. As employers, banking organizations can have impacts on their employees and non-employee workers through remuneration, working time, and hiring practices. Issues such as excessive workloads, unequal remuneration, and discrimination can have an impact on workers' rights. By providing banking services across the economy, banking organizations can have both negative and positive impacts on workers across all sectors. Banking organizations can become involved with negative impacts by providing products and services to organizations in sectors at risk of severe human rights violations. Organizations in the sector are expected to identify and assess negative human rights impacts across their business relationships and take steps to prevent and mitigate them. Activities such as infrastructure projects financed by the banking sector can result in the economic displacement of Indigenous Peoples and local communities [22]. These projects can also create positive impacts, such as job creation and housing development, boosting local economies and supporting production across different sectors, for example, through road construction [15].

Organizations in the sector, including microfinance institutions, are central to financial health and inclusion. Through appropriate design and ethical marketing and labeling practices that provide fair and

transparent information, banking products and services can improve financial health and inclusion and promote healthy and inclusive economies when targeted at vulnerable or underserved groups, such as low-income households, people in rural areas, or micro-, small-, and medium-sized enterprises (MSMEs). Access to affordable and suitable banking products and services can have positive impacts on individual financial health by facilitating home ownership or education investments, reducing inequalities, and promoting economic development [23].

The banking sector can further contribute to a fair society by playing a unique role in combating corruption, bribery, and financial crime. This involves compliance with strict regulations and frameworks, such as those for anti-money laundering (AML) and combating the financing of terrorism (CFT), which help detect and report suspicious activities. By incorporating ongoing human rights considerations into such procedures, banking organizations can identify and prevent negative human rights impacts, for instance, by flagging suspicious transactions potentially linked to proceeds from forced or compulsory labor to relevant authorities [18].

Banking organizations have a responsibility to promote and maintain customer protection. Good customer protection in the sector involves a multi-faceted approach, including protecting customers from cybercrime, data breaches, and scams that can result in the loss of private data or assets [7] [20].

Sustainable Development Goals

The Sustainable Development Goals (SDGs), part of the 2030 Agenda for Sustainable Development adopted by the 193 United Nations (UN) member states, comprise the world's comprehensive plan of action for achieving sustainable development [10].

Since the SDGs and targets associated with them are integrated and indivisible, organizations in the banking sector have the potential to contribute to all SDGs by enhancing their positive impacts, or by preventing and mitigating their negative impacts on the economy, environment, and people. Through the provision of products and services to customers in all sectors of the economy, the sector may be associated with all SDGs to some degree, although its contribution to specific goals is more evident than others.

The banking sector is central to other economic sectors and is crucial in building a more resilient and sustainable economic model. By directing financial flows towards activities related to the sustainable use of nature and limiting climate change, the sector can contribute to Goal 6: Clean Water and Sanitation, Goal 7: Affordable and Clean Energy, Goal 13: Climate Action, Goal 14: Life Below Water, and Goal 15: Life on Land, among others.

Banking organizations can ensure that economic growth benefits a broader spectrum of society through responsible lending practices and financial inclusion initiatives, thereby reducing inequality and promoting social stability, contributing to SDGs such as Goal 5: Gender Equality and Goal 10: Reduced Inequalities. By providing inclusive, affordable, and appropriate banking products and services, the sector can also contribute to Goal 9: Industry, Innovation and Infrastructure and Goal 11: Sustainable Cities and Communities, enabling adequate, safe, and affordable housing. The sector plays a fundamental role in achieving Goal 8: Decent Work and Economic Growth. By providing essential financial services, banking organizations facilitate the flow of capital to individuals and organizations, enabling entrepreneurship, innovation, and industrialization. The sector can support micro-, small-, and medium-sized enterprises (MSMEs) through tailored banking products and services, helping these organizations expand and create jobs.

A fair, efficient, and competitive banking sector provides customers with a broader choice of quality banking products and services while maintaining a high quality of service. Through strong governance and management systems that prevent anti-competitive behavior, corruption, and financial crime, the banking sector can also contribute to Goal 16: Peace, Justice, and Strong Institutions.

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

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

Table 2. Linkages between the likely material topics for the banking sector and the SDGs

Likely material topic	Corresponding SDGs
Topic 16.1 Climate change	Goal 1: No Poverty
	Goal 3: Good Health and Well-being
	Goal 5: Gender Equality
	Goal 7: Affordable and Clean Energy
	Goal 8: Decent Work and Economic Growth
	Goal 11: Sustainable Cities and Communities
	Goal 13: Climate Action
	Goal 14: Life Below Water
	Goal 15: Life on Land
	Goal 17: Partnerships for the Goals
Topic 16.2 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 16.3 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 16.4 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 14: Life Below Water
	Goal 15: Life on Land
Topic 16.5 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 16.6 Customer privacy and data security	Goal 16: Peace, Justice and Strong Institutions
Topic 16.7 Marketing and labeling	Goal 12: Responsible Consumption and Production
	Goal 16: Peace, Justice and Strong Institutions

Topic 16.8 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
	Goal 16: Peace, Justice and Strong Institutions
Topic 16.9 Conflict-affected and high-risk areas	Goal 8: Decent Work and Economic Growth
	Goal 16: Peace, Justice and Strong Institutions
Topic 16.10 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 16.11 Forced or compulsory labor	Goal 8: Decent Work and Economic Growth
	Goal 16: Peace, Justice and Strong Institutions
Topic 16.12 Child labor	Goal 8: Decent Work and Economic Growth
	Goal 16: Peace, Justice and Strong Institutions
Topic 16.13 Freedom of association and collective bargaining	Goal 8: Decent Work and Economic Growth
	Goal 16: Peace, Justice and Strong Institutions
Topic 16.14 Occupational health and safety	Goal 3: Good Health and Well-being
	Goal 8: Decent Work and Economic Growth
Topic 16.15 Employment	Goal 5: Gender Equality
	Goal 8: Decent Work and Economic Growth
	Goal 10: Reduced Inequalities
Topic 16.16 Remuneration and working time	Goal 5: Gender Equality
	Goal 8: Decent Work and Economic Growth
	Goal 10: Reduced Inequalities
Topic 16.17 Significant changes for workers	Goal 8: Decent Work and Economic Growth
	Goal 16: Peace, Justice and Strong Institutions
Topic 16.18 Economic impacts	Goal 1: No Poverty
	Goal 2: Zero Hunger
	Goal 5: Gender Equality
	Goal 8: Decent Work and Economic Growth
	Goal 9: Industry, Innovation and Infrastructure
	Goal 10: Reduced Inequalities
	Goal 17: Partnerships for the Goals
Topic 16.19 Corruption and financial crime	Goal 10: Reduced Inequalities
	Goal 16: Peace, Justice and Strong Institutions

	Goal 17: Partnerships for the Goals
Topic 16.20 Anti-competitive behavior	Goal 10: Reduced Inequalities
	Goal 16: Peace, Justice and Strong Institutions
Topic 16.21 Tax	Goal 1: No Poverty
	Goal 10: Reduced Inequalities
	Goal 17: Partnerships for the Goals
Topic 16.22 Public policy	Goal 13: Climate Action
	Goal 16: Peace, Justice and Strong Institutions
	Goal 17: Partnerships for the Goals

2. Likely material topics

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

Disclosures on incorporating sustainability in banking and investment activities

GRI 16: Banking Sector 2027 includes disclosures on how organizations can incorporate sustainability across their banking and investment activities, providing important contextual information on their likely material topics.

Sustainability can be incorporated into banking activities through the use of relevant criteria and customer-impact information in decision-making, as well as through the development of sustainability-focused products and services. In investment, sustainability can be incorporated through analysis, portfolio construction, and decision-making, as well as through stewardship approaches such as engagement with investees, proxy voting, and dialogue with relevant actors and experts.

Through due diligence on institutional customers and investees, the organization can address negative impacts associated with banking and investment activities. This can inform the organization's sustainability policies, screening approaches, capital allocation, and stakeholder engagement. Where necessary, this may lead to the escalation or termination of business relationships when institutional customers or investees fail to prevent or mitigate their negative impacts.

The additional sector disclosures in this section complement *GRI 3: Material Topics 2021* (Disclosures 3-1 and 3-3) on identifying and managing actual and potential impacts across activities, business relationships, and material topics.

Box 1. Banking organizations' involvement with the negative impacts of institutional customers and investees

Organizations in the banking sector are expected to identify actual and potential negative impacts on the economy, environment, and people, including on human rights, across their activities and business relationships, including those beyond the first tier, and assess how they may be involved with these impacts. This includes assessing the negative impacts from institutional customers, investees, and those in their value chains [29] [30] [31] [33] [34] [32].

Banking organizations can be involved with the negative impacts of their institutional customers and investees by contributing to those impacts or, where their operations, products, or services are directly linked to the negative impacts through their business relationships [35]^[OBJ]. The nature of this involvement determines how the organization is expected to 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](#)).

For general-purpose loans, in the absence of effective conditions or limitations, banking organizations can be involved with all the negative impacts of their institutional customers, including impacts in the value chain beyond the first tier, as these loans finance an institutional customer's general activities [30]. In project and asset finance transactions, where proceeds are circumscribed, banking organizations can be involved in negative impacts related to the funded project or asset [31].

Factors that may be used to determine whether a banking organization is contributing to an institutional customer's or investee's negative impact include:

- whether the banking organization is incentivizing the harm;
- whether the banking organization is facilitating the harm;
- the quality of the banking organization's due diligence processes [35].

For example, a banking organization would likely contribute to a negative impact if it knew, or should have known, of potential human rights violations associated with an institutional customer or investee, but failed to require, encourage, or support the prevention or mitigation of the impact.

Even if a banking organization has not contributed to a negative impact, the impact may still be directly linked to its operations, products, or services through a business relationship. For example, this can occur when a bank is part of a syndicated finance arrangement for an infrastructure project that displaces local communities without meaningful stakeholder engagement, despite prior agreements by the customer leading the project to conduct such engagement [35]. Or, where a bank provides financing to a computer manufacturer that, through relationships in its supply chain, is involved with negative impacts related to the presence of armed groups at mine sites where materials used in its products are extracted.

A banking organization's involvement with a negative impact can change over time. If it identifies, becomes aware, or should have known of a negative impact directly linked to its operations, products, or services through a business relationship and fails to take adequate steps to seek to prevent or mitigate the impact, its inaction may allow the impact to continue and, therefore, contribute to it.

Disclosures on incorporating sustainability in banking

These additional sector disclosures cover consumer, commercial, corporate, and investment banking. See [section 1](#) in this Standard for more information on these activities. These disclosures should be reported for an organization's institutional customers, unless stated otherwise.

Additional sector disclosures	SECTOR STANDARD REF. NO.
Banking customer types: Report the percentage breakdown of customer ² types and how they are defined, including all types of institutional ³ and retail customers.	16.0.1
Lending portfolio: Report the total monetary value of the organization's lending portfolio at the end of the <u>reporting period</u> , and a percentage breakdown of this total by: - customer types (see 16.0.1); - sectors, including the public sector, and the sector classification system used; - geographic locations; - low-, middle-, and high-income countries, and report the definition used for this.	16.0.2
Process to identify and assess impacts from institutional customers: Describe the process to identify and assess actual and potential <u>impacts</u> from institutional customers, including: - how the process differs by relevant categories, including sector, geographic location, customer type, transaction type, and transaction size; - how often the process is carried out, and the rationale for that frequency; - how the organization assesses its involvement with the actual and potential negative impacts of its institutional customers (see Box 1 in this Standard).	16.0.3

² 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 or consumers) and institutional customers (business-to-business customers). In the sector, micro-, small-, and medium-sized enterprises (MSMEs) are often grouped with retail customers.

³ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

Material topics associated with institutional customers: List the organization's <u>material topics</u> that are material as a result of the <u>impacts</u> of institutional customers. Describe the approach to identify, assess, and manage connections and trade-offs between these material topics. Describe examples of trade-offs encountered between material topics and how the trade-offs were managed.	16.0.4
Policies and implementation: Describe the organization's policies, commitments, and definitions for incorporating sustainability into banking, including: • minimum standards and exclusions; • how sustainability-focused products and services are defined, including the regional or national taxonomies it applies or is subject to. Describe how the organization implements its policies, commitments, and definitions, including: • how they are integrated into banking products and services; • how information on actual and potential impacts of institutional customers is integrated into decision-making for the provision of new and existing products and services. List the sustainability-focused products and services, categorized by focus area.	16.0.5
Governance and functions for sustainability in banking: Report the <u>governance bodies</u> and functions throughout the organization that are responsible for incorporating sustainability in banking, including: • their relevant collective knowledge, skills, and experience; • how <u>remuneration</u> policies and performance reviews for the individuals in those governance bodies and functions reflect their sustainability responsibilities.	16.0.6
Engagement with institutional customers on sustainability: Describe the approach to engagement with institutional customers on sustainability topics, including: • topics selected for engagement; • criteria for selecting institutional customers for engagement; • practices, including collective and direct engagement, and how these differ by relevant categories, such as customer type and transaction size; • how direct engagement with institutional customers is defined; • the number of institutional customers directly engaged; • how the engagement approach is reviewed when actions to address negative impacts are ineffective, including the escalation processes and changes to products and services.	16.0.7
Data collection on impacts from institutional customers: Describe the organization's approach to collecting data on impacts from institutional customers to incorporate sustainability in banking, including: • whether and what primary data from institutional customers is collected; • whether and how third-party data is used, including from data providers and stakeholders; • how data gaps are addressed, including the use of proxies and estimates; • limitations of third-party data and their effect on banking decisions; • actions taken to improve data quality.	16.0.8
Engagement with relevant actors:	16.0.9

Describe the approach to engagement with relevant actors on incorporating sustainability in banking, including: • a list of relevant actors, such as experts, bodies, or initiatives engaged, including policymakers, standard-setters, and industry associations; • practices used, including public consultation and direct engagement; • topics covered; • desired outcomes of the engagement and how the outcomes are monitored. Describe how the engagement with relevant actors informs and aligns with the organization's policies and commitments for incorporating sustainability into banking.	
---	--

401 **Disclosures on incorporating sustainability in investment**

402 These additional sector disclosures cover asset management. See [section 1](#) in this Standard for more
403 information on this activity.

Additional sector disclosures	SECTOR STANDARD REF. NO.
Asset manager selection and investment customer types: Report whether assets are managed by the organization or externally through asset managers and, if asset managers are used, the criteria for selecting and monitoring them. For asset management activities, report: • the percentage breakdown of customer types and how they are defined, including all types of institutional⁴ and retail customers; • whether the organization has wholesale channels.⁵	16.0.10
Assets under management: Report the total monetary value of assets under management⁶ at the end of the <u>reporting period</u>, and a percentage breakdown of this total by: • asset classes; • sectors, including the public sector, and report the sector classification system used; • geographic locations; • low-, middle-, and high-income countries, and report the definition used for this; • passively and actively managed assets. Report the share of the total monetary value of assets under management outsourced to external managers, in the following ranges: less than 20%, 20-50%, and more than 50%. Report the investment threshold used by the organization for reporting the breakdown of assets under management.	16.0.11
Process to identify and assess impacts from investees:	16.0.12

⁴ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

⁵ Wholesale channels include distributors, such as advisors or platforms, that purchase products from the organization in bulk and sell them to retail customers.

⁶ Assets under management (AUM) refers to the total market value of all assets that an organization or financial institution manages on behalf of its customers. 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.

Describe the process to identify and assess actual and potential impacts from investees at the individual investment level, including: • how the process differs by relevant categories, including asset class and investment size; • how often the process is carried out and the rationale for that frequency; • how the organization assesses its involvement with the actual and potential negative impacts of its investees (see Box 1 in this Standard).	
Material topics associated with investees: List the organization's <u>material topics</u> that are material as a result of investees' impacts. Describe the approach to identify, assess, and manage connections and trade-offs between these material topics. Describe examples of trade-offs encountered between material topics and how the trade-offs were managed.	16.0.13
Strategy and commitments: Describe the following information about the organization's strategy and definitions related to incorporating sustainability in investment: • how impacts on the economy, environment, and people are considered in its investment strategy and business model; • how it relates to fulfilling the organization's fiduciary duties or equivalent obligations; • minimum standards and exclusion policies; • how sustainable investment is defined, including any regional or national taxonomies, or labeling regimes it applies or is subject to. Report the organization's commitments, objectives, and targets related to sustainability in investment, including: • the timelines over which they apply; • how they are set.	16.0.14
Implementation of strategy and commitments: Describe how the organization implements its strategy and commitments related to sustainability in investment, including: • how sustainability-related information is used in investment processes, including research, valuation, structuring, screening approaches, and portfolio construction; • how its sustainable investment objectives are achieved through impact investments; • how its sustainable investment objectives are achieved through sustainability-related thematic investments; • how its sustainable investment objectives are achieved through other investment instruments^{7, [OBJ]} and the criteria used to define these^{8,9}; • how information on actual and potential impacts of investees is integrated into decision-making for new and existing investments. Report the percentage breakdown of the total monetary value of assets under management at the end of the reporting period allocated to:	16.0.15

⁷ Examples of investment instruments with a specific sustainability focus include green, climate, and social bonds.

⁹ Examples of criteria for specifying investment instruments with a specific sustainability focus include the International Capital Market Association Principles and the Climate Bonds Standard.

• impact investments; • sustainability-related thematic investments; • other investment instruments with a specific sustainability focus.	
Governance and functions for sustainability in investment: Report the <u>governance bodies</u> and functions throughout the organization that are responsible for incorporating sustainability in investment, including: • their relevant collective knowledge, skills, and experience; • the number of full-time equivalent (FTE) <u>employees</u> responsible for incorporating sustainability in investment and for investee stewardship; • how <u>remuneration</u> policies and performance reviews for the individuals in those governance bodies and functions relate to the organization's sustainable investment objectives, and any differences in incentive structures and performance reviews across functions, particularly investment and stewardship.	16.0.16
Investee stewardship on sustainability: Describe the approach to investee stewardship on sustainability topics, including: • topics selected for stewardship; • criteria for selecting investees for stewardship; • practices used, including collective and direct engagement, and how they differ by relevant categories, such as asset class and investment size; • how direct engagement with investees is defined; • the number of investees directly engaged; • how the stewardship approach is reviewed when actions taken to address negative impacts are ineffective, including escalation processes and changes to capital allocated; • how the organization monitors stewardship approaches for externally managed assets to ensure alignment with its own approach.	16.0.17
Proxy voting on sustainability topics: Describe the approach to proxy voting on sustainability topics, including: • policies and guidelines for proxy voting; • the approach to managing and monitoring proxy advisors;¹⁰ • the topics of votes cast during the reporting period; • the rationale for voting decisions, with links where publicly available; • whether and how voting outcomes inform adjustments to investment or stewardship approaches; • the approach to shareholder resolutions, including whether resolutions are filed or co-filed, the topics addressed, and how they align with the broader stewardship and proxy voting strategy; • how proxy voting approaches for externally managed assets are monitored for alignment with the organization's approach. Report the percentage of eligible proxy votes that were cast during the reporting period.	16.0.18

¹⁰ Proxy advisors provide investors with extensive research, data, analysis, peer-comparative information, and voting recommendations. Proxy advisors can also support with processing, tracking, and transmitting voting ballots.

Data collection on impacts from investees: Describe the approach to collecting data about impacts from investees to inform investment decisions, including: • whether and what primary data is collected; • whether and how third-party data is used, including from data providers and <u>stakeholders</u>; • how data gaps are addressed, including the use of proxies and estimates; • limitations of third-party data and their effect on investment decisions; • actions taken to improve data quality.	16.0.19
Engagement with relevant actors: Describe the approach to engagement with relevant actors on incorporating sustainability in investment, including: • a list of relevant actors, such as experts, bodies, or initiatives engaged, including policymakers, standard-setters, and industry associations; • practices used, including public consultation and direct engagement; • topics covered; • desired outcomes of the engagement and how the outcomes are monitored; Describe how the engagement with relevant actors informs and aligns with the organization's policies and commitments for incorporating sustainability in investment.	16.0.20

Topic 16.1 Climate change

Climate change refers to long-term shifts in the climate system, primarily driven by greenhouse gas (GHG) emissions from human activities. Organizations contribute to climate change, particularly through non-renewable energy consumption across the value chain, and are responsible for mitigating and adapting to its impacts, including by developing transition and adaptation plans aligned with just transition principles. This topic covers GHG emissions, energy consumption, actions taken to mitigate and adapt to climate change, and impacts on workers, local communities, and Indigenous Peoples.

Climate change requires actions that strengthen resilience and address vulnerability to impacts while aiming to limit global warming to 1.5°C above pre-industrial levels [40]. Organizations in the banking sector may be involved with climate change impacts through their activities and as a result of their business relationships in all sectors of the economy.

Aligning financial flows with low greenhouse gas (GHG) emission pathways and climate-resilient development requires banking organizations to assess the consistency of their products, services, and investments with the internationally agreed climate goals under the Paris Agreement [41]. In this context, organizations need to develop transition and adaptation plans. This includes integrating climate impacts, risks, and opportunities, including those related to biodiversity and people [45], across value chains and into lending and investment decisions [41].

The banking sector can support the transition to a low-carbon economy by providing products and services that enable institutional customers and investees to reduce GHG emissions, implement credible transition strategies, and phase out fossil fuels. Organizations in the sector support capital mobilization towards renewable energy, low-emissions technologies, and other transition-enabling investments, while redirecting finance away from new or expanded oil, coal, and gas projects, including liquefied natural gas (LNG), and supporting the decarbonization of emissions-intensive sectors where viable transition pathways exist [42]. Organizations can also support mitigation efforts by engaging institutional customers and investees in GHG emissions-intensive sectors to adopt science-based transition plans and GHG emissions reduction targets aligned with the latest science and internationally agreed climate goals [34] [48]. They can link product interest rates to emissions performance and engage with industry associations, regulators, and policymakers to support the transition to a low-carbon economy [47].

Organizations in the banking sector can contribute to climate adaptation and resilience by providing financing for climate solutions [46], including climate change-resilient infrastructure, cooling systems, and activities safeguarding the natural environment, such as biodiversity restoration (see [topic 16.2 Biodiversity](#)). They can engage institutional customers and investees to understand and support their adaptation needs and assess sectors and activities exposed to current and future climate risks that are more likely to harm people and the environment [41], particularly in geographic locations most vulnerable to climate change. Banking organizations, including those offering microfinance, can develop products that foster adaptation and resilience, such as loans that incentivize adaptation measures [49]. These products should also consider the needs of vulnerable groups, such as women in indigenous, rural, and low-income communities (see [topics 16.5 Financial health and inclusion](#) and [16.8 Local communities and rights of Indigenous Peoples](#)) [50].

Organizations in the sector can support a fair and inclusive transition to a low-carbon economy by developing policies and criteria for assessing the transition plans of institutional customers and investees in GHG emissions-intensive sectors. They should also consider the impacts of the plans on workers (see [topics 16.15 Employment](#) and [16.17 Significant changes for workers](#)), local communities, and Indigenous Peoples (see [topic 16.8 Local communities and rights of Indigenous Peoples](#)). Impacts can be positive, such as new skill sets provided to workers that lead to improved social and economic opportunities, or negative, such as changes that increase the severity or likelihood of adverse human rights impacts [43]. Managing these impacts in a way that is fair and inclusive contributes to a just transition.

The primary focus of GHG emissions accounting for organizations in the sector is Scope 3 Category 15, as most of the sector's GHG footprint stems from emissions attributable to lending, investing, and facilitating capital market transactions for GHG emissions-intensive sectors. Organizations can set short-, medium-, and long-term GHG emissions reduction targets and track and report their progress against those targets [44].

459 Reporting on climate change

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

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> • Report the goals and targets for providing products and services to institutional ¹¹~~GOJ~~ and investing in organizations that undertake climate change <u>mitigation</u> and adaptation activities. • For customer engagement and investee stewardship related to climate change, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.1.1
Topic Standard disclosures		
GRI 102: Climate Change 2025	Disclosure 102-1 Transition plan for climate change mitigation <i>Additional sector recommendations</i> • When reporting transition plan-related policies, include: - policies for providing products and services to, and investing in, organizations that undertake new or expand existing oil, gas, and coal projects; - policies for managing the early retirement of oil-, gas-, and coal-related assets of institutional customers and investees; - policies for providing products and services to, and investing in <u>GHG</u> emissions-intensive sectors,^[GOJ] other than oil, gas, and coal, and a breakdown by sector; - any products, services, investments, and business relationships excluded from the transition plan-related policies, and the rationale for these exclusions. • Describe the policies to evaluate the transition plans of institutional customers and investees, including: - which sectors and customer types the policies apply to; - the criteria to assess the quality of the transition plan in line with the latest scientific evidence on limiting global warming; - the criteria to assess just transition principles in the transition plan.	16.1.2

¹¹ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

	Disclosure 102-2 Climate change adaptation plan <i>Additional sector recommendations</i> - Describe the policies for providing products, services, and investments related to climate change adaptation and resilience, including those: - aimed at <u>mitigating</u> the physical effects of climate change; - aimed at <u>remediating</u> the physical effects of climate change; - that lead or could lead to <u>impacts</u> on <u>workers</u>, local communities, <u>Indigenous Peoples</u>, and biodiversity. - Describe how the organization assesses the impacts on people and the environment associated with the climate change-related risks of institutional customers and investees.	16.1.3
	Disclosure 102-4 GHG emissions reduction targets and progress <i>Additional sector recommendations</i> - When reporting the short-, medium-, and long-term GHG emissions reduction targets for <u>Scope 3</u> Category 15, include: - targets that apply to the oil, gas, and coal sectors; - targets that apply to other GHG emissions-intensive sectors; - actions taken or planned to expand target coverage across all sectors; - any products, services, and investments excluded from these targets, and the rationale for any exclusions. - Report the monetary value of the lending portfolio at the end of the <u>reporting period</u>, and the percentage of its total value, allocated to institutional customers that the Scope 3 Category 15 targets apply to, and a breakdown by sector. - Report the monetary value of the investment portfolio at the end of the reporting period, and the percentage of its total value, allocated to investees that the Scope 3 Category 15 targets apply to, and a breakdown by sector. - When reporting the progress towards Scope 3 Category 15 targets, include: - targets that apply to oil, gas, and coal sectors; - targets that apply to other GHG emissions-intensive sectors; - whether progress towards targets resulted from decarbonization initiatives or from changes in portfolios. - Report whether an independent third party has validated Scope 3 Category 15 targets and related progress.	16.1.4
	Disclosure 102-5 Scope 1 GHG emissions	16.1.5
	Disclosure 102-6 Scope 2 GHG emissions	16.1.6
	Disclosure 102-7 Scope 3 GHG emissions <i>Additional sector recommendations</i> - When reporting Scope 3 Category 15 emissions, include: - both financed and facilitated emissions; - total financed emissions, and a breakdown of this total by asset class and sector; - total facilitated emissions, and a breakdown of this total by facilitation activity and sector. - Report the monetary value of the lending portfolio at the end of the reporting period, and the percentage of its total value, allocated to institutional customers covered in Scope 3 Category 15 calculations.	16.1.7

	Report the monetary value of the investment portfolio at the end of the reporting period, and the percentage of its total value, allocated to investees covered in Scope 3 Category 15 calculations.	
	Disclosure 102-8 GHG emissions intensity <i>Additional sector recommendations</i> Report GHG emissions intensity ratio(s) for Scope 3 Category 15, including the gross GHG emissions in metric tons of <u>CO₂ equivalent</u> (the numerator) and the organization-specific metric (the denominator).	16.1.8
	Disclosure 102-10 Carbon credits	16.1.9
Additional sector disclosures		
	Institutional customers and investees in GHG emissions-intensive sectors: Report the monetary value of the lending portfolio at the end of the reporting period, and the percentage of its total value, allocated to institutional customers that: - operate in the oil, gas, and coal sectors, and a breakdown by sector; - received products and services for new or expansion projects related to oil, gas, and coal sectors, and a breakdown by geographic location; - operate in other GHG emissions-intensive sectors, and a breakdown by sector. Report the monetary value of the investment portfolio at the end of the reporting period, and the percentage of its total value, allocated to investees that: - operate in the oil, gas, and coal sectors, and a breakdown by sector; - received investments for new and expansion projects related to the oil, gas, and coal sectors, and a breakdown by geographic location; - operate in other GHG emissions-intensive sectors, and a breakdown by sector.	16.1.10
	Institutional customers and investees with transition plans: Report the monetary value of the lending portfolio at the end of the reporting period, and the percentage of its total value, allocated to institutional customers with both transition plans and gross GHG emissions reduction targets, and a breakdown by sector. Report the monetary value of the investment portfolio at the end of the reporting period, and the percentage of its total value, allocated to investees with both transition plans and gross GHG emissions reduction targets, and a breakdown by sector.	16.1.11
	Institutional customers' and investees' transition plans aligned with just transition principles: Report the monetary value of the lending portfolio at the end of the reporting period, and the percentage of its total value, allocated to institutional customers that have transition plans aligned with just transition principles. Report the monetary value of the investment portfolio at the end of the reporting period, and the percentage of its total value, allocated to investees that have transition plans aligned with just transition principles.	16.1.12
	Institutional customers and investees with climate change mitigation and adaptation activities: Report the monetary value of the lending portfolio at the end of the reporting period, and the percentage of its total value, allocated to institutional customers that: - undertake renewable energy projects, and a breakdown by geographic location; - undertake other climate change mitigation activities, and a breakdown by sector and geographic location;	16.1.13

• undertake climate change adaptation activities, and a breakdown by sector and geographic location. Report the monetary value of the investment portfolio at the end of the reporting period, and the percentage of its total value, allocated to investees that: • undertake renewable energy projects, and a breakdown by geographic location; • undertake other climate change mitigation activities, and a breakdown by sector and geographic location; • undertake climate change adaptation activities, and a breakdown by sector and geographic location. Report the taxonomies and definitions that the organization uses to classify climate change mitigation and adaptation activities.	
---	--

References and resources

[GRI 102: Climate Change 2025](#) lists authoritative intergovernmental instruments, additional references, and resources relevant to reporting on this topic.

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

Topic 16.2 Biodiversity

Biodiversity is the variability among living organisms. It includes diversity within species, between species and of ecosystems. Biodiversity not only has intrinsic value, but is also vital to human health, food security, economic prosperity, and mitigation of climate change and adaptation to its impacts. This topic covers impacts on biodiversity, including genetic diversity, animal and plant species, and ecosystems.

Biodiversity and ecosystem services provide the foundation for economic activities to operate, either directly or through their supply chains [68] [63]. Healthy ecosystems provide essential services like clean air, water filtration, and erosion prevention, which are fundamental to human and animal well-being. Organizations in the banking sector may be involved with biodiversity impacts mainly as a result of their business relationships in all sectors of the economy.

Organizations are expected to align their policies, strategies, and decision-making processes, including lending and investing, with global biodiversity goals and targets [67] [62]. The Kunming-Montreal Global Biodiversity Framework urges organizations across sectors, including financial institutions, to help halt and reverse biodiversity loss [61]. This requires adopting new business models, enabling the redirection of financing from harmful activities towards those that protect and restore natural ecosystems, and enhancing reporting transparency. Banking organizations can help halt and reverse biodiversity loss by incorporating biodiversity and ecosystem services considerations into banking and investment activities, including risk assessment, capital allocation, and valuation. For example, organizations can consider how impacts on gene and species diversity affect the ecosystem services that beneficiaries rely on, such as freshwater from a river or timber from a forest. Organizations can also increase financing for nature-based solutions that protect, sustainably manage, and restore biodiversity and its related [69] [69] [69].

The Kunming-Montreal Global Biodiversity Framework also sets out expectations for organizations to identify, monitor, and assess biodiversity-related impacts across their activities and business relationships [61]. Banking organizations can select the sectors in the lending and investment portfolios with biodiversity impacts and identify institutional customers and investees whose activities or those of their value chains lead or could lead to the direct drivers of biodiversity loss, these include: land and sea use change; exploitation of natural resources (see [topic 16.3 Water and effluents](#)); climate change (see [topic 16.1 Climate change](#)); pollution (see [topics 16.3 Water and effluents and 16.4 Waste](#)); and invasive alien species.

For example, institutional customers and investees sourcing, processing, and selling agricultural commodities may contribute to deforestation through their activities or business relationships, adversely affecting biodiversity and ecosystem services [65]. Biodiversity impacts are more likely to occur where institutional customers' and investees' activities are located in or near ecologically sensitive areas (see [Table 1 in GRI 101: Biodiversity 2024](#)).

By identifying the direct drivers of biodiversity loss in lending and investment portfolios, banking organizations can also address the nexus between biodiversity and other impacts, such as disruptions of water cycles (see [topic 16.3 Water and effluents](#)). Organizations can further engage with institutional customers and investees that undertake activities that lead or could lead to the direct drivers of biodiversity loss, and encourage them to take action to halt or reverse biodiversity loss in their operations and business relationships. For example, by deciding against expanding the site or undertaking efforts to reduce land disturbance [70]. Organizations in the banking sector can further enhance their impact by collaborating with other stakeholders to align financing activities with global biodiversity goals and targets, including industry initiatives, regulators, and policymakers [66].

513 Reporting on biodiversity

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

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - Report the goals and targets for providing products and service¹² and investing in organizations, that undertake biodiversity conservation, restoration, and protection activities. - For customer engagement and investee stewardship related to biodiversity, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.2.1
Topic Standard disclosures		
GRI 101: Biodiversity 2024	Disclosure 101-1 Policies to halt and reverse biodiversity loss <i>Additional sector recommendations</i> - Describe the policies for providing products and services to institutional customers and investing in organizations that: - undertake activities that lead or could lead to biodiversity loss, and a breakdown by sector; - have sites in or near ecologically sensitive areas, and a breakdown by sector; - conserve, restore, and protect biodiversity, and a breakdown by sector; - use genetic resources and associated traditional knowledge held by <u>Indigenous Peoples</u> and <u>local communities</u>, and how the organization assesses that institutional customers and investees comply with access and benefit-sharing regulations and measures. - Report any products, services, and investments excluded from these policies, and the rationale for these exclusions.	16.2.2
Additional sector disclosures		

¹² Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

Most significant biodiversity impacts in lending and investment portfolios: Describe the process to identify and assess the most significant positive and negative impacts on biodiversity from institutional customers and investees, including: • the sectors and the extent of their <u>value chains</u> covered; • the taxonomies and definitions used to select sectors for the assessment; • the organization's plans to improve or expand the scope of the assessment over the short-, medium-, and long-term. For sectors with the most significant actual and potential negative impacts on biodiversity, describe the process to identify and assess activities from institutional customers and investees that lead to: • land and sea use change; • exploitation of natural resources; • pollution; • invasive alien species. Report the indicators used to assess the activities of institutional customers and investees that lead or could lead to direct drivers of biodiversity loss.¹³ Report the monetary value of the lending portfolio at the end of the <u>reporting period</u>, and the percentage of its total value, that has been assessed for the most significant positive and negative impacts on biodiversity. Report the monetary value of the investment portfolio at the end of the reporting period, and the percentage of its total value, that has been assessed for the most significant positive and negative impacts on biodiversity.:	16.2.3
Institutional customers and investees in sectors leading to biodiversity loss: Report the monetary value of the lending portfolio at the end of the reporting period, and the percentage of its total value, allocated to institutional customers in sectors with the most significant negative impacts on biodiversity, and a breakdown by sector. Report the monetary value of the investment portfolio at the end of the reporting period, and the percentage of its total value, allocated to investees in sectors with the most significant negative impacts on biodiversity, and a breakdown by sector.	16.2.4
Institutional customers and investees with sites in or near ecologically sensitive areas: Report the monetary value of the lending portfolio at the end of the reporting period, and the percentage of its total value, allocated to institutional customers that have sites in or near ecologically sensitive areas. Report the monetary value of the investment portfolio at the end of the reporting period, and the percentage of its total value, allocated to investees that have sites in or near ecologically sensitive areas.	16.2.5
Institutional customers and investees that halt and reverse biodiversity loss: Report the monetary value of the lending portfolio at the end of the reporting period, and the percentage of its total value, allocated to institutional customers that: • take action to minimize negative impacts on biodiversity that were not avoided; • restore or rehabilitate degraded ecosystems; • conserve ecosystems; • undertake climate change <u>mitigation</u> or adaptation activities that contribute to biodiversity protection. Report the monetary value of the investment portfolio at the end of the reporting period, and the percentage of its total value, allocated to investees that:	16.2.6

¹³ [Disclosure 101-6 Direct drivers of biodiversity loss in GRI 101: Biodiversity 2024](#) includes information on the direct drivers of biodiversity loss and indicators to assess the activities that lead or could lead to the direct drivers.

• take action to minimize negative impacts on biodiversity that were not avoided; • restore or rehabilitate degraded ecosystems; • conserve ecosystems; • undertake climate change mitigation or adaptation activities that contribute to biodiversity protection.	
Report the taxonomies and definitions that the organization uses to classify activities that halt and reverse biodiversity loss.	

516 **References and resources**

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

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

Topic 16.3 Water and effluents

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

Water demand has exceeded the amount that can naturally be replenished, exceeding safe limits. As a result, parts of the world's water resources, including surface and groundwater, wetlands, and glaciers, have been depleted to an extent that returning to baseline conditions is no longer possible [94].

Organizations in the banking sector may be involved with impacts on water, mainly as a result of their business relationships in all sectors of the economy.

Institutional customers and investees are likely to have significant impacts on water quality and availability when they withdraw and consume water intensively and discharge effluents in areas with water stress where water demand exceeds supply [91]. They can also have impacts on water quality and availability when they expand into vulnerable landscapes, for example, by altering freshwater geomorphology and nutrient composition, and limiting access to freshwater. The expansion of activities that contribute to extreme weather events (see [topic 16.1 Climate change](#)) and biodiversity loss (see [topic 16.2 Biodiversity](#)) further depletes water resources and can affect human and animal health. For local communities and Indigenous Peoples, limited access to freshwater can lead to negative impacts on food security and livelihoods (see [topic 16.8 Local communities and rights of Indigenous Peoples](#)). Similarly, water use that affects water quality and availability can affect trade and migration flows while exacerbating geopolitical instability [94] (see [topic 16.9 Conflict-affected and high-risk areas](#)).

Organizations in the banking sector can screen prospective projects for significant water impacts, with the aim of avoiding financing projects that harm important water resources or rely on unsustainable reservoirs [94]. They can also fund infrastructure that reduces water loss, improves effluent discharge quality, and supports desalination projects in water-stressed areas. Additionally, banking organizations can support effective water management by lending to and investing in technologies and organizations that manage water as a shared resource and consider the needs of other water users [95].

Organizations in the banking sector can address water-related impacts by incorporating considerations into their financing decisions, such as adaptation to hydrological conditions when a return to baseline is no longer possible. They can also encourage institutional customers and investees in water-intensive sectors and activities to further identify impacts on water quality and availability. These can include agricultural, extractive, and manufacturing industries, water-intensive electricity generation, and knowledge-based services such as data centers [94]. In addition, organizations can incentivize institutional customers and investees to sustainably manage their water use by reducing water withdrawal and consumption, and improving effluent discharge, thereby mitigating negative impacts on water quality and availability [90] [93] [92].

558 Reporting on water and effluents

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

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - Describe the policies for providing products and services to institutional customers¹⁴ and investing in organizations with actual or potential negative <u>impacts</u> on water, including in areas with <u>water stress</u>. - Describe the policies for providing products and services to institutional customers and investing in organizations that contribute to <u>water stewardship</u>. - Report the goals and targets for providing products and services to institutional customers and investing in organizations that contribute to water stewardship. - For customer engagement and investee stewardship related to water and effluents, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.3.1
Topic Standard disclosures		
GRI 303: Water and Effluents 2018	Disclosure 303-1 Interactions with water as a shared resource	16.3.2
Additional sector disclosures		
Most significant water impacts in lending and investment portfolios: Describe the process to identify and assess the most significant water impacts from institutional customers and investees, including: - how the organization identifies water-intensive sectors and the extent of their <u>value chains</u> covered; - the taxonomies and definitions used to select sectors for the assessment; - how the organization identifies areas with water stress; - the organization's plans to improve or expand the scope of the assessment over the short-, medium-, and long-term.		16.3.3

¹⁴ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

Report the indicators the organization uses to assess <u>water withdrawal</u>, <u>discharge</u>, and <u>consumption</u> of institutional customers ¹⁵_[OBJ] Report the monetary value of the lending portfolio at the end of the <u>reporting period</u>, and the percentage of its total value, that has been assessed for the most significant positive and negative water impacts. Report the monetary value of the investment portfolio at the end of the reporting period, and the percentage of its total value, that has been assessed for the most significant positive and negative water impacts.	
Institutional customers and investees with the most significant negative water impacts: Report the monetary value of the lending portfolio at the end of the reporting period, and the percentage of its total value, allocated to institutional customers in sectors with the most significant negative water impacts, and a breakdown by sector. Report the monetary value of the investment portfolio at the end of the reporting period, and the percentage of its total value, allocated to investees in sectors with the most significant negative water impacts, and a breakdown by sector.	16.3.4
Institutional customers and investees in areas with water stress: Report the monetary value of the lending portfolio at the end of the reporting period, and the percentage of its total value, allocated to institutional customers with sites located in areas with water stress. Report the monetary value of the investment portfolio at the end of the reporting period, and the percentage of its total value, allocated to investees with sites located in areas with water stress.	16.3.5
Institutional customers and investees with water stewardship activities: Report the monetary value of the lending portfolio at the end of the reporting period, and the percentage of its total value, allocated to institutional customers with water stewardship activities. Report the monetary value of the investment portfolio at the end of the reporting period, and the percentage of its total value, allocated to investees with water stewardship activities. Report the taxonomies and definitions that the organization uses to classify water stewardship activities.	16.3.6

References and resources

GRI 303: Water and Effluents 2018 lists authoritative intergovernmental instruments, additional references, and resources relevant to reporting on this topic.

The additional references and resources used in developing this topic that may be helpful for reporting on water and effluents by the banking sector are listed in the [Bibliography](#).

¹⁵ *GRI 303: Water and Effluents 2018* includes indicators on water withdrawal, discharge, and consumption.

Topic 16.4 Waste

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

By 2050, annual global waste is projected to reach 3.4 billion tons, while over 30% of solid waste streams fail to meet environmentally safe treatment standards [104]. Organizations in the banking sector may be involved with waste-related impacts mainly as a result of their business relationships in all sectors of the economy.

Banking organizations may be involved with impacts related to waste through lending to and investing in other organizations with unsustainably managed waste that may contaminate the environment and have negative impacts on ecosystems, as well as on human and animal health. Waste contributes to pollution by releasing harmful substances into the environment, as does the discharge of effluents and other pollutants, which degrade water quality (see [topic 16.3 Water and effluents](#)). Other negative impacts associated with waste can include greenhouse gas emissions and biodiversity loss (see [topics 16.1 Climate change](#) and [16.2 Biodiversity](#)). Incorporating waste management and circularity considerations into lending and investment analysis, decision-making, engagement, and stewardship can lead to improved waste management practices, increased resource efficiency, and prolonged product use.

The banking sector can identify, prevent, and mitigate potential waste-related impacts of institutional customers and investees by conducting due diligence to identify high-waste sectors, especially those with low recycling rates or high volumes of hazardous waste and chemicals, including persistent organic pollutants [103]. Organizations can further assess negative waste-related impacts by evaluating the policies and plans of institutional customers and investees to manage waste. Sustainable waste management practices include actions taken to prevent waste generation and minimize negative impacts, including on people, during waste collection, transport, sorting, treatment, and disposal [108] [105]. A sound waste management approach follows the waste management hierarchy, which prioritizes prevention or reduction, then reuse, recycling, other recovery (including energy recovery), and final disposal [101].

In addition, organizations can embed sustainable waste management and circular economy criteria into lending and investment policies for high-waste sectors. They can also use their influence to encourage institutional customers and investees to manage waste sustainably and adopt circular economy principles, such as reducing plastic waste [106].

Organizations in the banking sector can also play an important role in the systemic shift required to foster a more resilient and sustainable economic model by adopting renewable materials, circularity measures, and advanced waste management technologies [102]. For example, organizations can develop products and services that contribute to the circular economy. This can include adapting valuation frameworks to reclassify waste streams as inventory assets, such as agricultural byproducts, plastics, or industrial effluents committed to circular partners (e.g., food waste for biogas plants) [107].

605 Reporting on waste

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

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - Describe the policies for providing products and services to ¹⁶~~16.003~~ and investing in organizations that generate <u>hazardous waste</u>. - Describe how the organization incentivizes the application of the waste management hierarchy and the adoption of <u>circularity measures</u> through its products, services, and investments. - Report the goals and targets for providing products and services to institutional customers and investing in organizations that take action, including circularity measures, to prevent waste generation and manage significant <u>impacts</u> from waste generated. - For customer engagement and investee stewardship related to waste, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.4.1
Topic Standard disclosures		
GRI 306: Waste 2020	Disclosure 306-2 Management of significant waste-related impacts	16.4.2
Additional sector disclosures		
Institutional customers' and investees' hazardous waste: Report the total weight of hazardous waste generated by institutional customers in metric tons. Report the total weight of hazardous waste generated by investees in metric tons.		16.4.3

608 References and resources

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

611 The authoritative instrument and additional references used in developing this topic, as well as
612 resources that may be helpful for reporting on waste by the banking sector are listed in the
613 [Bibliography](#).

¹⁶ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

Topic 16.5 Financial health and inclusion

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 for all individuals and organizations to use suitable financial products and services. This topic covers an organization's approach to financial health and inclusion.

Organizations in the banking sector may be involved with impacts related to financial health and inclusion through their activities or as a result of their business relationships in all sectors of the economy. Banking organizations can support financial health and inclusion by providing customers with access to affordable and suitable banking products and services, such as accounts, credit, and planning and budgeting tools. For example, home loans support financial health by making home ownership more accessible for individuals and families.

Impacts on financial health and inclusion are enhanced when these products and services target underserved groups with limited or no access to affordable, suitable options. These groups can include low-income households, remote communities, and micro-, small-, and medium-sized enterprises (MSMEs), and vulnerable groups, such as women and populations vulnerable to climate change-related impacts (see [topic 16.1 Climate change](#)). This approach can support sustainable development by reducing poverty and addressing financial, economic, and social inequalities (see [topic 16.18 Economic impacts](#)). Leasing solutions for MSMEs can improve access to finance, especially in contexts where traditional credit is limited. Banking organizations can also offer funding to entrepreneurs and small organizations through microfinance services and small credit facilities, especially to boost rural economies (see [topic 16.8 Local communities and rights of Indigenous Peoples](#)). While microfinance services and small credit facilities can enhance financial inclusion, they may also contribute to debt cycles among vulnerable groups, widening the wealth gap.

Negative impacts on financial health and inclusion can arise from de-risking, where banks exit customer relationships or close accounts perceived as high-risk. This practice can lead to individuals or organizations being excluded from the formal financial system, including startups, MSMEs, and non-profit organizations providing humanitarian services in conflict-affected areas (see [topic 16.9 Conflict-affected and high-risk areas](#)). Closing bank branches can limit access to basic financial services, particularly for local communities and vulnerable groups that rely on physical banking access points. The requirements to open bank accounts may also exclude specific individuals or groups, such as those lacking official documentation due to migration or housing status.

The design and implementation of policies, procedures, products, and services that emphasize customer protection, including appropriate dispute-resolution and redress mechanisms, have impacts on financial health and inclusion. Organizations are expected to provide fair products, services, and customer support without discrimination or bias, and to clearly communicate pricing, terms, and conditions (see [topics 16.10 Non-discrimination and equal opportunity](#) and [16.7 Marketing and labeling](#)) [115].

Limited financial literacy may have negative impacts on financial health and inclusion, including through misunderstandings of relevant terms, conditions, and risks. Financial education can strengthen customers' financial literacy and behaviors, particularly for first-time users, thereby supporting their access to and understanding of suitable products. Organizations in the banking sector can support financial literacy by targeting programs to underserved and vulnerable groups, as well as to those excluded from the formal financial system. Additionally, organizations can invest in innovative technologies that improve access to banking products and services for both organizations and individuals. Digital financial services, such as mobile money services, can improve access to financial services [116]. 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.

Distribution and sales channels, including employees and non-employee workers, agents, and third-party platforms, may have negative impacts on financial health and inclusion by failing to consider customers' financial health when recommending or selling products, or when processing their complaints. Organizations in the banking sector can take targeted actions for distributors, such as implementing incentive and training programs that encourage them to promote customers' financial health and inclusion.

669 Reporting on financial health and inclusion

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

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - Describe the approach to assessing the financial health of the organization's customers,¹⁷ and report the financial health-related metrics or scores used. - Describe the policies regarding de-risking practices, including how these aim to prevent and <u>mitigate</u> the unintended exclusion of individuals and organizations from the formal financial system. - Describe actions taken to prevent and address customer over-indebtedness, including examples of proactive interventions. - Describe actions taken to prevent and mitigate financial exclusion of non-profit organizations, including: - the use of risk assessments and engagement with non-profit organizations; - how data on account refusals, closures, or transaction delays informs these actions. - Describe actions targeted at <u>employees and non-employee workers</u>, distributors, and third-party platforms aimed at promoting customers' financial health and inclusion. - Describe the dispute-resolution and redress mechanisms for complaints relating to financial health and inclusion. - Describe whether and how the organization is involved in initiatives and partnerships aimed at enhancing financial health and inclusion. - For customer engagement and investee stewardship related to financial health and inclusion, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers¹⁸ or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.5.1
Additional sector disclosures		
Underserved and vulnerable groups:		16.5.2

¹⁷ 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 or consumers) and institutional customers (business-to-business customers). In the sector, micro-, small-, and medium-sized enterprises (MSMEs) are often grouped with retail customers.

¹⁸ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

Report the underserved and <u>vulnerable groups</u> the organization intends to reach through its financial health and inclusion policies, and describe the process used to identify these groups.	
Actions to improve access to banking products and services: Describe how the organization addresses the needs of the underserved and vulnerable groups identified in 16.5.2, including through: • product and service design; • improving access to banking products and services; • financial education and financial and digital literacy initiatives, including the number of individuals reached by each initiative.	16.5.3
Products and services used by underserved and vulnerable groups: For each <u>product and service category</u> , report the percentage of customers using the products and services who are classified as belonging to underserved or vulnerable groups (as identified in 16.5.2), and a breakdown by group.	16.5.4
Home loans for underserved and vulnerable groups: For individuals from underserved and vulnerable groups identified in 16.5.2, report the number of: • new home loans issued; • home loans that defaulted.	16.5.5
Products and services used by MSMEs: Report the percentage of all outstanding loans and credits that pertain to micro-, small-, and medium-sized enterprises (MSMEs). Report the percentage of all deposit accounts held by MSMEs. Report the organization's definition used for 'MSMEs'.	16.5.6
Financial health and inclusion complaints: Report the number of complaints related to financial health and inclusion, and: • a breakdown of this total by <u>substantiated</u> and <u>unsubstantiated complaints</u>; • a breakdown of this total by type of complaint; • a breakdown of this total by type of complainant;¹⁹ • any observed trends by complaint type.	16.5.7
Banking access points: For the organization's banking access points ²⁰ in low-populated and economically disadvantaged areas, report: • the number and a breakdown by area and type of access point; • the percentage increase or decrease in the number between the beginning and the end of the <u>reporting period</u>, and a breakdown by area and type of access point. Report how the number of the organization's banking access points in low-populated and economically disadvantaged areas compares with the total number of banking access points available in those areas.	16.5.8

¹⁹ For example, retail customers or individuals denied access to a product or service.

²⁰ Banking access points are all points of transaction where customers can access basic financial services provided by the bank. These include bank branches and ATMs where customers can perform transactions such as withdrawals and deposits, opening or closing bank accounts, submitting loans applications.

673 The additional references and resources used in developing this topic that may be helpful for
674 reporting on financial health and inclusion by the banking sector are listed in the [Bibliography](#).

Topic 16.6 Customer privacy and data security

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

Financial services is one of the most data-intensive industries in the world [127], collecting vast amounts of customer data, including personal information about spending habits, health, and assets. Organizations in the banking sector may be involved with impacts related to customer privacy and data security through their activities or as a result of their business relationships in all sectors of the economy.

Digital infrastructure and systems are essential for organizations in the sector to provide banking services and handle sensitive customer information. Data-sharing arrangements, such as those used in open finance, which expand data access and sharing beyond payment data to other areas of financial activity, enable customers to access a wide range of products and services through digital systems by efficiently sharing customer data between providers [129]. Integrated cybersecurity measures such as encryption, firewalls, and secure authentication protocols strengthen the organization's customer privacy and data security strategy across business units and business relationships. These measures also help in preventing exposure or misuse of confidential customer information, such as financial details and personal identifiers, and reduce the likelihood of cyberattacks that could disrupt customers' access to banking and payment services. Participation in cybersecurity alliances and the use of shared protocols for timely customer notification help ensure that measures protect customers against new threats, while keeping customers informed.

Open finance has potential negative impacts on data protection, for instance, where the quality of providers' security systems and governance may not be consistent or where providers operate across multiple jurisdictions with varying data protection laws, resulting in inconsistent levels of customer protection.

Organizations in the sector use customer data to assess risk and inform pricing. Digital financial services have increased the datasets available to banking organizations, enabling them to offer tailored products and services for specific customer groups, thereby enhancing financial health and inclusion (see [topic 16.5 Financial health and inclusion](#)). Conversely, with access to detailed personal information, organizations can target customers with tailored products and services that are not in their best interests, while data loss or misuse through scams or cyberattacks can result in financial loss and emotional distress for customers (see [topic 16.19 Corruption and financial crime](#)).

Customer data, when combined with externally sourced data such as social media, can be used in artificial intelligence (AI) and machine learning (ML) applications that aim to avoid human bias, but may instead reinforce or exacerbate it. This results in discrimination or unfair treatment of specific customer groups based on their behaviors or preferences (see [topic 16.10 Non-discrimination and equal opportunity](#)) [128].

Ethical data use entails implementing safeguards and oversight mechanisms that ensure fairness, privacy, and accountability when using customer data in analytics, AI, and ML models, as well as in third-party data processing [130]. By providing clear and transparent information about data handling and privacy policies, organizations can help customers understand how their data is used, make informed decisions about their personal information, and build customer trust (see [topic 16.7 Marketing and labeling](#)).

719 Reporting on customer privacy and data security

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

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - Describe the approach to customer²¹ privacy and data security when sharing customer data with <u>business partners</u>. - Describe the approach to cybersecurity procedures in relation to customer privacy and data security, and when sharing customer data with business partners, including: - governance and oversight processes; - monitoring and review mechanisms; - participation in cybersecurity alliances and adoption of shared protocols. - Describe the customer support provided in relation to customer privacy and data security, including: - how customers can access, correct, restrict, or delete personal data; - educational programs; - support provided to customers affected by the organization's data breaches. - Describe the approach to ethical data use, including: - management of customer consent; - use of customer data in analytics, artificial intelligence, and machine learning; - governance and oversight mechanisms for monitoring and review of artificial intelligence, machine learning models, and third-party data processing. - For customer engagement and investee stewardship related to customer privacy and data security, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers²² or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.6.1
Topic Standard disclosures		
GRI 418: Customer Privacy 2016	Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	16.6.2

²¹ 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 or consumers) and institutional customers (business-to-business customers). In the sector, micro-, small-, and medium-sized enterprises (MSMEs) are often grouped with retail customers.

²² Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

	<i>Additional sector recommendations</i> Report the number of customers affected by the identified leaks, thefts, or losses of customer data, and the percentage of affected customers that are retail customers.	
--	---	--

722 **References and resources**

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

725 The additional references and resources used in developing this topic that may be helpful for
726 reporting on customer privacy and data security by the banking sector are listed in the [Bibliography](#).

Topic 16.7 Marketing and labeling

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

Organizations in the banking sector may be involved with impacts related to marketing and labeling when communicating terms and conditions for products and services through their activities or as a result of their business relationships in all sectors of the economy. Impacts are particularly relevant for organizations that provide products and services to retail customers and small businesses that may lack financial literacy or the resources to understand complex terms and conditions.

The way product information is communicated can affect a customer's ability to fully understand a product or service and make informed decisions. Where organizations or their distributors misstate or omit essential information, customers may purchase products they do not understand or need. Long, complex terms and conditions can also lead retail customers and small businesses to accept products or services that undermine their financial health, such as unaffordable credit (see [topic 16.5 Financial health and inclusion](#)).

Aggressive, high-pressure sales may result in negative impacts on customers by leading them to purchase products that are not in their best interests, including through misselling. These impacts may arise from a conflict of interest between the organization or its distributors and customers, and may be exacerbated by internal and commercial pressures, such as remuneration policies that prioritize sales over customers' needs.

Organizations can also mislead their customers through greenwashing, which occurs when sustainability claims about their operations, products, or services are exaggerated or incorrect, ultimately reducing funding for genuine sustainable development. Anti-greenwashing regulations and sustainability taxonomies can help customers make more informed decisions by providing them with more credible environmental and social information (see [Disclosures on incorporating sustainability in banking and investment activities](#)). However, these regulatory developments are jurisdiction-specific and can result in inconsistencies in this information across countries.

Prevention and mitigation of misleading statements or omissions in the marketing and labeling of products and services include adherence to applicable regulations and codes of conduct by organizations and their distributors, thereby strengthening customer protection [137]. Organizations can also implement mechanisms to manage marketing and labeling-related impacts, such as relevant training, internal systems that signal abnormal sales levels linked to mis-selling practices, and procedures to prevent conflicted transactions [138].

761 Reporting on marketing and labeling

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

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - Describe actions taken to assist customers²³ in understanding the terms and conditions of the organization's products, services, and investments, including training for <u>employees</u>, <u>non-employee workers</u>, and distributors. - Describe how the organization monitors the <u>marketing communications</u> practices of its distributors when selling and promoting its products, services, and investments. - Describe how the organization informs potential and current customers at the pre-sale stage about conflicts of interest, including <u>remuneration</u> policies based on the number of products, services, and investments sold. - Describe the dispute resolution and redress mechanisms for customer complaints regarding marketing and labeling, including: - mislabeling of banking products, services, and investments; - mis-selling practices by the organization's employees, non-employee workers, and distributors. - For customer engagement and investee stewardship related to marketing and labeling, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers²⁴ or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.7.1
Topic Standard disclosures		
GRI 417: Marketing and Labeling 2016	Disclosure 417-2 Incidents of non-compliance concerning product and service information and labeling <i>Additional sector recommendations</i> Report the 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 <u>reporting period</u>.	16.7.2

²³ 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 or consumers) and institutional customers (business-to-business customers). In the sector, micro-, small-, and medium-sized enterprises (MSMEs) are often grouped with retail customers.

²⁴ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

	Disclosure 417-3 Incidents of non-compliance concerning marketing communications <i>Additional sector recommendations</i> • Report the number of incidents of non-compliance with regulations or voluntary codes concerning marketing communications that remained unresolved at the end of the reporting period.	16.7.3
--	---	--------

764 **References and resources**

765 [GRI 417: Marketing and Labeling 2016](#) lists authoritative intergovernmental instruments and
766 additional references relevant to reporting on this topic.

767 The authoritative instrument and additional references used in developing this topic that may be
768 helpful for reporting on marketing and labeling by the banking sector are listed in the [Bibliography](#).

Topic 16.8 Local communities and rights of Indigenous Peoples

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

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

Impacts on local communities and the rights of Indigenous Peoples can stem from corporate lending, including for large-scale, long-term infrastructure projects and other economic activities. These activities may lead to environmental degradation, displacement, involuntary resettlement, or changes in land use, which can be exacerbated by climate change (see [topic 16.1 Climate change](#)). Such impacts can affect the cultural preservation and livelihoods of local communities and Indigenous Peoples. They may also be associated with threats to human rights defenders and other stakeholders involved in or affected by these contexts, including exposure to retaliation.

The nature and severity of impacts may vary within local communities and Indigenous Peoples. Women and girls, for example, can face specific challenges such as exclusion from decision-making and consultation processes, or increased exposure to violence during displacement or changes in land use. Negative impacts can be particularly severe for Indigenous Peoples, undermining their relationship with ancestral lands, territories, and resources (see [topic 16.2 Biodiversity](#)). Therefore, organizations are expected to uphold Indigenous Peoples' right to free, prior, and informed consent (FPIC) and safeguard the rights to self-determination and participation [143], consistent with the United Nations Declaration on the Rights of Indigenous Peoples [142]. These impacts can be worse in conflict-affected and high-risk areas, where weak governance and security conditions heighten risks to communities and Indigenous Peoples (see [topic 16.9 Conflict-affected and high-risk areas](#)).

As part of their human rights due diligence, organizations are expected to determine their involvement with negative impacts related to local communities and rights of Indigenous Peoples [141] [144]. The way an organization is involved with negative impacts of its business relationships determines how it is expected to address them, including whether it has a responsibility to provide for or cooperate in remediation (see [Box 1](#)) and use leverage to prevent or mitigate those impacts [141].

In doing so, organizations can further assess how institutional customers and investees engage with stakeholders and encourage meaningful engagement with local communities and Indigenous Peoples. Meaningful engagement involves transparent, responsive, and ongoing two-way communication. This includes consultation processes that are culturally appropriate and accessible in local languages, enabling the participation of underrepresented groups, such as women and ethnic minorities [139] [140].

The sector can also support the economic development and financial inclusion of local communities and Indigenous peoples. Increased access to finance on fair and responsible terms for Indigenous Peoples, women, and small- and medium-sized enterprises can support job creation and have positive social impacts (see [topics 16.18 Economic impacts](#) and [16.5 Financial health and inclusion](#)). In addition, responsible business practices can help local communities through actions such as microfinance and community development projects that promote shared economic benefits and local participation.

814 Reporting on local communities and rights of Indigenous Peoples

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

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - Describe the approach to managing negative <u>impacts</u> from institutional customers²⁵ and investees on <u>local communities</u> and the rights of <u>Indigenous Peoples</u>, including whether and how the organization: - assesses if its institutional customers and investees conduct meaningful engagement with affected and potentially affected <u>stakeholders</u>; - assesses the extent to which institutional customers and investees obtain free, prior, and informed consent (FPIC) from Indigenous Peoples with regard to activities that may affect their rights; - assesses the policies and actions taken by institutional customers and investees to prevent, <u>mitigate</u>, and <u>remediate</u> negative impacts; - assesses the effectiveness of safeguards implemented by institutional customers and investees for the protection of <u>human rights</u> defenders or other stakeholders exposed to retaliation; - engages with stakeholders of its institutional customers and investees, either directly or through proxies or experts, and how these are selected; - uses its engagement with stakeholders of its institutional customers and investees to inform actions taken by the organization; - uses its assessment of institutional customers' and investees' management of negative impacts to inform actions taken by the organization. - For customer engagement and investee stewardship related to local communities and rights of Indigenous Peoples, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.8.1
Additional sector disclosures		

²⁵ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

Agreements with local communities and Indigenous Peoples: Report the percentage of total projects financed by the organization in which an agreement has been reached with affected or potentially affected local communities to safeguard their interests. For projects financed by the organization that may affect the rights of Indigenous Peoples, report the percentage of projects in which free, prior, and informed consent (FPIC) is sought and documented, and an agreement has been reached with Indigenous Peoples to safeguard their interests.	16.8.2
Violations of Indigenous Peoples' rights in project finance and investee infrastructure projects: Report the number of incidents where Indigenous Peoples' rights were violated in: • infrastructure projects financed by the organization; • infrastructure projects of investees. Describe each violation of Indigenous Peoples' rights, including: • <u>remediation</u> actions taken; • whether an <u>impact</u> assessment based on international frameworks was conducted.²⁶	16.8.3

References and resources

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

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

²⁶ Examples of international frameworks that address the rights of Indigenous Peoples include the Equator Principles and the International Finance Corporation (IFC)'s Performance Standards on Environmental and Social Sustainability.

Topic 16.9 Conflict-affected and high-risk areas

When operating and providing services in conflict-affected and high-risk areas, organizations are more likely to be involved in human rights and legal violations and be implicated in corruption and financial flows contributing to conflict. This topic covers an organization's approach and impacts related to operating in or providing services to conflict-affected and high-risk areas.

Conflicts over territory, resources, and power can occur within or across national borders and take different forms, such as occupation or civil war, while high-risk areas may be characterized by political instability, repression, institutional weakness, and insecurity [171] [164]. In conflict-affected and high-risk areas (CAHRAs)^[164], organizations are expected to respect international humanitarian law and applicable sanctions, while respecting human rights [170] [171].

Organizations in the banking sector may be involved with impacts in CAHRAs through their activities or as a result of their business relationships in all sectors of the economy. Due to the severity of impacts on human rights in CAHRAs, organizations can face distinct legal risks when they become complicit in state-sponsored conduct.

Banking organizations can be involved with negative impacts in CAHRAs through their products, services, and investments, such as those that finance natural resource extraction or supply chains that source materials from politically unstable areas [157]. The activities of institutional customers and investees can place additional pressure, particularly through water use and agricultural expansion. The increased resource pressure can heighten the risk of geopolitical tensions and associated economic instability [167]. This, in turn, exacerbates the loss of livelihoods and causes the displacement of local communities, particularly for Indigenous Peoples and women (see [topic 16.8 Local communities and rights of Indigenous Peoples](#)).

Similarly, in contexts of political repression, the use of private security companies and surveillance technologies by institutional customers and investees may lead to unlawful detention, persecution, and violations of privacy, as well as limits on freedom of association (see [topic 16.13 Freedom of association and collective bargaining](#)) [166] [168]. Negative impacts can also occur when banking services are used to channel resources into illicit activities (see [topic 16.19 Corruption and financial crime](#)).

Banking organizations can also be involved with other negative impacts in CAHRAs by financing institutional customers and investees in the defense sector that supply weapons to these areas. Organizations can assess the extent to which these institutional customers and investees comply with relevant embargoes, sanctions, and regulations, such as the UN Arms Trade Treaty [158]. Special consideration should be given to weapons regulated under international humanitarian law, such as the UN Treaty on the Prohibition of Nuclear Weapons [161] [160] [159]. Alongside ongoing conflict analysis, organizations can adopt policies aligned with international weapons treaties and human rights standards to manage actual and potential negative impacts.

Banking organizations, particularly development banks, can have positive impacts on CAHRAs by supporting sustainable development by providing access to capital for economic recovery and reconstruction [165]. Organizations can contribute to peace and stability through investment instruments, such as peace bonds, that support sustainable development in fragile contexts while minimizing negative impacts locally [163]. Banking services also help communities withstand economic shocks during crises, while remittances sustain and contribute to local economic activity (see [topics 16.5 Financial health and inclusion](#) and [topic 16.8 Local communities and rights of Indigenous Peoples](#)).

Organizations operating in CAHRAs, especially in contexts of social tension and weak governance, are expected to apply heightened human rights due diligence. This includes going beyond standard procedures to conduct a deeper analysis of the conflict context and the organization's interaction with it, commonly described as a conflict-sensitivity approach. For banking organizations, conflict analysis includes regularly monitoring geopolitical developments in geographic locations represented in their lending and investment portfolios. It also involves using external data sources, such as corruption indexes, screening third-party organizations, and assessing activities that may exacerbate conflict drivers, including security and natural resources [172] [166]. Banks can also enhance their due diligence by requiring institutional customers and investees to strengthen their own processes to

878 identify and address their conflict-related impacts, and assess whether they meaningfully engage with
879 affected stakeholders [156].

880 Organizations in the banking sector are expected to assess whether they may become involved in
881 fraud, sanctions evasion, or other illicit activities by providing products, services, or investments to
882 institutional customers and investees [155] [162]. As part of their due diligence processes, they may
883 consider adjusting or ceasing lending and investments, or disengagement and divestment when
884 mitigation efforts in CAHRAs have been ineffective [171] [169].

885 **Reporting on conflict-affected and high-risk areas**

886 If the organization has determined conflict-affected and high-risk areas to be a material topic, this sub-
 887 section lists the disclosures identified as relevant for reporting on the topic by the banking sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> • Describe the organization's <u>due diligence</u> expectations for institutional customers²⁷ and investees operating in conflict-affected and high-risk areas, including expectations to respect international humanitarian law. • Describe how the organization assesses institutional customers and investees' due diligence and compliance with international humanitarian law in conflict-affected and high-risk areas, and how this process informs lending and investment decisions. • Describe the organization's policies for providing products and services to institutional customers and investing in organizations in the defense sector, including: – the types of weapons included and excluded from these policies; – how these policies align with international weapon treaties, international humanitarian law, and relevant regulations; – how these policies align with the organization's policy commitment to respect <u>human rights</u>. • Describe the approach to managing negative <u>impacts</u> from institutional customers and investees related to conflict-affected and high-risk areas, including whether and how the organization: – assesses if its institutional customers and investees conduct meaningful engagement with affected and potentially affected <u>stakeholders</u>; – assesses the policies and actions taken by institutional customers and investees to prevent, <u>mitigate</u>, and <u>remediate</u> negative impacts; – assesses the effectiveness of safeguards implemented by institutional customers and investees for the protection of human rights defenders or other stakeholders exposed to retaliation; – engages with stakeholders of its institutional customers and investees, either directly or through proxies or experts, and how these are selected; – uses its engagement with stakeholders of its institutional customers and investees to inform actions taken by the organization; – uses its assessment of institutional customers' and investees' management of negative <u>impacts</u> to inform actions taken by the organization. • For customer engagement and investee stewardship related to conflict-affected and high-risk areas, report: – targets and indicators for evaluating progress;	16.9.1

²⁷ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

	– the scope of targets, in terms of the number of institutional customers or investees covered or the percentage of the portfolio they represent; – examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	
Additional sector disclosures		
Institutional customers and investees in conflict-affected and high-risk areas:		16.9.2
Describe how the organization’s products, services, and investments may: • exacerbate negative impacts in conflict-affected and high-risk areas; • contribute to preventing, mitigating, or <u>remediating</u> negative impacts in conflict-affected and high-risk areas. Describe how the organization monitors its lending and investment portfolios for actual and potential impacts related to conflict-affected and high-risk areas, including data sources used and assumptions made. Report the monetary value of the lending portfolio at the end of the <u>reporting period</u>, and the percentage of its total value, allocated to institutional customers operating in conflict-affected and high-risk areas. Report the monetary value of the investment portfolio at the end of the reporting period, and the percentage of its total value, allocated to investees operating in conflict-affected and high-risk areas.		
Disengagement from conflict-affected and high-risk areas:		16.9.3
Report examples where conflict analysis led to: • decisions to adjust or stop lending or investment decisions; • institutional customers being disengaged or investees being divested.		

References and resources

The authoritative instruments and additional references used in developing this topic, as well as resources that may be helpful for reporting on conflict-affected and high-risk areas by the banking sector are listed in the [Bibliography](#).

Topic 16.10 Non-discrimination and equal opportunity

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

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

Discrimination against employees and non-employee workers within the banking sector can take various forms, such as hiring bias, unfair promotion opportunities, and unfair workload distribution. It can occur based on ethnicity, religion, gender, or disability and result in unfair remuneration among employees and non-employee workers (see [topic 16.16 Remuneration and working time](#)) [185].

Discrimination can occur between a banking organization and its customers or between the organization's distributors and its customers, through unequal treatment or access to banking products and services (see [topic 16.5 Financial health and inclusion](#)). Organizations can perpetuate discrimination by limiting access to banking products and services and implementing policies, assessments, and models that may include discriminatory elements. These practices can have an impact on access to products and services, credit decisions, and fair prices. For example, the banking sector can discriminate against customers when individuals are unfairly treated during the credit application process based on ethnicity, gender, or age. Algorithmic credit scoring can reinforce biases against specific demographic groups, exacerbating discrimination and inequalities through unequal lending to those groups. To mitigate biases and potential discriminatory outcomes, banking organizations can establish robust ethical governance and policies for artificial intelligence [186].

The negative impacts on non-discrimination and equal opportunity may be more prevalent in certain sectors and geographic locations, where certain groups are more likely to face exclusion from products or services based on gender or ethnicity. When banking organizations lend to, invest in, or procure products and services from organizations in these sectors or locations, they are more likely to be involved with such impacts.

As part of their human rights due diligence, organizations are expected to determine their involvement with impacts related to discrimination and unequal opportunity [184]. The way an organization is involved with negative impacts through its business relationships determines how it is expected to address them, including whether it has a responsibility to provide for or cooperate in remediation (see [Box 1](#)) and use leverage to prevent or mitigate them [184].

Organizations' leverage can include engaging with business relationships [184]. Organizations can also assess whether institutional customers and investees engage meaningfully with stakeholders, which involves transparent, responsive, and ongoing two-way communication [183]. The sector can also use its leverage to promote positive outcomes for equal opportunity, such as diversity across organizational levels.

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

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

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> • Describe the initiatives to promote equal opportunities for <u>employees</u> and <u>non-employee workers</u>. • Describe the training initiatives for employees and non-employee workers, and distributors aimed at promoting non-discriminatory practices towards customers.²⁸ • Describe the policies to prevent and mitigate <u>discrimination</u> against customers. • Describe the actions to prevent and <u>mitigate</u> discrimination against customers throughout its activities, including in: – credit scoring; – data and algorithms used. • Describe the approach to managing negative <u>impacts</u> from institutional customers²⁹ and investees related to non-discrimination and equal opportunity, including whether and how the organization: – assesses if its institutional customers and investees conduct meaningful engagement with affected and potentially affected <u>stakeholders</u>; – assesses the policies and actions taken by institutional customers and investees to prevent, mitigate, and <u>remediate</u> negative impacts; – assesses the effectiveness of safeguards implemented by institutional customers and investees for the protection of <u>human rights</u> defenders or other stakeholders exposed to retaliation; – engages with stakeholders of its institutional customers and investees, either directly or through proxies or experts, and how these are selected; – uses its engagement with stakeholders of its institutional customers and investees to inform actions taken by the organization; – uses its assessment of institutional customers' and investees' management of negative impacts to inform actions taken by the organization. • For customer engagement and investee stewardship related to non-discrimination and equal opportunity, report: – targets and indicators for evaluating progress; – the scope of targets, in terms of the number of institutional customers or investees covered or the percentage of the portfolio they represent;	16.10.1

²⁸ 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 or consumers) and institutional customers (business-to-business customers). In the sector, micro-, small-, and medium-sized enterprises (MSMEs) are often grouped with retail customers.

²⁹ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

	– examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	
Topic Standard disclosures		
GRI 405: Diversity and Equal Opportunity 2016	Disclosure 405-1 Diversity of governance bodies and employees	16.10.2
GRI 406: Non-discrimination 2016	Disclosure 406-1 Incidents of discrimination and corrective actions taken <i>Additional sector recommendations</i> • Report a breakdown of the number of incidents of discrimination during the <u>reporting period</u> by: - incidents against employees and non-employee workers; - incidents against customers; - incidents against other stakeholders.	16.10.3

References and resources

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

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

Topic 16.11 Forced or compulsory labor

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

In 2021, around 50 million people were estimated to be involved with compulsory labor, with 27.6 million of these individuals subjected to forced labor [193]. Organizations in the banking sector may be involved with impacts related to forced or compulsory labor through their activities or as a result of their business relationships in all sectors of the economy.

Banking organizations may be involved with negative impacts related to forced or compulsory labor through the provision of products and services to organizations that participate in modern slavery or human trafficking, which can involve forced or compulsory labor. Perpetrators of modern slavery can also use banking services to facilitate instances of forced or compulsory labor and launder the resulting proceeds of such arrangements. Consequently, organizations in the banking sector play a significant role in detecting patterns arising from coercion, exploitation, and the misuse of banking services and accounts [192]. Anti-money laundering (AML) and combating the financing of terrorism (CFT) frameworks offer an important mechanism to reduce the risks associated with handling and laundering proceeds from forced or compulsory labor (see topic 16.19 Corruption and financial crime) [194].

The negative impacts of forced or compulsory labor may be more prevalent in certain sectors and geographic locations. When banking organizations lend to, invest in, or procure products and services from organizations in these sectors or locations, they are more likely to become involved with such impacts. They may also be involved with negative impacts when outsourcing services to organizations that use forced or compulsory labor, such as cleaning, security, or facilities management. Vulnerable groups, such as migrant workers, are also the most susceptible to forced and compulsory labor [192].

As part of their human rights due diligence, organizations are expected to determine their involvement with negative impacts related to forced or compulsory labor [191]. The way an organization is involved with negative impacts as a result of its business relationships determines how it is expected to address them, including whether it has a responsibility to provide for or cooperate in remediation (see Box 1) and use leverage to prevent or mitigate them [191].

Organizations' leverage can include engaging with business relationships as well as with actors that address impacts related to forced or compulsory labor, such as civil society organizations or sector-wide initiatives. Organizations can also assess whether institutional customers and investees engage meaningfully with stakeholders, which involves transparent, responsive, and ongoing two-way communication [190].

976 **Reporting on forced or compulsory labor**

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

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> • Describe the process to identify transactions at risk of <u>forced or compulsory labor</u> incidents. • Describe the approach to managing negative <u>impacts</u> from institutional customers³⁰ and investees on forced or compulsory labor, including whether and how the organization: – assesses if its institutional customers and investees conduct meaningful engagement with affected and potentially affected <u>stakeholders</u>; – assesses the policies and actions taken by institutional customers and investees to prevent, <u>mitigate</u>, and <u>remediate</u> negative impacts; – assesses the effectiveness of safeguards implemented by institutional customers and investees for the protection of <u>human rights</u> defenders or other stakeholders exposed to retaliation; – engages with stakeholders of its institutional customers and investees, either directly or through proxies or experts, and how these are selected; – uses its engagement with stakeholders of its institutional customers and investees to inform actions taken by the organization; – uses its assessment of institutional customers' and investees' management of negative impacts to inform actions taken by the organization. • For customer engagement and investee stewardship related to forced or compulsory labor, report: – targets and indicators for evaluating progress; – the scope of targets, in terms of the number of institutional customers or investees covered or the percentage of the portfolio they represent; – examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.11.1
Topic Standard disclosures		
GRI 409: Forced or Compulsory Labor 2016	Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	16.11.2

³⁰ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

979 **References and resources**

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

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

Topic 16.12 Child labor

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

Around 138 million children were engaged in child labor in 2024, with 54 million subjected to dangerous and hazardous work [199]. Organizations in the banking sector may be involved with impacts related to child labor through their activities or as a result of their business relationships in all sectors of the economy.

The negative impacts of child labor may be more prevalent in certain sectors and geographic locations where parents' remuneration is insufficient to meet cost-of-living estimates. When banking organizations lend to, invest in, or procure products and services from organizations in these sectors or locations, they are more likely to become involved with such impacts. They may also be involved with impacts when outsourcing services, such as cleaning or facilities management, to organizations that use child labor.

As part of their human rights due diligence, organizations are expected to determine their involvement with impacts related to child labor [198]. The way an organization is involved with negative impacts as a result of its business relationships determines how it is expected to address them, including whether it has a responsibility to provide for or cooperate in remediation (see Box 1) and use leverage to prevent or mitigate them [198].

Organizations' leverage can include engaging with business relationships and other actors that address impacts related to child labor, such as civil society organizations or sector-wide initiatives. Organizations can also assess whether institutional customers and investees engage meaningfully with stakeholders, which involves transparent, responsive, and ongoing two-way communication [197].

1011 **Reporting on child labor**

1012 If the organization has determined child labor to be a material topic, this sub-section lists the
 1013 disclosures identified as relevant for reporting on the topic by the banking sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - Describe the approach to managing negative <u>impacts</u> from institutional customers³¹ and investees on child labor, including whether and how the organization: - assesses if its institutional customers and investees conduct meaningful engagement with affected and potentially affected <u>stakeholders</u>; - assesses the policies and actions taken by institutional customers and investees to prevent, <u>mitigate</u>, and <u>remediate</u> negative impacts; - assesses the effectiveness of safeguards implemented by institutional customers and investees for the protection of <u>human rights</u> defenders or other stakeholders exposed to retaliation; - engages with stakeholders of its institutional customers and investees, either directly or through proxies or experts, and how these are selected; - uses its engagement with stakeholders of its institutional customers and investees to inform actions taken by the organization; - uses its assessment of institutional customers' and investees' management of negative impacts to inform actions taken by the organization. - For customer engagement and investee stewardship related to child labor, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.12.1
Topic Standard disclosures		
GRI 408: Child Labor 2016	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor	16.12.2

1014 **References and resources**

1015 [GRI 408: Child Labor 2016](#) lists authoritative intergovernmental instruments relevant to reporting on
 1016 this topic.

³¹ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

1017 The authoritative instruments and additional references used in developing this topic, as well as
1018 resources that may be helpful for reporting on child labor by the banking sector are listed in the
1019 [Bibliography](#).

Topic 16.13 Freedom of association and collective bargaining

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

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

Organizations in the banking sector play an important role in shaping labor practices that enable or prevent freedom of association and collective bargaining, including through outsourcing or offshoring certain job functions and the use of casual or contract labor. These practices, particularly when they involve locations with weaker labor protections or employment arrangements lacking social protection, can have impacts on freedom of association and collective bargaining (see [topics 16.15 Employment](#) and [16.17 Significant changes for workers](#)) [204].

The negative impacts on freedom of association and collective bargaining may be more prevalent in certain sectors and geographic locations, where organizations violate workers' rights, such as obstructing union activity [207] [204]. When banking organizations lend to, invest in, or procure products and services from organizations in these sectors or locations, they are more likely to become involved with such impacts.

As part of their human rights due diligence, organizations are expected to determine their involvement with negative impacts related to freedom of association and collective bargaining, including in conflict-affected and high-risk areas (see [topic 16.9 Conflict-affected and high-risk areas](#)) [205] [206].

The way an organization is involved with negative impacts as a result of its business relationships determines how it is expected to address them, including whether it has a responsibility to provide for or cooperate in remediation (see [Box 1](#)) and use leverage to prevent or mitigate them [203].

Organizations' leverage can include engaging with business relationships and other actors that address impacts related to freedom of association and collective bargaining, such as trade unions, global union federations, or sector-wide initiatives. Organizations can also assess whether institutional customers and investees engage meaningfully with stakeholders, which involves transparent, responsive, and ongoing two-way communication [202].

1053 **Reporting on freedom of association and collective bargaining**

1054 If the organization has determined freedom of association and collective bargaining to be a material
 1055 topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the
 1056 banking sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - Describe the approach to managing negative <u>impacts</u> from institutional customers³² and investees related to freedom of association and collective bargaining, including whether and how the organization: - assesses if its institutional customers and investees conduct meaningful engagement with affected and potentially affected <u>stakeholders</u>; - assesses the policies and actions taken by institutional customers and investees to prevent, <u>mitigate</u>, and <u>remediate</u> negative impacts; - assesses the effectiveness of safeguards implemented by institutional customers and investees for the protection of <u>human rights</u> defenders or other stakeholders exposed to retaliation; - engages with stakeholders of its institutional customers and investees, either directly or through proxies or experts, and how these are selected; - uses its engagement with stakeholders of its institutional customers and investees to inform actions taken by the organization; - uses its assessment of institutional customers' and investees' management of negative impacts to inform actions taken by the organization. - For customer engagement and investee stewardship related to freedom of association and collective bargaining, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.13.1
Topic Standard disclosures		
GRI 407: Freedom of Association and Collective Bargaining 2016	Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	16.13.2

³² Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

1057 **References and resources**

1058 [GRI 407: Freedom of Association and Collective Bargaining 2016](#) lists authoritative intergovernmental
1059 instruments relevant to reporting on this topic.

1060 The authoritative instruments and additional references used in developing this topic that may be
1061 helpful for reporting on freedom of association and collective bargaining by the banking sector are
1062 listed in the [Bibliography](#).

Topic 16.14 Occupational health and safety

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

An estimated 2.78 million workers die each year from a work-related injury or ill health, while an additional 374 million workers suffer from non-fatal work-related incidents [210]. Organizations in the banking sector may be involved with occupational health and safety impacts through their activities or as a result of their business relationships in all sectors of the economy.

Organizations can have negative impacts on the mental and physical health of their employees and non-employee workers due to excessive workloads, commercial pressures, and job insecurity, which can lead to stress, burnout, and anxiety. Harassment and bullying at work can further exacerbate mental and physical health issues and violate human rights. Inequality in pay or opportunities and discrimination can also increase stress and worsen existing mental health conditions (see [topic 16.10 Non-discrimination and equal opportunity](#)). Long working hours and certain flexible work arrangements in the banking sector, such as remote work, can have negative impacts on employees' and non-employee workers' well-being and work-life balance (see [topic 16.16 Remuneration and working time](#)).

Banking organizations that manage substantial financial assets are frequent targets for theft, including robberies and other criminal activities, which can have an impact on employees' and non-employee workers' health and safety. For example, security guards may face violence, which can put them in physical danger and lead to psychological distress. Additionally, cybersecurity threats can increase stress and anxiety among workers who manage vast amounts of sensitive customer data or assets.

Organizations can integrate mental health into their occupational health and safety management systems to comprehensively address psychosocial risks. This involves prioritizing collective actions, engaging employees and non-employee workers to identify and manage impacts, and ensuring compliance with legal frameworks. Manager training in mental health awareness and communication, and worker training in mental health literacy, are also critical for a healthy workplace [212].

Organizations in the banking sector may be involved with negative occupational health and safety impacts as a result of their business relationships, such as lending to, investing in, or procuring products or services from other organizations that fail to meet proper workplace safety standards. In addition, the sector may be involved with negative impacts when outsourcing services, such as cleaning or facilities management. Negative impacts on occupational health and safety may be more prevalent in certain sectors and geographic locations. When banking organizations lend to, invest in, or procure goods and services from organizations in these sectors or locations, they are more likely to become involved with such impacts.

The most vulnerable to occupational health and safety impacts include those in precarious employment, informal workers, employees of micro-, small-, and medium-enterprises (MSMEs), and workers from marginalized groups, such as migrant workers and racial minorities [211].

As part of their human rights due diligence, organizations are expected to determine their involvement with negative impacts related to occupational health and safety [209]. The way an organization is involved with negative impacts as a result of its business relationships determines how it is expected to address them, including whether it has a responsibility to provide for or cooperate in remediation (see [Box 1](#)) and use leverage to prevent or mitigate them [209]. Leverage can include engaging with business relationships [209]. Organizations can also assess whether institutional customers and investees engage meaningfully with stakeholders, which involves transparent, responsive, and ongoing two-way communication [208].

1110 Reporting on occupational health and safety

1111 If the organization has determined occupational health and safety to be a material topic, this sub-
 1112 section lists the disclosures identified as relevant for reporting on the topic by the banking sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - Describe the approach to managing negative <u>impacts</u> from institutional customers³³ and investees on occupational health and safety, including whether and how the organization: - assesses if its institutional customers and investees conduct meaningful engagement with affected and potentially affected <u>stakeholders</u>; - assesses the policies and actions taken by institutional customers and investees to prevent, <u>mitigate</u>, and <u>remediate</u> negative impacts; - assesses the effectiveness of safeguards implemented by institutional customers and investees for the protection of <u>human rights</u> defenders or other stakeholders exposed to retaliation; - engages with stakeholders of its institutional customers and investees, either directly or through proxies or experts, and how these are selected; - uses its engagement with stakeholders of its institutional customers and investees to inform actions taken by the organization; - uses its assessment of institutional customers' and investees' management of negative impacts to inform actions taken by the organization. - For customer engagement and investee stewardship related to occupational health and safety, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.14.1
Topic Standard disclosures		
GRI 403: Occupational Health and Safety 2018	Disclosure 403-1 Occupational health and safety management system	16.14.2
	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	16.14.3
	Disclosure 403-3 Occupational health services	16.14.4

³³ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	16.14.5
	Disclosure 403-5 Worker training on occupational health and safety	16.14.6
	Disclosure 403-6 Promotion of worker health	16.14.7
	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	16.14.8
	Disclosure 403-8 Workers covered by an occupational health and safety management system	16.14.9
	Disclosure 403-9 Work-related injuries	16.14.10
	Disclosure 403-10 Work-related ill health	16.14.11

References and resources

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

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

Topic 16.15 Employment

Employment refers to an organization's approach to job creation, terms of employment, apprenticeships and internships, recruitment, performance management, data protection and privacy, and termination. Employment-related policies and practices include recruitment, termination, performance management, and privacy of workers. This topic covers impacts related to employment practices.

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

Banking organizations have impacts on employment through employment arrangements, recruitment practices, termination policies, and performance management. Impacts related to employment can affect both employees and non-employee workers, including agency workers, apprentices, and contractors to whom services are outsourced, such as customer service or IT support. By outsourcing activities, organizations can reduce labor costs or bypass collective agreements (see [topic 16.13 Freedom of association and collective bargaining](#)) that are in place for employees, potentially increasing disparities between employees and non-employee workers.

The transition to a low-carbon economy can also influence employment practices within organizations in the sector, for example, through evolving skill requirements or organizational restructuring (see [topic 16.1 Climate change](#)).

Employee and non-employee worker data is vital in contractual obligations, personnel administration, and human resources functions. Organizations may monitor employee and non-employee workers to track work hours, optimize processes, and evaluate performance. When employee and non-employee monitoring is poorly managed, fails to comply with applicable laws, or is conducted without informing affected workers, it can encroach on their privacy. By implementing strong cybersecurity measures and adhering to data protection regulations, organizations uphold their commitment to protecting the privacy of employees and non-employee workers [215].

Organizations in the banking sector also facilitate employment in other sectors by providing access to financial services and capital (see [topic 16.18 Economic impacts](#)) [214]. Organizations may be involved with negative impacts related to employment by providing products, services, and investments to organizations with inadequate policies and practices, such as precarious employment contracts or insufficient safeguards to protect workers' personal data. Conversely, organizations in the sector can contribute to positive impacts by lending to or investing in other organizations with high-quality employment practices. Organizations in the banking sector are expected to use their leverage to encourage responsible employment practices across their business relationships, such as through customer engagement and investee stewardship [216].

1153 Reporting on employment

1154 If the organization has determined employment to be a **material topic**, this sub-section lists the
 1155 disclosures identified as relevant for reporting on the topic by the banking sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - For customer engagement and investee stewardship related to employment, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers³⁴ or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.15.1
Topic Standard disclosures		
GRI 104: Employment 2027	Disclosure 104-1 Employment arrangements	16.15.2
	Disclosure 104-2 Apprenticeship and internship policies	16.15.3
	Disclosure 104-3 Recruitment practices	16.15.4
	Disclosure 104-4 Performance management	16.15.5
	Disclosure 104-5 Personal data protection and privacy policies	16.15.6
	Disclosure 104-6 Termination policies	16.15.7
	Disclosure 104-7 New hires and turnover	16.15.8
	Disclosure 104-8 Incidents in recruitment and employment arrangements	16.15.9
	Disclosure 104-9 Performance reviews	16.15.10
	Disclosure 104-10 Incidents in data protection and privacy	16.15.11

1156 References and resources

1157 [GRI 104: Employment 2027](#) lists authoritative intergovernmental instruments and additional
 1158 references relevant to reporting on this topic.

1159 The additional references and resources used in developing this topic that may be helpful for
 1160 reporting on employment by the banking sector are listed in the [Bibliography](#).

³⁴ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

Topic 16.16 Remuneration and working time

Remuneration is the gross amount paid to a worker and includes basic pay, as well as additional cash or in-kind payments, such as overtime and pay bonuses, which should ensure gender equality and non-discrimination. Working time is the time associated with productive job activities and the arrangement of this time during a specified period. This topic covers an organization's approach to remuneration and working time, including social protection.

Organizations in the banking sector may be involved with impacts related to remuneration and working time through their activities or as a result of their business relationships in all sectors of the economy. Impacts related to remuneration and working time are not limited to employees and extend to non-employee workers, including agency workers, apprentices, and contractors to whom services are outsourced, such as customer service or IT support.

Organizations in the banking sector can have remuneration practices characterized by disproportionately high salaries, bonuses, and incentive schemes for certain positions. Such remuneration practices can encourage excessive risk-taking, particularly when bonuses are tied to short-term results without adequate consideration for long-term stability or environmental and human rights impacts. The remuneration disparity between senior executives and other employees and non-employee workers raises concerns about income inequality.

Remuneration practices can also differ based on gender. Globally, men employed in financial services earn, on average, 22% higher incomes than women with the same profiles. The gender pay gap is notably higher among senior executives in the financial services sector than in other sectors (see [topic 16.10 Non-discrimination and equal opportunity](#)) [220].

Long working hours are common for organizations in the banking sector. With the advent of digitalization and post-COVID adaptations, telework has seen a significant uptake in the sector. While telework can have positive impacts on work-life balance, it can also exacerbate issues related to extended working hours, contributing to psychosocial impacts and stress (see [topic 16.14 Occupational health and safety](#)) [219]. Organizations can address the negative impacts of long working hours by prioritizing the well-being of employees and non-employee workers, including promoting leave and rest hours and fostering a healthy work-life balance. In addition to addressing remuneration and working time-related impacts, organizations can enhance the overall well-being of employees and non-employee workers by implementing comprehensive social protection measures, such as unemployment and retirement benefits.

Banking organizations may also be involved with impacts related to remuneration and working time by lending to, investing in, or procuring products or services from business relationships with inadequate policies and practices, such as not paying a living wage. Organizations can use their leverage to encourage their business relationships to adopt responsible remuneration and working time practices and policies for workers, such as through customer engagement and investee stewardship [221].

1198 Reporting on remuneration and working time

1199 If the organization has determined remuneration and working time to be a material topic, this sub-
1200 section lists the disclosures identified as relevant for reporting on the topic by the banking sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - For customer engagement and investee stewardship related to remuneration and working time, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers³⁵ or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.16.1
Topic Standard disclosures		
GRI 105: Remuneration and Working Time 2027	Disclosure 105-1 Remuneration policies	16.16.2
	Disclosure 105-2 Working time policies	16.16.3
	Disclosure 105-3 Transparency of remuneration and working time	16.16.4
	Disclosure 105-4 Remuneration	16.16.5
	Disclosure 105-5 Gender pay gap	16.16.6
	Disclosure 105-6 Social protection coverage	16.16.7
	Disclosure 105-7 Working time	16.16.8

1201 References and resources

1202 [GRI 105: Remuneration and Working Time 2027](#) lists authoritative intergovernmental instruments and
1203 additional references relevant to reporting on this topic.

1204 The additional references and resources used in developing this topic that may be helpful for
1205 reporting on remuneration and working time by the banking sector are listed in the [Bibliography](#).

³⁵ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

Topic 16.17 Significant changes for workers

A significant change for workers is an alteration in the organization's operational pattern that can have a significant positive or negative impact on them. This topic covers an organization's impacts related to significant changes for workers.

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

Transformations for organizations in the banking sector, such as automation, the deployment of new technologies, including generative artificial intelligence, increasing industry concentration, and globalization, can result in job displacement and income insecurity [224]. The transition to a low-carbon economy can also drive significant changes for employees and non-employee workers, including through shifts in business models and evolving skill requirements (see [topic 16.1 Climate change](#)). Significant changes may require redeployment, upskilling and reskilling of employees and non-employee workers.

Digitalization in financial services can contribute to significant changes for workers, including through the decentralization of labor in the sector [224]. By outsourcing activities, organizations can reduce labor costs or bypass collective agreements that are in place for employees, potentially increasing disparities between employees and non-employee workers (see [topics 16.15 Employment](#) and [16.13 Freedom of association and collective bargaining](#)).

Mergers, acquisitions, and restructuring can have impacts on employees and non-employee workers, including increased job insecurity, higher job stress and workload, and a rise in disguised employment. These changes can also lead to mass terminations, which require worker consultation and notice period regulations [223].

Organizations in the banking sector may also be involved with impacts related to significant changes for workers through their business relationships, for example, through investment banking services that facilitate mergers and acquisitions. Organizations can use their leverage, such as through customer engagement and investee stewardship, to encourage their business relationships to adopt responsible practices with regard to significant changes for workers [225].

1234 Reporting on significant changes for workers

1235 If the organization has determined significant changes for workers to be a material topic, this sub-
 1236 section lists the disclosures identified as relevant for reporting on the topic by the banking sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - For customer engagement and investee stewardship related to significant changes for <u>workers</u>, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers³⁶ or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.17.1
Topic Standard disclosures		
GRI 106: Significant Changes for Workers 2027	Disclosure 106-1 Management of significant changes	16.17.2
	Disclosure 106-2 Time period for worker consultations	16.17.3
	Disclosure 106-3 Training and redeployment	16.17.4

1237 References and resources

1238 [GRI 106: Significant Changes for Workers 2027](#) lists authoritative intergovernmental instruments and
 1239 additional references relevant to reporting on this topic.

1240 The additional references used in developing this topic that may be helpful for reporting on significant
 1241 changes for workers by the banking sector are listed in the [Bibliography](#).

1242

³⁶ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

Topic 16.18 Economic impacts

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

Organizations in the banking sector may be involved with economic impacts through their own activities or as a result of their business relationships in all sectors of the economy.

By providing products and services, the banking sector promotes economic development, which can also have negative economic impacts at local and national levels [224]. Business expansion may lead to job losses as investments in automation replace workers. Newly created jobs may not provide decent employment or adequate remuneration, as documented in solar and electric vehicle supply chains [230], which can lead to economic and social instability (see [topic 16.16 Remuneration and working time](#)). Regional economies dependent on the fossil fuel sector may experience other negative economic impacts when capital is redirected to renewable energies, such as persistent declines in real gross domestic product and net exports [227]. When organizations focus lending on the largest and most profitable institutional customers, they may exacerbate negative impacts, for example, by limiting financing for micro-, small-, and medium-sized enterprises (MSMEs), innovation, and sector diversification [228].

Organizations in the sector can exacerbate financial instability through excessive risk-taking, at worst, catalyzing financial crises that affect entire economies. Conversely, during economic crises, the sector can support financial stability. Government interventions in times of economic crisis, such as quantitative easing, can increase wealth inequality by disproportionately benefiting asset holders and the financial services sectors [226] [229]. Other government assistance can include bailouts during crises, tax credits, financial incentives, and guarantees, aimed at promoting public trust and supporting long-term, positive economic impacts.

By allocating products and services, organizations in the sector also promote the expansion of new and existing businesses, stimulate innovation and infrastructure development, and support sector diversity. These impacts can enhance economic productivity and create new jobs in the public and private sectors. By facilitating domestic and international payments, organizations support business continuity, cross-border commerce, and global economic integration. The incorporation of sustainability into the banking sector's products, services, and investments can direct capital to organizations and projects that have positive impacts on the economy, environment, and people. For example, loans provided to female-led businesses or transition finance solutions in high-emitting sectors (see [Disclosures on incorporating sustainability in banking and investment activities](#) and [topic 16.1 Climate change](#)). Organizations transmit monetary policy by adjusting interest rates, which affect borrowing and investment behavior.

By engaging institutional customers and exercising stewardship over investees on issues such as decent work and climate change, banking organizations can raise awareness of how their activities support or hinder economic development.

Organizations in the sector can have large, sometimes cross-border, operations that generate positive economic impacts through revenue and operating costs, distributed as worker salaries and tax payments to governments. Organizations can have additional impacts on employees' long-term economic well-being and financial health by providing retirement plans.

The economic impacts of the banking sector on individuals and micro-, small-, and medium-sized enterprises (MSMEs) are reflected in financial health and inclusion (see [topic 16.5 Financial health and inclusion](#)).

1288 Reporting on economic impacts

1289 If the organization has determined economic impacts to be a material topic, this sub-section lists the
1290 disclosures identified as relevant for reporting on the topic by the banking sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - Describe how the organization's policies and commitments for the design and allocation of its products, services, and investments: - promote positive economic <u>impacts</u>; - prevent negative economic impacts. - For products, services, and investments with an explicit objective of generating positive economic impacts, report: - indicators used to track the effectiveness of these products, services, and investments; - examples of their effectiveness. - For customer engagement and investee stewardship related to economic impacts, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers³⁷ or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.18.1
Topic Standard disclosures		
GRI 201: Economic Performance 2016	Disclosure 201-1 Direct economic value generated and distributed	16.18.2
	Disclosure 201-3 Defined benefit plan obligations and other retirement plans	16.18.3
	Disclosure 201-4 Financial assistance received from government <i>Additional sector recommendations</i> - Report, by country, the total monetary value of: - government guarantees; - government bailouts. - Describe government interventions³⁸ that supported the organization during an economic crisis.	16.18.4

1291 References and resources

1292 [GRI 201: Economic Performance 2016](#) lists authoritative intergovernmental instruments and
1293 additional references relevant to reporting on this topic.

³⁷ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

³⁸ For example, quantitative easing and corporate bond purchases.

1294 The additional references and resources used in developing this topic that may be helpful for
1295 reporting on economic impacts by the banking sector are listed in the [Bibliography](#).

Topic 16.19 Corruption and financial crime

Corruption refers to how an organization manages the potential of being involved in practices such as bribery, facilitation payments, fraud, extortion, collusion, money laundering, and offering or receiving inducements to act dishonestly or illegally. Closely related to corruption, financial crime includes various forms of theft and misuse for economic gain. This topic covers the impacts of corruption and financial crime.

Losses from corruption are estimated to exceed 5% of global gross domestic product (GDP), diverting funds from essential public services such as education and healthcare [242]. Organizations in the banking sector may be involved with impacts related to corruption and financial crime through their activities or as a result of their business relationships in all sectors of the economy [240].

Banking organizations can become involved in corruption when they engage in illicit activities, such as market manipulation or exerting undue influence to attract customers and secure business. Organizations facilitating financial transactions involving the public sector, such as public contracting and spending, may also be implicated in corrupt practices [242].

The sector may be involved with corruption and financial crime through the wrongful use of its products and services, such as money laundering [247]. Bank accounts can be used to access the laundered proceeds of various criminal activities and finance other illegal activities, such as human trafficking and terrorism [244] [241]. Organizations can prevent negative impacts by being transparent about beneficial owners of assets or funds, conducting due diligence and risk assessments on prospective customers [246], promptly reporting any suspicious transactions, and complying with regulations and stakeholder initiatives to combat money laundering. Anti-money laundering policies generally recommend a risk-based approach to compliance procedures.

Compliance requirements, often designed as part of 'know your customer' (KYC) processes, aim to prevent the misuse of banking services for illicit activities. However, these requirements can create barriers to accessing banking services for certain organizations, such as small businesses and NGOs, particularly those operating in conflict-affected and high-risk areas (see [topics 16.5 Financial health and inclusion](#) and [16.9 Conflict-affected and high-risk areas](#)). Limited access to banking services can result in negative impacts, including constraints on operational continuity, reduced ability to pay staff and suppliers, restricted access to humanitarian or development funding, and increased reliance on informal or higher-risk financial channels.

Criminals can target banking systems and customers' data to execute unauthorized payments through fraudulent means, such as email and credit card scams, phishing, and malware attacks (see [topic 16.6 Customer privacy and data security](#)) [243].

Organizations can identify corruption and financial crime by adopting suitable policies and procedures, incorporating the three lines of defense – controls, risk and compliance oversight, and independent audit assurance – and applying these to their own activities and in business relationships [241]. Policies and procedures applied to the organization's activities can address where they do business, their customers, products, and services, and how they obtain and retain customers, and their engagement with business partners. Policies and procedures applied to the organization's business partners can mandate compliance with relevant standards and regulations, verify adherence through independent assessments, and implement contractual anti-money laundering clauses that grant audit access. Regulations focusing on financial crimes may require further measures, including enhanced due diligence for politically exposed persons [246].

Furthermore, the sector can address the negative impacts of corruption by participating in anti-bribery and corruption initiatives [240]. Through customer engagement and investee stewardship, organizations can also encourage existing or prospective customers and investees to have robust anti-corruption policies and practices [245].

1343 **Reporting on corruption and financial crime**

1344 If the organization has determined corruption and financial crime to be a material topic, this sub-
 1345 section lists the disclosures identified as relevant for reporting on the topic by the banking sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - Describe how the organization incorporates the three lines of defense in its activities and <u>business relationships</u> for the identification of <u>corruption</u> and financial crime, including: - operational level procedures and functions related to record keeping, approval procedures, and reporting structures; - specialized risk management and regulatory compliance procedures and functions; - internal and external auditing procedures and functions; - any best practices or industry guidelines used. - For customer engagement and investee stewardship related to corruption and financial crime, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers³⁹ or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.19.1
Topic Standard disclosures		
GRI 205: Anti- corruption 2016	Disclosure 205-1 Operations assessed for risks related to corruption	16.19.2
GRI 205: Anti- corruption 2016	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	16.19.3
GRI 205: Anti- corruption 2016	Disclosure 205-3 Confirmed incidents of corruption and actions taken	16.19.4
Additional sector disclosures		
Activities assessed for financial crime: Report the number and percentage of functions assessed for financial crime risks. Report the functions identified as at higher risk by the risk assessment and the forms of financial crime identified.		16.19.5

³⁹ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

Communication and training about financial crime policies and procedures: Report the number and percentage of <u>governance body</u> members to whom the organization's financial crime policies and procedures have been communicated, and a breakdown of this total by region. Report the number and percentage of <u>employees</u> to whom the organization's financial crime policies and procedures have been communicated, and a breakdown of this total by <u>employee category</u> and region. Report the number and percentage of <u>business partners</u> to whom the organization's financial crime policies and procedures have been communicated, and a breakdown of this total by type of business partner and region. Describe whether the organization's financial crime policies and procedures have been communicated to any other persons or organizations. Report the number and percentage of governance body members that have received training on the prevention of financial crime, and a breakdown of this total by region. Report the number and percentage of employees that have received training on the prevention of financial crime, and a breakdown of this total by employee category and region.	16.19.6
Suspicious activities related to financial crime: Report the number of: • suspicious activities related to financial crime detected; • suspicious activities related to financial crime that have been investigated; • confirmed incidents of financial crime. Describe the nature of the confirmed incidents of financial crime.	16.19.7
Customer funds lost due to financial crime: Report the total monetary value of customer funds lost to financial crime during the <u>reporting period</u> and the percentage of this total that had not been reimbursed to customers as of the end of the reporting period.	16.19.8

References and resources

- GRI 205: Anti-corruption 2016* lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.
- The authoritative instrument and additional references used in developing this topic, as well as resources that may be helpful for reporting on corruption and financial crime by the banking sector are listed in the [Bibliography](#).

Topic 16.20 Anti-competitive behavior

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

Competition is a fundamental principle for customer protection [252]. Fair, efficient, and competitive markets provide customers with a wide range of financial products and services, and encourage organizations to deliver quality products and services at competitive prices [252]. Organizations in the banking sector may be involved with impacts related to anti-competitive behavior, mainly through their activities.

Banking organizations can be involved in anti-competitive behavior through various means, including collusion and price fixing [253] [255]. This type of behavior can result in negative impacts, eroding trust and confidence in the financial system. Anti-competitive behavior limits competition and customer choice, making it easier for organizations to impose extra fees, unjustifiable covenants, or engage in unethical selling practices.

Additionally, market concentration can harm competition as mergers and acquisitions lead to fewer banks overall. Less competition, especially in local communities and remote areas, can have negative impacts on customer protection and the financial health and inclusion of vulnerable groups, such as people in low-income and rural areas [254] (see [topic 16.5 Financial health and inclusion](#)).

Organizations can implement policies, procedures, and functions to identify, manage, and report anti-trust and monopoly practices across business units and subsidiaries. Specialized training for members of governance bodies, management, and employees on anti-competitive behavior, along with clear guidelines about collaboration and information exchanges, can ensure that business units are aware of and comply with relevant policies and regulations. Legitimate forms of competitor collaboration in the sector include sharing credit records. Organizations may also address anti-competitive behavior by changing governance bodies, oversight processes, and the structure of functions. Through customer engagement and investee stewardship, organizations can also encourage existing or prospective customers and investees to adopt robust anti-competition policies and practices.

1384 Reporting on anti-competitive behavior

1385 If the organization has determined anti-competitive behavior to be a material topic, this sub-section
1386 lists the disclosures identified as relevant for reporting on the topic by the banking sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - For customer engagement and investee stewardship related to <u>anti-competitive behavior</u>, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers⁴⁰ or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.20.1
Topic Standard disclosures		
GRI 206: Anti-competitive Behavior 2016	Disclosure 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices <i>Additional sector recommendations</i> - Describe the nature of the legal actions reported. - Describe the corrective actions taken in response to the legal actions for anti-competitive behavior, including: - changes to <u>governance bodies</u> and oversight processes; - restructuring managerial and leadership positions,⁴¹ business units, or teams; - training for members of governance bodies, management, and <u>employees</u>.	16.20.2

1387 References and resources

1388 [GRI 206: Anti-competitive Behavior 2016](#) lists authoritative intergovernmental instruments relevant to
1389 reporting on this topic.

1390 The additional authoritative instrument and additional references used in developing this topic that
1391 may be helpful for reporting on anti-competitive behavior by the banking sector are listed in the
1392 [Bibliography](#).

⁴⁰ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

⁴¹ Managerial and leadership positions refer to roles with responsibility for planning, directing, coordinating, and overseeing the work of others, including guiding teams or units toward organizational objectives. These positions typically include senior, middle, and other management levels as classified under the International Standard Classification of Occupations (ISCO), by the International Labour Organization (ILO).

Topic 16.21 Tax

Tax is subject to legal requirements and stakeholder expectations regarding sound tax practices. Tax avoidance and evasion strategies can deprive governments of revenue needed to implement public policy and invest in public services, undermining tax compliance more broadly. Tax transparency promotes trust and credibility in an organization's tax practices and the tax system. This topic covers the impacts of an organization's tax practices and the transparency in implementing them.

Tax revenue plays a crucial role in financing public goods and services, supporting social protection systems, and facilitating investments in public infrastructure [259]. In 2023, corporate profits estimated at USD 1 trillion were redirected to tax havens worldwide, with 25% of global offshore financial wealth remaining untaxed [261]. Organizations in the banking sector may be involved with tax-related impacts through their activities or as a result of their business relationships in all sectors of the economy.

As intermediaries in the global economy, banking organizations can knowingly or unknowingly facilitate tax avoidance and evasion for their customers. The use of tax structures, including those involving low-tax jurisdictions, can serve legitimate purposes, such as facilitating international operations or avoiding double taxation where there is genuine economic activity. However, these structures can also be used for illicit purposes, such as concealing financial flows or laundering proceeds from illegal activities (see [topic 16.19 Corruption and financial crime](#)).

Organizations in the sector can decrease tax burdens by utilizing certain strategies, such as establishing subsidiaries in tax havens that they can offer as a service and use for their own benefit. Banks can also capitalize on the advantageous rates in low-tax jurisdictions through profit-shifting strategies and use internal interest payments to transfer their profits [260] [256]. Some of these practices may comply with tax laws and international treaties, but they can significantly reduce government revenues, affecting funding available for public services. This is particularly relevant for many developing countries where collected tax revenue is already below levels considered necessary for effective state functioning [259].

Banking organizations can manage their tax impacts through customers and investees by implementing sound internal policies and processes, including appropriate customer due diligence, transaction monitoring, and investee stewardship. This can prevent negative impacts, such as concealing account owners' identities from tax authorities, violating international sanctions, and structuring transactions to exploit mismatches between jurisdictions to avoid payments [257].

As part of their tax practices and role as financial intermediaries, banking organizations are expected to uphold transparency and foster collaborative communication with tax authorities. This approach aims to enhance compliance and improve the tax system [258].

1429 Reporting on tax

1430 If the organization has determined tax to be a material topic, this sub-section lists the disclosures
1431 identified as relevant for reporting on the topic by the banking sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - For customer engagement and investee stewardship related to tax, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers⁴² or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.21.1
Topic Standard disclosures		
GRI 207: Tax 2019	Disclosure 207-1 Approach to tax	16.21.2
	Disclosure 207-2 Tax governance, control, and risk management <i>Additional sector recommendations</i> Describe how the organization's tax governance and control framework addresses the tax practices of its ⁴³~~[[[OBJ]]]~~ and investees.	16.21.3
	Disclosure 207-3 Stakeholder engagement and management of concerns related to tax	16.21.4
	Disclosure 207-4 Country-by-country reporting	16.21.5

1432 References and resources

1433 [GRI 207: Tax 2019](#) lists authoritative intergovernmental instruments and additional references
1434 relevant to reporting on this topic.

1435 The additional references and resources used in developing this topic that may be helpful for
1436 reporting on tax by the banking sector are listed in the [Bibliography](#).

⁴² Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

⁴³ 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 or consumers) and institutional customers (business-to-business customers). In the sector, micro-, small-, and medium-sized enterprises (MSMEs) are often grouped with retail customers.

Topic 16.22 Public policy

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

Organizations in the banking sector may be involved with impacts related to public policy through their activities or as a result of their business relationships in all sectors of the economy.

Banking organizations can exert influence directly through financial support to political parties, election campaigns, research initiatives, and think tanks [266]. Organizations can also participate in regulatory consultations and expert working groups, or indirectly through third parties, such as industry alliances and affiliated associations. Revolving door practices can cause negative public policy-related impacts when organizations hire individuals previously employed by financial regulators and vice versa [264]. This practice can significantly shape public policy across a wide range of topics, including customer protection, potentially leading to regulations that favor a sector or selected few organizations. This can result in higher prices for financial products and greater barriers to entry for competitors, with far-reaching impacts that undermine the economy's financial stability (see [topics 16.20 Anti-competitive behavior](#) and [16.18 Economic impacts](#)) [265].

Enhancing consistency and accountability regarding lobbying efforts, such as transparency in relation to meetings with regulators and political contributions, can prevent and mitigate negative public policy impacts [264]. This includes reporting conflicts between an organization's stated sustainability commitments and opposing advocacy efforts, and avoiding 'astroturfing' tactics in which an interest group orchestrates false grassroots support to influence public policy on a topic [267].

Organizations in the banking sector can positively support the public political process by engaging in debates that benefit society at large. This helps create momentum for other sectors and investors by creating an enabling environment to fulfill sustainability-related commitments [267]. In addition, organizations can encourage their institutional customers and investees to participate in public policy engagement that promotes environmental and social responsibility. This can include stewardship of investees' public policy engagement and advocating for stronger alignment between those practices and sustainability commitments.

1469 **Reporting on public policy**

1470 If the organization has determined public policy to be a **material topic**, this sub-section lists the
 1471 disclosures identified as relevant for reporting on the topic by the banking sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics <i>Additional sector recommendations</i> - Describe the policy on employment, or appointment to <u>governance bodies</u>, of former public officials. - Describe the policy on in-kind political contributions. - Describe the escalation policy for addressing misalignments between the organization's public policy positions and the public policy positions of affiliated third parties. - For customer engagement and investee stewardship related to public policy, report: - targets and indicators for evaluating progress; - the scope of targets, in terms of the number of institutional customers⁴⁴ or investees covered or the percentage of the portfolio they represent; - examples of the effectiveness of customer engagement and investee stewardship, including where desired outcomes were not achieved.	16.22.1
Topic Standard disclosures		
GRI 415: Public Policy 2016	Disclosure 415-1 Political contributions	16.22.2
Additional sector disclosures		
Resources allocated to public policy engagement: Report the total monetary value of the expenditure on public policy engagement activities during the <u>reporting period</u> and as a percentage of the total operational expenditure for that period.		16.22.3

1472 **References and resources**

1473 [GRI 415: Public Policy 2016](#) lists authoritative intergovernmental instruments relevant to reporting on
 1474 this topic.

1475 The additional references and resources used in developing this topic that may be helpful for
 1476 reporting on public policy by the banking sector are listed in the [Bibliography](#).

⁴⁴ Institutional customers include businesses such as corporations, non-profit organizations, governments, and sovereigns.

Glossary

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

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

anti-competitive behavior

action of the organization or employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition

Examples: allocating customers, suppliers, geographic areas, and product lines; coordinating bids; creating market or output restrictions; fixing prices; imposing geographic quotas

anti-trust and monopoly practice

action of the organization that can result in collusion to erect barriers for entry to the sector, or another collusive action that prevents competition

Examples: abuse of market position, anti-competitive mergers, cartels, price-fixing, unfair business practices

basic pay

fixed, minimum amount paid to a worker for performing their duties

Note: Basic pay excludes any additional remuneration, such as payments for overtime working or bonuses.

breach of customer privacy

non-compliance with existing legal regulations and (voluntary) standards regarding the protection of customer privacy

business partner

entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships

relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

catchment

area of land from which all surface runoff and subsurface water flows through a sequence of streams, rivers, aquifers, and lakes into the sea or another outlet at a single river mouth, estuary, or delta

1524 Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship*
1525 *Standard, Version 1.0*, 2014; modified

1526 Note: Catchments include associated groundwater areas and might include portions of
1527 waterbodies (such as lakes or rivers). In different parts of the world, catchments are
1528 also referred to as 'watersheds' or 'basins' (or sub-basins).

1529 **circularity measures**
1530 measures taken to retain the value of products, materials, and resources and redirect them back to
1531 use for as long as possible with the lowest carbon and resource footprint possible, such that fewer
1532 raw materials and resources are extracted and waste generation is prevented

1533 **collective bargaining**
1534 all negotiations that take place between one or more employers or employers' organizations, on the
1535 one hand, and one or more workers' organizations (e.g., trade unions), on the other, for determining
1536 working conditions and terms of employment or for regulating relations between employers and
1537 workers

1538 Source: International Labour Organization (ILO), *Collective Bargaining Convention*, 1981 (No.
1539 154); modified

1540 **conflict of interest**
1541 situation where an individual is confronted with choosing between the requirements of their function in
1542 the organization and their other personal or professional interests or responsibilities

1543 **corruption**
1544 'abuse of entrusted power for private gain', which can be instigated by individuals or organizations

1545 Source: Transparency International, *Business Principles for Countering Bribery*, 2011

1546 Note: Corruption includes practices such as bribery, facilitation payments, fraud, extortion,
1547 collusion, and money laundering. It also includes an offer or receipt of any gift, loan,
1548 fee, reward, or other advantage to or from any person as an inducement to do
1549 something that is dishonest, illegal, or a breach of trust in the conduct of the
1550 enterprise's business. This can include cash or in-kind benefits, such as free goods,
1551 gifts, and holidays, or special personal services provided for the purpose of an
1552 improper advantage, or that can result in moral pressure to receive such an
1553 advantage.

1554 **customer privacy**
1555 right of the customer to privacy and personal refuge

1556 Examples: the obligation to observe confidentiality; the protection of data; the protection of
1557 information or data from misuse or theft; the use of information or data for their
1558 original intended purpose only, unless specifically agreed otherwise

1559 Note: Customers are understood to include end-customers (consumers) as well as
1560 business-to-business customers.

1561 **discrimination**
1562 act and result of treating persons unequally by imposing unequal burdens or denying benefits instead
1563 of treating each person fairly on the basis of individual merit

1564 Note: Discrimination can also include harassment, defined as a course of comments or
1565 actions that are unwelcome, or should reasonably be known to be unwelcome, to the
1566 person towards whom they are addressed.

1567 **due diligence**
1568 process to identify, prevent, mitigate, and account for how the organization addresses its actual and
1569 potential negative impacts

1570 Source: Organisation for Economic Co-operation and Development (OECD), *OECD*
1571 *Guidelines for Multinational Enterprises*, 2011; modified United Nations (UN), *Guiding*

1572		<i>Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework</i> , 2011; modified
1573		
1574	Note:	See section 2.3 in GRI 1: Foundation 2021 for more information on ‘due diligence’.
1575	effluent	
1576		treated or untreated wastewater that is discharged
1577	Source:	Alliance for Water Stewardship (AWS), <i>AWS International Water Stewardship Standard</i> , Version 1.0, 2014
1578		
1579	employee	
1580		individual who is in an employment relationship with the organization according to national law or practice
1581		
1582	employee category	
1583		breakdown of <u>employees</u> by level (such as senior management, middle management) and function
1584		(such as technical, administrative, production)
1585	Note:	This information is derived from the organization’s own human resources system.
1586	exposure	
1587		quantity of time spent at or the nature of contact with certain environments that possess various
1588		degrees and kinds of <u>hazard</u> , or proximity to a condition that might cause <u>injury or ill health</u> (e.g.,
1589		chemicals, radiation, high pressure, noise, fire, explosives)
1590	forced or compulsory labor	
1591		all work and service that is exacted from any person under the menace of any penalty and for which
1592		the said person has not offered herself or himself voluntarily
1593	Source:	International Labour Organization (ILO), <i>Forced Labour Convention</i> , 1930 (No. 29);
1594		modified
1595	Note 1:	The most extreme examples of forced or compulsory labor are slave labor and
1596		bonded labor, but debts can also be used as a means of maintaining <u>workers</u> in a
1597		state of forced labor.
1598	Note 2:	Indicators of forced labor include withholding identity papers, requiring compulsory
1599		deposits, and compelling workers, under threat of firing, to work extra hours to which
1600		they have not previously agreed.
1601	freedom of association	
1602		right of employers and <u>workers</u> to form, to join and to run their own organizations without prior
1603		authorization or interference by the state or any other entity
1604	freshwater	
1605		water with concentration of total dissolved solids equal to or below 1,000 mg/L
1606	Source:	Environmental management — Water footprint — Principles, requirements and
1607		guidelines. Geneva: ISO, 2014; modified
1608		United States Geological Survey (USGS), Water Science Glossary of Terms,
1609		water.usgs.gov/edu/dictionary.html , accessed on 1 June 2018; modified
1610		World Health Organization (WHO), <i>Guidelines for Drinking-water Quality</i> , 2017;
1611		modified
1612	governance body	
1613		formalized group of individuals responsible for the strategic guidance of the organization, the effective
1614		monitoring of management, and the accountability of management to the broader organization and its
1615		<u>stakeholders</u>
1616	greenhouse gas (GHG)	
1617		gas that contributes to the greenhouse effect by absorbing infrared radiation

1618	Note:	GHGs are the seven gases covered by the Kyoto Protocol: carbon dioxide (CO ₂);
1619		methane (CH ₄); nitrous oxide (N ₂ O); hydrofluorocarbons (HFCs); perfluorocarbons
1620		(PFCs); sulfur hexafluoride (SF ₆); and nitrogen trifluoride (NF ₃).
1621	groundwater	
1622		water that is being held in, and that can be recovered from, an underground formation
1623	Source:	International Organization for Standardization. ISO 14046:2014. <i>Environmental</i>
1624		<i>management — Water footprint — Principles, requirements and guidelines</i> . Geneva:
1625		ISO, 2014; modified
1626		
1627	hazardous waste	
1628		<u>waste</u> that possesses any of the characteristics contained in Annex III of the Basel Convention, or that
1629		is considered to be hazardous by national legislation
1630	Source:	United Nations Environment Programme (UNEP), <i>Basel Convention on the Control of</i>
1631		<i>Transboundary Movements of Hazardous Wastes and Their Disposal</i> , 1989
1632	human rights	
1633		rights inherent to all human beings, which include, at a minimum, the rights set out in the United
1634		Nations (UN) International Bill of Human Rights and the principles concerning fundamental rights set
1635		out in the International Labour Organization (ILO) <i>Declaration on Fundamental Principles and Rights</i>
1636		<i>at Work</i>
1637	Source:	United Nations (UN), <i>Guiding Principles on Business and Human Rights:</i>
1638		<i>Implementing the United Nations “Protect, Respect and Remedy” Framework</i> , 2011;
1639		modified
1640	Note:	See Guidance to 2-23-b-i in <i>GRI 2: General Disclosures 2021</i> for more information on
1641		‘human rights’.
1642	impact	
1643		effect the organization has or could have on the economy, environment, and people, including on their
1644		<u>human rights</u> , which in turn can indicate its contribution (negative or positive) to <u>sustainable</u>
1645		<u>development</u>
1646	Note 1:	Impacts can be actual or potential, negative or positive, short-term or long-term,
1647		intended or unintended, and reversible or irreversible.
1648	Note 2:	See section 2.1 in <i>GRI 1: Foundation 2021</i> for more information on ‘impact’.
1649	Indigenous Peoples	
1650		Indigenous Peoples are generally identified as:
1651	•	tribal peoples in independent countries whose social, cultural and economic conditions
1652		distinguish them from other sections of the national community, and whose status is regulated
1653		wholly or partially by their own customs or traditions or by special laws or regulations;
1654	•	peoples in independent countries who are regarded as indigenous on account of their descent
1655		from the populations which inhabited the country, or a geographical region to which the country
1656		belongs, at the time of conquest or colonization or the establishment of present state boundaries
1657		and who, irrespective of their legal status, retain some or all of their own social, economic,
1658		cultural and political institutions.
1659	Source:	International Labour Organization (ILO), <i>Indigenous and Tribal Peoples Convention</i> ,
1660		1989 (No. 169)
1661	local community	
1662		individuals or groups of individuals living or working in areas that are affected or that could be affected
1663		by the organization’s activities

1664	Note:	The local community can range from those living adjacent to the organization's
1665		operations to those living at a distance.
1666	marketing communication	
1667		combination of strategies, systems, methods, and activities used by the organization to promote its
1668		reputation, brands, products, and services to target audiences
1669	Examples:	advertising, personal selling, promotion, public relations, social media, sponsorship
1670	material topics	
1671		topics that represent the organization's most significant <u>impacts</u> on the economy, environment, and
1672		people, including impacts on their <u>human rights</u>
1673	Note:	See section 2.2 in GRI 1: Foundation 2021 and section 1 in GRI 3: Material Topics 2021 for more information on 'material topics'.
1674		
1675	mitigation	
1676		action(s) taken to reduce the extent of a negative <u>impact</u>
1677	Source:	United Nations (UN), <i>The Corporate Responsibility to Respect Human Rights: An</i>
1678		<i>Interpretive Guide</i> , 2012; modified
1679	Note:	The mitigation of an actual negative impact refers to actions taken to reduce the
1680		<u>severity</u> of the negative impact that has occurred, with any residual impact needing
1681		<u>remediation</u> . The mitigation of a potential negative impact refers to actions taken to
1682		reduce the likelihood of the negative impact occurring.
1683	non-employee worker	
1684		individual whose work is controlled by the organization, but who does not have an employment
1685		relationship with it
1686	Note 1:	Control of work implies that the organization directs the work performed or has control
1687		over the means or methods for performing the work. The type of contractual
1688		relationship between the organization and the worker (e.g., employment agency,
1689		contractor) does not determine whether the organization controls the work.
1690	Note 2:	See Guidance to Disclosure 2-8 and the Control of Work Standard Interpretation to GRI 2: General Disclosures 2021 for more information on 'non-employee worker'.
1691		
1692	occupational health and safety management system	
1693		set of interrelated or interacting elements to establish an occupational health and safety policy and
1694		objectives, and to achieve those objectives
1695	Source:	International Labour Organization (ILO), <i>Guidelines on Occupational Safety and</i>
1696		<i>Health Management Systems</i> , ILO-OSH 2001, 2001
1697	product and service information and labeling	
1698		information and labeling are used synonymously, and describe communication delivered with the
1699		product or service, describing its characteristics
1700	remedy / remediation	
1701		means to counteract or make good a negative impact or provision of remedy
1702	Source:	United Nations (UN), <i>The Corporate Responsibility to Respect Human Rights: An</i>
1703		<i>Interpretive Guide</i> , 2012; modified
1704	Examples:	apologies, financial or non-financial compensation, prevention of harm through
1705		injunctions or guarantees of non-repetition, punitive sanctions (whether criminal or
1706		administrative, such as fines), restitution, restoration, rehabilitation
1707	remuneration	
1708		gross amount paid to workers, including basic pay and additional payments in cash and in-kind, such
1709		as overtime pay and bonuses
1710	Note 1:	Remuneration can also be referred to as wages or salary.

1711	Note:	Examples of additional amounts payments include those based on years of service,
1712		bonuses including cash and equity such as stocks and shares, benefit payments,
1713		overtime, time owed, and any additional allowances, such as transportation, living
1714		and childcare allowances.
1715	reporting period	
1716		specific time period covered by the reported information
1717	Examples:	fiscal year, calendar year
1718	Scope 2 GHG emissions	
1719		indirect greenhouse gas (GHG) emissions from the generation of purchased or acquired electricity,
1720		heating, cooling and steam consumed by the organization
1721	Source:	World Resources Institute (WRI) and World Business Council for Sustainable
1722		Development (WBCSD), <i>GHG Protocol Scope 2 Guidance</i> , 2015 and <i>GHG Protocol</i>
1723		<i>Corporate Value Chain (Scope 3) Accounting and Reporting Standard</i> , 2011
1724	Scope 3 GHG emissions	
1725		indirect <u>greenhouse gas (GHG)</u> emissions (not included in Scope 2 GHG emissions) that occur in the
1726		organization's upstream and downstream value chain
1727	Source:	World Resources Institute (WRI) and World Business Council for Sustainable
1728		Development (WBCSD), <i>GHG Protocol Scope 2 Guidance</i> , 2015 and <i>GHG Protocol</i>
1729		<i>Corporate Value Chain (Scope 3) Accounting and Reporting Standard</i> , 2011
1730	seawater	
1731		water in a sea or in an ocean
1732	Source:	International Organization for Standardization. ISO 14046:2014. <i>Environmental</i>
1733		<i>management — Water footprint — Principles, requirements and guidelines</i> . Geneva:
1734		ISO, 2014; modified
1735	senior executive	
1736		high-ranking member of the management of the organization, such as the Chief Executive Officer
1737		(CEO) or an individual reporting directly to the CEO or the highest <u>governance body</u>
1738	severity (of an impact)	
1739		The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the
1740		impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to
1741		counteract or make good the resulting harm).
1742	Source:	Organisation for Economic Co-operation and Development (OECD), <i>OECD Due</i>
1743		<i>Diligence Guidance for Responsible Business Conduct</i> , 2018; modified <i>United</i>
1744		<i>Nations (UN), The Corporate Responsibility to Respect Human Rights: An</i>
1745		<i>Interpretive Guide</i> , 2012; modified
1746	Note:	See section 1 in GRI 3: Material Topics 2021 for more information on 'severity'.
1747	stakeholder	
1748		individual or group that has an interest that is affected or could be affected by the organization's
1749		activities
1750		
1751	Source:	Organisation for Economic Co-operation and Development (OECD), <i>OECD Due</i>
1752		<i>Diligence Guidance for Responsible Business Conduct</i> , 2018; modified
1753	Examples:	<u>business partners</u> , civil society organizations, consumers, customers, <u>employees</u> and
1754		other <u>workers</u> , governments, <u>local communities</u> , non-governmental organizations,
1755		shareholders and other investors, <u>suppliers</u> , trade unions, <u>vulnerable groups</u>
1756	Note:	See section 2.4 in GRI 1: Foundation 2021 for more information on 'stakeholder'.
1757	substantiated complaint	
1758		written statement by regulatory or similar official body addressed to the organization that identifies
1759		<u>breaches of customer privacy</u> , or a complaint lodged with the organization that has been recognized
1760		as legitimate by the organization

1761	supplier
1762	entity upstream from the organization (i.e., in the organization's <u>supply chain</u>), which provides a
1763	product or service that is used in the development of the organization's own products or services
1764	Examples: brokers, consultants, contractors, distributors, franchisees, home workers,
1765	independent contractors, licensees, manufacturers, primary producers, sub-
1766	contractors, wholesalers
1767	Note: A supplier can have a direct <u>business relationship</u> with the organization (often
1768	referred to as a first-tier supplier) or an indirect business relationship.
1769	supply chain
1770	range of activities carried out by entities upstream from the organization, which provide products or
1771	services that are used in the development of the organization's own products or services
1772	surface water
1773	water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs,
1774	bogs, ponds, lakes, rivers, and streams
1775	Source: CDP, CDP Water Security Reporting Guidance, 2018; modified
1776	sustainable development / sustainability
1777	development that meets the needs of the present without compromising the ability of future
1778	generations to meet their own needs
1779	Source: World Commission on Environment and Development, <i>Our Common Future</i> , 1987
1780	Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in
1781	the GRI Standards.
1782	third-party water
1783	municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and
1784	other organizations involved in the provision, transport, treatment, disposal, or use of water and
1785	<u>effluent</u>
1786	value chain
1787	range of activities carried out by the organization, and by entities upstream and downstream from the
1788	organization, to bring the organization's products or services from their conception to their end use
1789	Note 1: Entities upstream from the organization (e.g., <u>suppliers</u>) provide products or services
1790	that are used in the development of the organization's own products or services.
1791	Entities downstream from the organization (e.g., distributors, customers) receive
1792	products or services from the organization.
	Note 2: The value chain includes the <u>supply chain</u> .
1793	vulnerable group
1794	group of individuals with a specific condition or characteristic (e.g., economic, physical, political,
1795	social) that could experience negative <u>impacts</u> as a result of the organization's activities more
1796	<u>severely</u> than the general population
1797	Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households;
1798	<u>human rights</u> defenders; <u>Indigenous Peoples</u> ; internally displaced persons; migrant
1799	<u>workers</u> and their families; national or ethnic, religious and linguistic minorities;
1800	persons who might be discriminated against based on their sexual orientation, gender
1801	identity, gender expression, or sex characteristics (e.g., lesbian, gay, bisexual,
1802	transgender, intersex); persons with disabilities; refugees or returning refugees;
1803	women
1804	Note: Vulnerabilities and impacts can differ by gender.
1805	waste
1806	anything that the holder discards, intends to discard, or is required to discard
1807	Source: United Nations Environment Programme (UNEP), <i>Basel Convention on the Control of</i>
1808	<i>Transboundary Movements of Hazardous Wastes and Their Disposal</i> , 1989
1809	Note 1: Waste can be defined according to the national legislation at the point of generation.

1810	Note 2:	A holder can be the reporting organization, an entity in the organization's value chain
1811		upstream or downstream (e.g., supplier or consumer), or a waste management
1812		organization, among others.
1813	water consumption	
1814		sum of all water that has been withdrawn and incorporated into products, used in the production of
1815		crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock,
1816		or is polluted to the point of being unusable by other users, and is therefore not released back to
1817		surface water, groundwater, seawater, or a third party over the course of the <u>reporting period</u>
1818	Source:	CDP, <i>CDP Water Security Reporting Guidance</i> , 2018; modified
1819	Note:	Water consumption includes water that has been stored during the reporting period
1820		for use or discharge in a subsequent reporting period.
1821	water discharge	
1822		sum of <u>effluents</u> , used water, and unused water released to <u>surface water</u> , <u>groundwater</u> , <u>seawater</u> , or
1823		a <u>third party</u> , for which the organization has no further use, over the course of the <u>reporting period</u>
1824	Note 1:	Water can be released into the receiving waterbody either at a defined discharge
1825		point (point-source discharge) or dispersed over land in an undefined manner (non-
1826		point-source discharge).
1827	Note 2:	Water discharge can be authorized (in accordance with discharge consent) or
1828		unauthorized (if discharge consent is exceeded).
1829	water stewardship	
1830		use of water that is socially equitable, environmentally sustainable, and economically beneficial,
1831		achieved through a <u>stakeholder</u> -inclusive process that involves facility- and catchment-based actions
1832	Source:	Alliance for Water Stewardship (AWS), <i>AWS International Water Stewardship</i>
1833		<i>Standard</i> , Version 1.0, 2014; modified
1834	Note:	Good water stewards understand their own water use; catchment context; and shared
1835		risk in terms of water governance, water balance, and water quality; and engage in
1836		meaningful individual and collective actions that benefit people and nature. Further:
1837		• Socially equitable water use recognizes and implements the human right to water
1838		and sanitation and helps ensure human wellbeing and equity;
1839		• Environmentally sustainable water use maintains or improves biodiversity and
1840		ecological and hydrological processes at the catchment level;
1841		• Economically beneficial water use contributes to long-term efficiency, and
1842		development and poverty alleviation for water users, <u>local communities</u> , and
1843		society at large.
1844	water stress	
1845		ability, or lack thereof, to meet the human and ecological demand for water
1846	Source:	CEO Water Mandate, <i>Corporate Water Disclosure Guidelines</i> , 2014
1847	Note 1:	Water stress can refer to the availability, quality, or accessibility of water.
1848	Note 2:	Water stress is based on subjective elements and is assessed differently depending
1849		on societal values, such as the suitability of water for drinking or the requirements to
1850		be afforded to ecosystems.
1851	Note 3:	Water stress in an area may be measured at <u>catchment</u> level at a minimum.
1852	water withdrawal	
1853		sum of all water drawn from <u>surface water</u> , <u>groundwater</u> , <u>seawater</u> , or a <u>third party</u> for any use over
1854		the course of the <u>reporting period</u>

1855	worker	
1856	person that performs work for the organization	
1857	Examples:	<u>employees</u> , agency workers, apprentices, contractors, home workers, interns, self-
1858		employed persons, sub-contractors, volunteers, and persons working for
1859		organizations other than the reporting organization, such as for <u>suppliers</u>
1860	Note:	In the GRI Standards, in some cases, it is specified whether a particular subset of
1861		workers is required to be used.
1862	worker consultation	
1863	seeking of workers' views before making a decision	
1864	Note 1:	Worker consultation might be carried out through <u>workers' representatives</u> .
1865	Note 2:	Consultation is a formal process, whereby management takes the views of workers
1866		into account when making a decision. Therefore, consultation needs to take place
1867		before the decision is made. It is essential to provide timely information to workers or
1868		their representatives in order for them to provide meaningful and effective input
1869		before decisions are made. Genuine consultation involves dialogue.
1870	Note 3:	Worker participation and worker consultation are two distinct terms with specific
1871		meanings. See definition of ' <u>worker participation</u> '.
1872	worker participation	
1873	<u>workers'</u> involvement in decision-making	
1874	Note 1:	Worker participation might be carried out through <u>workers' representatives</u> .
1875	Note 2:	Worker participation and worker consultation are two distinct terms with specific
1876		meanings. See definition of ' <u>worker consultation</u> '.
1877		
1878	worker representative	
1879	person who is recognized as such under national law or practice, whether they are:	
1880	•	a trade union representative, namely, a representative designated or elected by trade unions or
1881		by members of such unions; or
1882	•	an elected representative, namely, a representative who is freely elected by the workers of the
1883		undertaking in accordance with provisions of national laws, regulations, or collective agreements,
1884		whose functions do not include activities which are recognized as the exclusive prerogative of
1885		trade unions in the country concerned.
1886	Source:	International Labour Organization (ILO), Workers' Representatives Convention, 1971
1887		(No. 135)
1888	work-related hazard	
1889	source or situation with the potential to cause <u>injury or ill health</u>	
1890	Source:	International Labour Organization (ILO) <i>Guidelines on Occupational Safety and</i>
1891		<i>Health Management Systems</i> , 2001; modified
1892		International Organization for Standardization. ISO 45001:2018. <i>Occupational health</i>
1893		<i>and safety management systems — Requirements with guidance for use</i> . Geneva:
1894		ISO, 2018; modified
1895		Definitions that are based on or come from the ISO 14046:2014 and ISO 45001:2018
1896		standards are reproduced with the permission of the International Organization for
1897		Standardization, ISO.
1898		Copyright remains with ISO
1899	Note:	Hazards can be:
1900		• physical (e.g., radiation, temperature extremes, constant loud noise, spills on
1901		floors or tripping hazards, unguarded machinery, faulty electrical equipment);
1902		• ergonomic (e.g., improperly adjusted workstations and chairs, awkward

1903		movements, vibration);
1904		• chemical (e.g., <u>exposure</u> to solvents, carbon monoxide, flammable materials, or pesticides);
1905		
1906		• biological (e.g., exposure to blood and bodily fluids, fungi, bacteria, viruses, or insect bites);
1907		
1908		• psychosocial (e.g., verbal abuse, harassment, bullying);
1909		• related to work-organization (e.g., excessive workload demands, shift work, long hours, night work, workplace violence).
1910		
1911	work-related incident	
1912	occurrence arising out of or in the course of work that could or does result in injury or ill health	
1913	Source:	International Organization for Standardization. ISO 45001:2018. <i>Occupational health and safety management systems — Requirements with guidance for use</i> . Geneva:
1914		ISO, 2018; modified
1915		
1916		Definitions that are based on or come from the ISO 14046:2014 and ISO 45001:2018
1917		standards are reproduced with the permission of the International Organization for
1918		Standardization, ISO. Copyright remains with ISO.
1919	Note 1:	Incidents might be due to, for example, electrical problems, explosion, fire; overflow,
1920		overturning, leakage, flow; breakage, bursting, splitting; loss of control, slipping,
1921		stumbling and falling; body movement without stress; body movement under/with
1922		stress; shock, fright; workplace violence or harassment (e.g., sexual harassment).
1923	Note 2:	An incident that results in injury or ill health is often referred to as an 'accident'. An
1924		incident that has the potential to result in injury or ill health but where none occurs is
1925		often referred to as a 'close call', 'near-miss', or 'near-hit'.
1926	work-related injury or ill health	
1927	negative <u>impacts</u> on health arising from <u>exposure</u> to <u>hazards</u> at work	
1928	Source:	International Labour Organization (ILO), <i>Guidelines on Occupational Safety and Health</i>
1929		<i>Management Systems</i> , ILO-OSH 2001, 2001; modified
1930	Note 1:	'Ill health' indicates damage to health and includes diseases, illnesses, and disorders.
1931		The terms 'disease', 'illness', and 'disorder' are often used interchangeably and refer
1932		to conditions with specific symptoms and diagnoses.
1933	Note 2:	Work-related injuries and ill health are those that arise from exposure to hazards at
1934		work. Other types of incident can occur that are not connected with the work itself.
1935		For example, the following incidents are not considered to be work related:
1936		• a <u>worker</u> suffers a heart attack while at work that is unconnected with work;
1937		• a worker driving to or from work is injured in a car accident (where driving is
1938		not part of the work, and where the transport has not been organized by the
1939		• employer);
1940		• a worker with epilepsy has a seizure at work that is unconnected with work.
1941	Note 3:	Traveling for work: Injuries and ill health that occur while a worker is traveling are
1942		work related if, at the time of the injury or ill health, the worker was engaged in work
1943		activities 'in the interest of the employer'. Examples of such activities include traveling
1944		to and from customer contacts; conducting job tasks; and entertaining or being
1945		entertained to transact, discuss, or promote business (at the direction of the
1946		employer).
1947		Working at home: Injuries and ill health that occur when working at home are work
1948		related if the injury or ill health occurs while the worker is performing work at home,
1949		and the injury or ill health is directly related to the performance of work rather than the
1950		general home environment or setting.

1951 Mental illness: A mental illness is considered to be work related if it has been notified
1952 voluntarily by the worker and is supported by an opinion from a licensed healthcare
1953 professional with appropriate training and experience stating that the illness is work
1954 related.

1955 For more guidance on determining 'work-relatedness', see the United States
1956 Occupational Safety and Health Administration, Determination of work-relatedness
1957 1904.5, [https://www.osha.gov/pls/](https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9636)
1958 [oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9636](https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9636), accessed on
1959 1 June 2018.

Bibliography

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

Introduction

1. European Communities, *NACE Rev.2, Statistical classification of economic activities in the European Community (NACE)*, Eurostat, *Methodologies and Working Papers*, 2008.
2. Executive Office of the President, Office of Management and Budget, *North American Industry Classification System (NAICS)*, 2017.
3. FTSE Russell, *ICB Structure, Taxonomy Overview*, 2019.
4. International Sustainability Standards Board (ISSB), *Sustainable Industry Classification System® (SICS®)*, navigatorsasb.org/find-your-industry/, accessed on 1 June 2026.
5. S&P Dow Jones Indices and MSCI Inc., *Revisions to the Global Industry Classification Standard (GICS®) Structure*, 2018.
6. United Nations (UN), *International Standard Industrial Classification of All Economic Activities, Revision 5, Statistical Papers Series M No. 5/Rev.5*, 2024.

Sector profile

Authoritative instruments:

7. Organisation for Economic Co-operation and Development (OECD) and Global Partnership for Financial Inclusion (GPFI), *G20/OECD High-Level Principles on Financial Consumer Protection*, 2022.
8. United Nations Office of the High Commissioner for Human Rights (OHCHR), *Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework*, 2011.
9. United Nations Framework Convention on Climate Change (UNFCCC), *Paris Agreement*, 2016.
10. United Nations (UN) Resolution, *Transforming our world: the 2030 Agenda for Sustainable Development*, 2015 (A/RES/70/1).
11. United Nations (UN), *Kunming-Montreal Global Biodiversity Framework*, 2022.

Additional references:

12. Bank for International Settlements (BIS), *Statistical release: BIS international banking statistics and global liquidity indicators at end-December 2025*, 2026.
13. Institute of International Finance, *IIF Staff Paper: Resetting the debate on the role of private finance in the net-zero transition September 5, 2024*, 2024.
14. Basel Committee on Banking Supervision, *Microfinance Activities and Core Principles for Effective Banking Supervision*, 2010.
15. Chan-Lau, J.A., Kelhoffer, K., and Zhang, J., *Long-Run Economic Growth: Does Project Finance Matter?*, Moody's Analytics, 2016.
16. Climate Investment Fund (CIF), *Microfinance for Climate Adaptation: From Readiness to Resilience*, 2018.
17. Financial Stability Board (FSB), *Global Monitoring Reporting of Nonbank Financial Intermediation 2025*, 2025.

2002	18.	Independent Anti-Slavery Commissioner (IASC), <i>The role of the financial sector in eradicating modern slavery: CEOs respond to the Independent Anti-Slavery Commissioner</i> , 2021.
2003		
2004	19.	Ocampo, J.A., and González, K.D., <i>The Role of Multilateral Development Banks and Development Assistance in the Provision of Global Public Goods</i> , United Nations Development Programme (UNDP), 2024.
2005		
2006		
2007	20.	Organisation for Economic Co-operation and Development (OECD), <i>Financial Consumer Protection Policy Approaches in the Digital Age: Protecting consumers' assets, data and privacy</i> , 2020.
2008		
2009		
2010	21.	United Nations Environment Programme (UNEP), <i>Banking on nature: What the Kunming-Montreal Global Biodiversity Framework means for responsible banks</i> , 2023.
2011		
2012	22.	United Nations Human Rights Council (UNHRC), <i>Report of the Special Rapporteur on the rights of indigenous peoples</i> , United Nations General Assembly, 2016 (A/HRC/33/42).
2013		
2014	23.	United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA), <i>Measuring Financial Health: Concepts and Considerations</i> , UNSGSA Financial Health Working Group, 2021.
2015		
2016		
2017	Resources:	
2018	24.	CFA Institute, <i>Global Sustainable Investment Alliance (GSIA), and Principles for Responsible Investment (PRI), Definitions for Responsible Investment Approaches</i> , 2023.
2019		
2020	25.	Organisation for Economic Co-operation and Development (OECD), <i>Guidelines for Multinational Enterprises</i> , 2013.
2021		
2022	26.	Organisation for Economic Co-operation and Development (OECD), <i>Responsible business conduct for institutional investors: Key considerations for due diligence under the OECD Guidelines for Multinational Enterprises</i> , 2017.
2023		
2024		
2025	27.	Organisation for Economic Co-operation and Development (OECD), <i>Due Diligence for Responsible Corporate Lending and Securities Underwriting</i> , 2019.
2026		
2027	28.	Organisation for Economic Co-operation and Development (OECD), <i>Responsible Business Conduct Due Diligence for Project and Asset Finance Transactions</i> , 2022.
2028		
2029	Disclosures on incorporating sustainability in banking and investment activities	
2030		
2031	Authoritative instruments:	
2032	29.	Organisation for Economic Co-operation and Development (OECD), <i>Responsible business conduct for institutional investors: Key considerations for due diligence under the OECD Guidelines for Multinational Enterprises</i> , 2017.
2033		
2034		
2035	30.	Organisation for Economic Co-operation and Development (OECD), <i>Due Diligence for Responsible Corporate Lending and Securities Underwriting</i> , 2019.
2036		
2037	31.	Organisation for Economic Co-operation and Development (OECD), <i>Responsible Business Conduct Due Diligence for Project and Asset Finance Transactions</i> , 2022.
2038		
2039	32.	Organisation for Economic Co-operation and Development (OECD), <i>OECD Guidelines for Multinational Enterprises on Responsible Business Conduct</i> , 2023.
2040		
2041	33.	United Nations Office of the High Commissioner for Human Rights (OHCHR), <i>Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework</i> , 2011.
2042		
2043		
2044	34.	United Nations Office of the High Commissioner for Human Rights (OHCHR), <i>The Corporate Responsibility to Respect Human Rights: An interpretative Guide</i> , 2012.
2045		
2046	Additional reference:	

- 2047 35. United Nations Office of the High Commissioner for Human Rights (OHCHR), *OHCHR*
2048 *Response to Request from BankTrack for Advice Regarding the Application of the UN*
2049 *Guiding Principles on Business and Human Rights in the Context of the Banking Sector*,
2050 2017.
- 2051 **Resources:**
- 2052 36. Equator Principles and Shift, *Tools to Enhance Access to Effective Grievance Mechanisms*
2053 *and Enable Effective Remedy*, 2019.
- 2054 37. Social and Economic Council of the Netherlands (SER), *Dutch Banking Sector Agreement*,
2055 *Performance Indicators on Human Rights*, [https://www.imvoconvenanten.nl/en/banking/about-](https://www.imvoconvenanten.nl/en/banking/about-this-agreement)
2056 [this-agreement](https://www.imvoconvenanten.nl/en/banking/about-this-agreement), accessed on 22 March 2024.
- 2057 38. United Nations Office of the High Commissioner for Human Rights (OHCHR), *Request from*
2058 *the Chair of the OECD Working Party on Responsible Business Conduct*, 2013.
- 2059 39. United Nations Office of the High Commissioner for Human Rights (OHCHR), *The issue of*
2060 *the applicability of the Guiding Principles on Business and Human Rights to minority*
2061 *shareholdings*, 2013.
- 2062 **Topic 16.1 Climate change**
- 2063 **Authoritative instruments:**
- 2064 40. United Nations Framework Convention on Climate Change (UNFCCC), *Paris Agreement*,
2065 2016.
- 2066 41. Organisation for Economic Co-operation and Development (OECD), *Managing Climate Risks*
2067 *and Impacts Through Due Diligence for Responsible Business Conduct: A Tool for*
2068 *Institutional Investors*, 2023.
- 2069 **Additional references:**
- 2070 42. Institute of International Finance, *IIF Staff Paper: Resetting the debate on the role of private*
2071 *finance in the net-zero transition September 5, 2024*, 2024.
- 2072 43. International Labour Organization (ILO) and United Nations Environment Programme
2073 (UNEP), *Just Transition Finance - Pathways for Banking and Insurance*, 2023.
- 2074 44. Organisation for Economic Co-operation and Development (OECD), *Guidance on Transition*
2075 *Finance, Ensuring credibility of corporate climate transition plans*, 2022.
- 2076 45. Taskforce on Nature-related Financial Disclosures (TNFD), *Guidance on nature in transition*
2077 *plans*, 2025.
- 2078 46. United Nations Environment Programme (UNEP), *Climate Adaptation Target Setting*,
2079 *Principles for Responsible Banking: Guidance for Banks*, 2023.
- 2080 47. United Nations Environment Programme (UNEP), *Guidelines for Climate Target Setting for*
2081 *Banks*, 2024.
- 2082 48. United Nations Environment Programme Finance Initiative (UNEP FI), *Transition Finances*
2083 *Emerging Practices Report*, 2025.
- 2084 49. United Nations Environment Programme (UNEP), *Practical Guidance on Implementing*
2085 *Adaptation and Resilience for Banks*, 2025.
- 2086 50. United Nations Women (UN Women), *How gender inequality and climate change are*
2087 *interconnected*, 2025.
- 2088 **Resources:**
- 2089 51. Bank for International Settlements (BIS), *Climate-related risk drivers and their transmission*
2090 *channels*, 2021.

- 2091 52. Glasgow Financial Alliance for Net Zero (GFANZ), *The Managed Phaseout of High-emitting Assets, How to facilitate the early retirement of high-emitting assets as part of a just transition to a net-zero world*, 2023.
- 2092
- 2093
- 2094 53. Institutional Investors Group on Climate Change (IIGCC), *Net Zero Standard for Banks*, 2023.
- 2095 54. Intergovernmental Panel on Climate Change (IPCC), *Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, 2022.
- 2096
- 2097
- 2098 55. International Labour Organization (ILO), London School of Economics and Political Science (LSE), and Grantham Research Institute on Climate Change and the Environment, *Just Transition Finance Tool for banking and investing activities*, 2022.
- 2099
- 2100
- 2101 56. Transition Pathway Initiative (TPI), London School of Economics and Political Science (LSE), and Grantham Research Institute on Climate Change and the Environment, *Banks and the Net Zero Transition: Tracking Progress with the TPI Net Zero Banking Assessment Framework*, 2023.
- 2102
- 2103
- 2104
- 2105 57. Transition Plan Taskforce (TPT), *Banks Sector Guidance*, 2024.
- 2106 58. United Nations Environment Programme (UNEP), *Foundations of Climate Mitigation Target Setting, Principles for Responsible Banking: Guidance for Banks*, 2023.
- 2107
- 2108 59. United Nations Environment Programme (UNEP), *The Use of Carbon Credits in Climate Target Setting*, 2023.
- 2109
- 2110 60. United Nations (UN), *Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions, Report from the United Nations High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities*, 2022.
- 2111
- 2112

2113 **Topic 16.2 Biodiversity**

2114 **Authoritative instrument:**

- 2115 61. United Nations (UN), *Kunming-Montreal Global Biodiversity Framework*, 2022.

2116 **Additional references:**

- 2117 62. Convention on Biological Diversity, Business for Nature, Finance for Biodiversity Foundation, and Principles for Responsible Investment (PRI), *Financial Sector Guide for the Convention on Biological Diversity: Key actions for nature*, 2021.
- 2118
- 2119
- 2120 63. Dasgupta, P., *The Economics of Biodiversity: The Dasgupta Review*, HM Treasury, 2021.
- 2121 64. International Union for Conservation of Nature (IUCN), *IUCN Global Standard for Nature-based Solutions*, 2020.
- 2122
- 2123 65. Organisation for Economic Co-operation and Development (OECD) and Food and Agriculture Organization of the United Nations (FAO), *OECD-FAO Business Handbook on Deforestation and Due Diligence in Agricultural Supply chains*, 2023.
- 2124
- 2125
- 2126 66. United Nations Environment Programme (UNEP), *Banking on nature: What the Kunming-Montreal Global Biodiversity Framework means for responsible banks*, 2023.
- 2127
- 2128 67. United Nations Environment Programme (UNEP), *High-level roadmap: Aligning financial flows with the Kunming-Montreal Global Biodiversity Framework*, 2023.
- 2129
- 2130 68. World Economic Forum (WEF), *Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy*, 2020.
- 2131
- 2132 69. World Wide Fund for Nature (WWF), *Bankable Nature Solutions: Blueprints for bankable nature solutions to help tackle nature and climate crises*, 2020.
- 2133
- 2134 70. World Wide Fund for Nature (WWF), *Seeing the forest for the trees: A practical guide for financial institutions to take action against deforestation and conversion risks*, 2022.
- 2135

2136 **Resources:**

- 2137 71. Cambridge Institute for Sustainability Leadership, *Banking Beyond Deforestation: How the*
2138 *banking industry can help halt and reverse deforestation*, 2021.
- 2139 72. Finance for Biodiversity Foundation, *Guide on engagement with companies*, 2022.
- 2140 73. Finance Sector Deforestation Action (FSDA) and Institutional Investors Group on Climate
2141 Change (IIGCC), *Finance Sector Deforestation Action (FSDA): Expectations for Commercial*
2142 *and Investment Banks*, 2024.
- 2143 74. Food and Agriculture Organization of the United Nations (FAO), United Nations Environment
2144 Programme (UNEP), World Health Organization (WHO), and World Organization for Animal
2145 Health (WOAH), *The One Health approach and Key Recommendations of the Quadripartite*,
2146 2023.
- 2147 75. International Finance Corporation (IFC), *Biodiversity Finance Reference Guide: Building on*
2148 *the Green Bond Principles and Green Loan Principles*, 2023.
- 2149 76. International Union for Conservation of Nature (IUCN), *Deep seabed mining: A rising*
2150 *environmental challenge*, 2018.
- 2151 77. Muller, S., and Robins, N., *Just Nature: How finance can support a just transition at the*
2152 *interface of action on climate and biodiversity*, London School of Economics and Political
2153 Science (LSE) and Grantham Research Institute on Climate Change and the Environment,
2154 2022.
- 2155 78. Organisation for Economic Co-operation and Development (OECD), *Biodiversity: Finance and*
2156 *the Economic and Business Case for Action*, 2019.
- 2157 79. Organisation for Economic Co-operation and Development (OECD), *A Comprehensive*
2158 *Overview of Global Biodiversity Finance*, 2020.
- 2159 80. Taskforce on Nature-related Financial Disclosures (TNFD) and Science Based Targets
2160 Network (SBTN), *Guidance for corporates on science-based targets for nature*, 2023.
- 2161 81. Taskforce on Nature-related Financial Disclosures (TNFD), *Sector guidance: Additional*
2162 *guidance for financial institutions*, 2024.
- 2163 82. Taskforce on Nature-related Financial Disclosures (TNFD), *Evidence review on the financial*
2164 *effects of nature-related risks*, 2025.
- 2165 83. Taskforce on Nature-related Financial Disclosures (TNFD), *Guidance on nature in transition*
2166 *plans*, 2025.
- 2167 84. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
2168 (IPBES), *Global assessment report of the Intergovernmental Science-Policy Platform on*
2169 *Biodiversity and Ecosystem Services*, 2019.
- 2170 85. United Nations Development Programme (UNDP), *Moving Mountains: Unlocking Private*
2171 *Capital for Biodiversity and Ecosystems*, 2020.
- 2172 86. United Nations Environment Programme (UNEP), *State of Finance for Nature: The Big Nature*
2173 *Turnaround, Repurposing \$7 trillion to combat nature loss*, 2023.
- 2174 87. World Bank Group, *Mobilizing Private Finance for Nature*, 2020.
- 2175 88. World Wide Fund for Nature (WWF), *Banking on Nature-Positive: How public development*
2176 *banks and commercial banks can collectively contribute towards a Nature-Positive agenda*,
2177 2024.
- 2178 89. World Wide Fund for Nature (WWF), *Toward a healthy planet: A One Health approach to*
2179 *conservation*, 2024.

2180 **Topic 16.3 Water and effluents**

2181 **Additional references:**

- 2182 90. CDP, *High and Dry: How Water Issues are Stranding Assets*, 2022.
- 2183 91. Organisation for Economic Co-operation and Development (OECD), *Watered down? Investigating the financial materiality of water-related risks in the financial system*, 2023.
- 2184
- 2185 92. Science Based Targets Network (SBTN), *Corporate water stewardship and science-based targets for freshwater: Alignment and interoperability between leading approaches*, 2024.
- 2186
- 2187 93. Taskforce on Nature-related Financial Disclosures (TNFD) and Science Based Targets Network (SBTN), *Guidance for corporates on science-based targets for nature*, 2023.
- 2188
- 2189 94. United Nations University Institute for Water, Environment and Health (UNU-INWEH), *Global Water Bankruptcy: Living Beyond Our Hydrological Means in the Post-Crisis Era*, 2026.
- 2190
- 2191 95. World Wide Fund for Nature (WWF), *Linking Water Risk and Financial Value – Part I: Considerations for the Financial Sector*, 2022.
- 2192

2193 **Resources:**

- 2194 96. CDP, *Financial Institutions are Valuing Water*, 2023.
- 2195 97. Ceres, *Investor Water Toolkit*, 2020.
- 2196 98. International Panel on Climate Change (IPCC), *AR6 Synthesis Report: Climate Change 2023*, 2023.
- 2197
- 2198 99. United Nations Environment Programme Finance Initiative (UNEP FI), *Setting Sail: Target Setting in the Sustainable Blue Economy*, 2024.
- 2199
- 2200 100. United Nations (UN), *Kunming-Montreal Global Biodiversity Framework*, 2022.

2201 **Topic 16.4 Waste**

2202 **Authoritative instrument:**

- 2203 101. United Nations Environment Programme (UNEP), *Technical guidelines on the environmentally sound management of plastic wastes*, Conference of the Parties to the Basel Convention, 2023.
- 2204
- 2205

2206 **Additional references:**

- 2207 102. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), *Financing Circular Economy – Insights for Practitioners*, 2022.
- 2208
- 2209 103. FS-UNEP Collaboration Centre for Climate Sustainable Energy Finance, *Finance for circular economy in low- and middle-income countries*, 2022.
- 2210
- 2211 104. Kaza, S., Yao, L.C., Bhada-Tata, P., Van Woerden, F., and Levine, D., *What a Waste 2.0: A Global Snapshot of Solid Waste Management to 2050*, Urban Development, 2018.
- 2212
- 2213 105. United Nations Environment Programme (UNEP) and United Nations Institute for Training and Research (UNITAR), *Guidelines for National Waste Management Strategies: Moving from Challenges to Opportunities*, 2013.
- 2214
- 2215
- 2216 106. United Nations Environment Programme Finance Initiative (UNEP FI), *Guidance on Resource Efficiency and Circular Economy Target Setting: Principles of Responsible Banking*, 2023.
- 2217
- 2218 107. United Nations Environment Programme (UNEP), *Changing Finance to Catalyze Transformation: How Financial Institutions can Accelerate the Transition to an Environmentally Sustainable Economy*, 2021.
- 2219
- 2220
- 2221 108. United Nations Environment Programme (UNEP), *Global Waste Management Outlook 2024: Beyond an Age of Waste – Turning Rubbish into a Resource*, 2024.
- 2222

2223 **Resources:**

- 2224 109. Ocean Conservancy, *Financing Waste Management and Recycling Infrastructure to Prevent Ocean Plastic Pollution: A Survey of Innovative Financial Instruments*, 2021.
- 2225

- 2226 110. Principles for Responsible Investment (PRI), *Closing the loop: Responsible investment and*
2227 *the circular economy*, 2022.
- 2228 111. Schröder, P., and Raes, J., *Financing an inclusive circular economy: De-risking investments*
2229 *for circular business models and the SDGs*, Environment and Society Programme, 2021.
- 2230 112. The World Business Council for Sustainable Development (WBCSD), *Circular Metrics*
2231 *Landscape Analysis*, 2018.
- 2232 113. United Nations Environment Programme Finance Initiative (UNEP FI), *Financing Circularity:*
2233 *Demystifying Finance for Circular Economies*, 2020.
- 2234 114. World Wide Fund for Nature (WWF), *Integration of Plastic Impact Evaluation into ESG*
2235 *Assessments: Stocktaking and guidance for ESG data and insight providers*, 2021.

2236 **Topic 16.5 Financial health and inclusion**

2237 **Additional references:**

- 2238 115. Center for Financial Inclusion (CFI), *Detailed Guidance on the Client Protection Principles*,
2239 2019.
- 2240 116. Pazarbasioglu, C., Mora, A.G., Uttamchandani, M., Natarajan, H., Feyen, E., and Saal, M.,
2241 *Digital Financial Services*, World Bank Group, 2020.

2242 **Resources:**

- 2243 117. International Labour Organization (ILO), *ILO policy statement: Microfinance for decent work*,
2244 2005.
- 2245 118. International Labour Organization (ILO), *World Social Protection Report 2020-22*, 2021.
- 2246 119. Organisation for Economic Co-operation and Development (OECD) and Global Partnership
2247 for Financial Inclusion (GPFI), *G20/OECD High-Level Principles on Financial Consumer*
2248 *Protection*, 2022.
- 2249 120. United Nations Environment Programme Finance Initiative (UNEP FI), *Financial Inclusion and*
2250 *Financial Health Target Setting: Principles for Responsible Banking*, 2022.
- 2251 121. United Nations Environment Programme Finance Initiative (UNEP FI) and UN Women,
2252 *Advancing Gender Equality and Women's Empowerment: Target-setting guidance for banks*,
2253 2024.
- 2254 122. United Nations Environment Programme Finance Initiative (UNEP FI), *Driving Impact on*
2255 *Financial Health and Inclusion of Individuals and Businesses: From Setting Targets to*
2256 *Implementation*, 2024.
- 2257 123. United Nations Principles for Responsible Investment (UNPRI), *Impact Investing Market Map*,
2258 2018.
- 2259 124. United Nations Secretary-General's Special Advocate for Financial Health (UNSGSA),
2260 *Financial Health: An Introduction for Financial Sector Policymakers*, 2021.
- 2261 125. United Nations Secretary-General's Special Advocate for Financial Health (UNSGSA),
2262 *Inclusive Green Finance: A Policy and Advocacy Approach*, 2023.
- 2263 126. World Bank Group, *Financial Inclusion: Lessons from World Bank Group Experience, Fiscal*
2264 *Years 2014-22*, 2023.

2265 **Topic 16.6 Customer privacy and data security**

2266 **Additional references:**

- 2267 127. Organisation for Economic Co-operation and Development (OECD), *Financial Consumer*
2268 *Protection Policy Approaches in the Digital Age: Protecting consumers' assets, data and*
2269 *privacy*, 2020.

- 2270 128. Organisation for Economic Co-operation and Development (OECD), *Artificial Intelligence, Machine Learning and Big Data in Finance: Opportunities, Challenges and Implications for Policy Makers*, 2021.
- 2271
- 2272
- 2273 129. Organisation for Economic Co-operation and Development (OECD), *Open finance policy considerations*, OECD Business and Finance Policy Papers, No. 36, 2023.
- 2274
- 2275 130. Organisation for Economic Co-operation and Development (OECD), *Recommendation of the Council on Artificial Intelligence*, 2024.
- 2276
- 2277 **Resources:**
- 2278 131. Bank for International Settlements (BIS), *Big techs in finance: on the new nexus between data privacy and competition*, 2021.
- 2279
- 2280 132. Carnegie Endowment for International Peace, *International Strategy to Better Protect the Financial System Against Cyber Threats*, 2020.
- 2281
- 2282 133. European Commission, *Digital Finance Strategy for the EU*, 2020.
- 2283 134. Financial Services Consumer Panel, *Press Release: Consenting adults? Consumers sharing their financial data*, 2018.
- 2284
- 2285 135. Maurer, T., and Nelson, A., *The Global Cyber Threat*, Finance & Development, 2021.
- 2286 136. Organisation for Economic Co-operation and Development (OECD) and Global Partnership for Financial Inclusion (GPFI), *G20/OECD High-Level Principles on Financial Consumer Protection*, 2022.
- 2287
- 2288
- 2289 **Topic 16.7 Marketing and labeling**
- 2290 **Authoritative instrument:**
- 2291 137. Organisation for Economic Co-operation and Development (OECD) and Global Partnership for Financial Inclusion (GPFI), *G20/OECD High-Level Principles on Financial Consumer Protection*, 2022.
- 2292
- 2293
- 2294 **Additional reference:**
- 2295 138. World Bank Group, *Good Practices for Financial Consumer Protection: 2017 Edition*, 2017.
- 2296 **Topic 16.8 Local communities and rights of Indigenous Peoples**
- 2297 **Authoritative instruments:**
- 2298 139. Organisation for Economic Co-operation and Development (OECD), *Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractives Sector*, 2015.
- 2299
- 2300 140. Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018.
- 2301
- 2302 141. United Nations Office of the High Commissioner for Human Rights (OHCHR), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011.
- 2303
- 2304
- 2305 142. United Nations Permanent Forum on Indigenous Issues (UNPFII), *Combating violence against indigenous women and girls: article 22 of the United Nations Declaration on the Right of Indigenous Peoples*, 2012.
- 2306
- 2307
- 2308 **Additional references:**
- 2309 143. de Meillac, F., and Owens, A., *Indigenous Rights and Financial Institutions: Free, Prior and Informed Consent, Just Transition and Emerging Practice*, Shift Project, 2023.
- 2310
- 2311 144. International Finance Corporation (IFC), *IFC's Performance Standards on Environmental and Social Sustainability*, 2012.
- 2312
- 2313 **Resources:**

- 2314 145. Amazon Watch, *Respecting Indigenous Rights: An Actionable Due Diligence Toolkit for*
2315 *Institutional Investors*, 2023.
- 2316 146. Business & Human Rights Resource Centre, *Investor Briefing: Renewable Energy Impacts on*
2317 *Communities*, 2017.
- 2318 147. EU Platform on Sustainable Finance, *Final Report on Social Taxonomy*, 2022.
- 2319 148. Inter-American Development Bank (IDB), *Lessons from Four Decades of Infrastructure*
2320 *Project-Related Conflicts in Latin America and the Caribbean*, 2017.
- 2321 149. International Finance Corporation (IFC), *Investing in People: Sustaining Communities through*
2322 *Improved Business Practice*, 2001.
- 2323 150. International Finance Corporation (IFC), *Guidance Note on Financial Intermediaries*, 2023.
- 2324 151. Investor Alliance for Human Rights, *Investor Toolkit on Human Rights*, 2020.
- 2325 152. United Nations Development Programme (UNDP), *Gender Dimensions of the Guiding*
2326 *Principles on Business and Human Rights*, 2019.
- 2327 153. United Nations Development Programme (UNDP), *From Fragmentation to Integration:*
2328 *Embedding Social Issues in Sustainable Finance*, 2023.
- 2329 154. UN Working Group on Business and Human Rights, *Guiding Principles on Business and*
2330 *Human Rights at 10: Taking Stock of the First Decade*, 2021.
- 2331 **Topic 16.9 Conflict-affected and high-risk areas**
- 2332 **Authoritative instruments:**
- 2333 155. Financial Action Task Force, *International Standards on Combating Money Laundering and*
2334 *the Financing of Terrorism & Proliferation: The FATF Recommendations*, 2025.
- 2335 156. Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence*
2336 *Guidance for Responsible Business Conduct*, 2018.
- 2337 157. Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence*
2338 *Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk*
2339 *Areas*, 2016.
- 2340 158. United Nations (UN), *Arms Trade Treaty*, 2013 (A/RES/67/234 B).
- 2341 159. United Nations (UN), *Convention on the Prohibition of the Use, Stockpiling, Production and*
2342 *Transfer of Anti-Personnel Mines and on Their Destruction*, 1997.
- 2343 160. United Nations (UN), *Convention on the Prohibition of the Use, Stockpiling, Production and*
2344 *Transfer of Cluster Munitions and on Their Destruction*, 2008.
- 2345 161. United Nations Office for Disarmament Affairs (UNODA), *Treaty on the Prohibition of Nuclear*
2346 *Weapons*, 2017.
- 2347 **Additional references:**
- 2348 162. European Banking Authority (EBA), *Final Report: Two sets of Guidelines on internal policies,*
2349 *procedures and controls to ensure the implementation of Union and national restrictive*
2350 *measures*, 2024.
- 2351 163. Finance for Peace, *Peace Finance Impact Framework Guidance Notes*, 2024.
- 2352 164. Geneva Centre for Security Sector Governance (DCAF), International Committee of the Red
2353 Cross, and Geneva Center for Business and Human Rights, *Addressing Security and Human*
2354 *Rights Challenges in Complex Environments: A Practical Toolkit*, 2022.
- 2355 165. International Finance Corporation (IFC), *Generating Private Investment in Fragile and*
2356 *Conflict-Affected Areas*, 2019.

- 2357 166. Investor Alliance for Human Rights, *Navigating Portfolio Exposure to Conflict-Affected and High-Risk Areas: Practical Guidance for Investor Engagement with Companies*, 2025.
- 2358
- 2359 167. Office of the United Nations High Commissioner for Refugees (UNHCR), *No Escape II: The Way Forward*, 2025.
- 2360
- 2361 168. The Responsible Security Association (ICoCA) and Investor Alliance for Human Rights, *Investor ESG Guide on Private Security and Human Rights*, 2023.
- 2362
- 2363 169. United Nations Office of the High Commissioner for Human Rights (OHCHR), *Business and Human Rights in Challenging Contexts: Considerations for Remaining and Exiting*, 2023.
- 2364
- 2365 170. United Nations Office of the High Commissioner for Human Rights (OHCHR), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011.
- 2366
- 2367
- 2368 171. United Nations Office of the High Commissioner for Human Rights (OHCHR), *Report on business, human rights and conflict-affected regions: towards heightened action*, 2020.
- 2369
- 2370 172. United Nations University Institute for Water, Environment and Health (UNU-INWEH), *Global Water Bankruptcy: Living Beyond Our Hydrological Means in the Post-Crisis Era*, 2026.
- 2371

2372 **Resources:**

- 2373 173. Institute for Economics & Peace (IEP), *Global Peace Index 2023*, 2023.
- 2374 174. International Criminal Court (ICC) (1998), *Rome Statute of the International Criminal Court*, 1998.
- 2375
- 2376 175. Finance for Biodiversity Initiative, *Breaking the Environmental Crimes-Finance Connection*, 2022.
- 2377
- 2378 176. Foreign, Commonwealth and Development Office (FCDO) and Ecorys, *ICRC Humanitarian Impact Bond: A case study produced as part of the FCDO DIBs pilot Evaluation*, 2021.
- 2379
- 2380 177. International Committee of the Red Cross (ICRC), *Business and IHL: An introduction to the rights and obligations of business enterprises under international humanitarian law*, 2006.
- 2381
- 2382 178. Investor Alliance for Human Rights, *Sector-Wide Risk Assessment: Information, Communications and Technology (ICT)*, 2019.
- 2383
- 2384 179. Office of the United Nations High Commissioner for Refugees (UNHCR), *Global Trends: Forced Displacement in 2023*, 2023.
- 2385
- 2386 180. Organisation for Economic Co-operation and Development (OECD), *Responsible Business Conduct Due Diligence for Project and Asset Finance Transactions*, 2022.
- 2387
- 2388 181. United Nations (UN) and World Bank Group, *Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict*, 2018.
- 2389
- 2390 182. United Nations Development Programme (UNDP), *Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts: A Guide*, 2022.
- 2391

2392 **Topic 16.10 Non-discrimination and equal opportunity**

2393 **Authoritative instruments:**

- 2394 183. Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018.
- 2395
- 2396 184. United Nations Office of the High Commissioner for Human Rights (OHCHR), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011.
- 2397
- 2398

2399 **Additional references:**

- 2400 185. International Labour Organization (ILO), *Transforming enterprises through diversity and inclusion*, 2022.
- 2401

- 2402 186. Organisation for Economic Co-operation and Development (OECD), *Personal data use in*
2403 *financial services and the role of financial education: A consumer-centric analysis*, 2020.
- 2404 **Resources:**
- 2405 187. Cenfri, *Consumer Protection in Digital Finance*, 2022.
- 2406 188. Consumer Financial Protection Bureau (CFPB), *Credit discrimination is illegal*, 2021.
- 2407 189. Financial Stability Institute, *Diversity and inclusion – embracing the true colours in financial*
2408 *supervision*, 2022.

2409 **Topic 16.11 Forced or compulsory labor**

2410 **Authoritative instruments:**

- 2411 190. Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence*
2412 *Guidance for Responsible Business Conduct*, 2018.
- 2413 191. United Nations Office of the High Commissioner for Human Rights (OHCHR), *Guiding*
2414 *Principles on Business and Human Rights: Implementing the United Nations “Protect,*
2415 *Respect and Remedy” Framework*, 2011.

2416 **Additional references:**

- 2417 192. Financial Action Task Force (FATF), *Financial Flows from Human Trafficking*, 2018.
- 2418 193. Minderoo Foundation, *The Global Slavery Index 2023*, 2023.
- 2419 194. United Nations University Centre for Policy Research, *A Blueprint for Mobilizing Finance*
2420 *Against Slavery and Trafficking*, 2019.

2421 **Resources:**

- 2422 195. International Labour Organization (ILO), *Profits and poverty: The economics of forced labour*,
2423 2024.
- 2424 196. United Nations Office of the High Commissioner for Human Rights (OHCHR), *Taking stock of*
2425 *investor implementation of the UN Guiding Principles on Business and Human Rights*, 2021.

2426 **Topic 16.12 Child labor**

2427 **Authoritative instruments:**

- 2428 197. Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence*
2429 *Guidance for Responsible Business Conduct*, 2018.
- 2430 198. United Nations Office of the High Commissioner for Human Rights (OHCHR), *Guiding*
2431 *Principles on Business and Human Rights: Implementing the United Nations “Protect,*
2432 *Respect and Remedy” Framework*, 2011.

2433 **Additional reference:**

- 2434 199. United Nations Children's Fund (UNICEF) and International Labour Organization (ILO), *Child*
2435 *Labour: Global estimates 2024, trends and the road forward*, 2025.

2436 **Resources:**

- 2437 200. Ethical Trading Initiative, *Base Code Guidance: Child labour*, 2017.
- 2438 201. United Nations Office of the High Commissioner for Human Rights (OHCHR), *Taking stock of*
2439 *investor implementation of the UN Guiding Principles on Business and Human Rights*, 2021.

2440 **Topic 16.13 Freedom of association and collective bargaining**

2441 **Authoritative instruments:**

- 2442 202. Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence*
2443 *Guidance for Responsible Business Conduct*, 2018.

- 2444 203. United Nations Office of the High Commissioner for Human Rights (OHCHR), *Guiding*
 2445 *Principles on Business and Human Rights: Implementing the United Nations “Protect,*
 2446 *Respect and Remedy” Framework*, 2011.
- 2447 **Additional references:**
- 2448 204. International Labour Organization (ILO), *Social Dialogue Report 2022: Collective bargaining*
 2449 *for an inclusive, sustainable and resilient recovery*, 2022.
- 2450 205. Investor Alliance for Human Rights and Heartland Initiative, *Navigating Portfolio Exposure to*
 2451 *Conflict-affected and High-risk Areas: Practical guidance for investor engagement with*
 2452 *companies*, 2025.
- 2453 206. The Responsible Security Association and Investor Alliance for Human Rights, *Investor ESG*
 2454 *Guide on Private Security and Human Rights*, 2023.
- 2455 207. United Nations Global Compact, *Business & Human Rights Navigator: Freedom of*
 2456 *Association*, <https://bhr-navigator.unglobalcompact.org/issues/freedom-of-association/>,
 2457 accessed on 20 February 2024.

2458 **Topic 16.14 Occupational health and safety**

2459 **Authoritative instruments:**

- 2460 208. Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence*
 2461 *Guidance for Responsible Business Conduct*, 2018.
- 2462 209. United Nations Office of the High Commissioner for Human Rights (OHCHR), *Guiding*
 2463 *Principles on Business and Human Rights: Implementing the United Nations “Protect,*
 2464 *Respect and Remedy” Framework*, 2011.
- 2465 **Additional references:**
- 2466 210. United Nations Global Compact and International Labour Organization (ILO), *Nine Business*
 2467 *Practices for Improving Safety and Health Through Supply Chains and Building a Culture of*
 2468 *Prevention and Protection*, 2021.
- 2469 211. United Nations Global Compact, *Business & Human Rights Navigator: Occupational Health*
 2470 *and Safety*, <https://bhr-navigator.unglobalcompact.org/issues/occupational-safety-and-health/>,
 2471 accessed on 20 February 2024.
- 2472 212. World Health Organization (WHO), *Mental health at work: policy brief*, 2022.

2473 **Resources:**

- 2474 213. International Labour Organization (ILO), *Digitalization and the future of work in the financial*
 2475 *services sector*, 2022.

2476 **Topic 16.15 Employment**

2477 **Additional references:**

- 2478 214. International Labour Organization (ILO), *Digitalization and the future of work in the financial*
 2479 *services sector*, 2022.
- 2480 215. International Labour Organization (ILO), *Protection of workers’ personal data: General*
 2481 *principles*, ILO Working Paper 62, 2022.
- 2482 216. Principles for Responsible Investment (PRI), *How investors can advance decent work*, 2022.

2483 **Resources:**

- 2484 217. Financial Stability Board (FSB), *FSB Principles for Sound Compensation Practices*, 2009.
- 2485 218. Principles for Responsible Investment (PRI), *ESG integration: how are social issues*
 2486 *influencing investment decisions?*, 2017.

2487 **Topic 16.16 Remuneration and working time**

- 2488 **Additional references:**
- 2489 219. International Labour Organization (ILO), *Digitalization and the future of work in the financial*
2490 *services sector*, 2022.
- 2491 220. International Labour Organization (ILO), *Women in business and management: The business*
2492 *case for change – Sectorial snapshots*, 2020.
- 2493 221. Principles for Responsible Investment (PRI), *How investors can advance decent work*, 2022.
- 2494 **Resources:**
- 2495 222. Financial Stability Board (FSB), *FSB Principles for Sound Compensation Practices*, 2009.
- 2496 **Topic 16.17 Significant changes for workers**
- 2497 **Additional references:**
- 2498 223. Deloitte, *Retention after a merger: Keeping your employees from “jumping ship” and your*
2499 *intellectual capital and client relationships “on board”*, 2009.
- 2500 224. International Labour Organization (ILO), *Digitalization and the future of work in the financial*
2501 *services sector*, 2022.
- 2502 225. Principles for Responsible Investment (PRI), *How investors can advance decent work*, 2022.
- 2503 **Topic 16.18 Economic impacts**
- 2504 **Additional references:**
- 2505 226. Epstein, G., and Montecino, J.A., *Did Quantitative Easing Increase Inequality?*, Institute for
2506 New Economic Thinking (INET), Working Paper Series 28, 2017.
- 2507 227. International Monetary Fund (IMF), *Economic Consequences of Large Extraction Declines*,
2508 2023.
- 2509 228. International Monetary Fund African Department and Institute for Capacity Development,
2510 *Industrial Policy for Growth and Diversification: A Conceptual Framework*, 2022.
- 2511 229. Michail, N., *Does Quantitative Easing Affect Inequality: Evidence from the US*, Social Science
2512 Research Network (SSRN), 2022.
- 2513 230. The Modern Slavery and Human Rights Policy and Evidence Centre, *Respecting Rights in*
2514 *Renewable Energy: Addressing forced labour of Uyghurs and other Muslim and Turkic-*
2515 *majority peoples in the production of green technology*, 2024.
- 2516 231. United Nations Inter-agency Task Force on Financing for Development, *Financing for*
2517 *Sustainable Development Report 2024: Financing for Development at a Crossroads*, 2024.
- 2518 **Resources:**
- 2519 232. Dridi, J., Gursoy, T., Perez-Saiz, H., and Bari, M., *The Impact of Remittances on Economic*
2520 *Activity: The Importance of Sectoral Linkages*, International Monetary Fund (IMF), 2019.
- 2521 233. Gadinis, S., and Miazad, A., *A test of stakeholder capitalism*, Journal of Corporation Law, Vol.
2522 46, No. 2, 2021.
- 2523 234. Moody’s Analytics, *The Impact of Payment Cards on Economic Growth*, 2021.
- 2524 235. Organisation for Economic Co-operation and Development (OECD), *Finance and Inclusive*
2525 *Growth*, 2015.
- 2526 236. Organisation for Economic Co-operation and Development (OECD), *Mobilizing Institutional*
2527 *Investors for Financing Sustainable Development*, 2021.
- 2528 237. Organisation for Economic Co-operation and Development (OECD), *How to restore a healthy*
2529 *financial sector that supports long-lasting, inclusive growth?*, 2015.
- 2530 238. Schutter, O.D., *Food Commodities Speculation and Food Price Crises*, United Nations
2531 Special Rapporteur on the Right to Food, Briefing Note 02, 2010.

2532 239. The World Bank, *Green Digital Transformation: How to Sustainably Close the Digital Divide*
2533 *and Harness Digital Tools for Climate Action*, 2023.

2534 **Topic 16.19 Corruption and financial crime**

2535 **Authoritative instrument:**

2536 240. Financial Action Task Force (FATF), *International Standards on Combating Money*
2537 *Laundering and the Financing of Terrorism & Proliferation*, 2012–2025.

2538 **Additional references:**

2539 241. Basel Committee on Banking Supervision, *Sound management of risks related to money*
2540 *laundering and financing of terrorism*, 2020.

2541 242. Organisation for Economic Co-operation and Development (OECD), *Anti-Corruption and*
2542 *Integrity Outlook 2026: Harnessing the Integrity Advantage*, 2026.

2543 243. Organisation for Economic Co-operation and Development (OECD), *Financial Consumer*
2544 *Protection Policy Approaches in the Digital Age: Protecting consumers' assets, data and*
2545 *privacy*, 2020.

2546 244. Organisation for Economic Co-operation and Development (OECD), *Illicit Financial Flows*
2547 *from Developing Countries: Measuring OECD Response*, 2014.

2548 245. Principles for Responsible Investment (PRI) and United Nations Global Compact, *Engaging*
2549 *on Anti-Bribery and Corruption: A Guide for Investors and Companies*, 2016.

2550 246. The Wolfsberg Group, *Wolfsberg Anti-Bribery and Corruption Compliance Programme*
2551 *Guidance*, 2023.

2552 247. Transparency International Anti-Corruption Helpdesk, *Anti-Corruption Mechanisms in the*
2553 *Banking Sector*, 2014.

2554 **Resources:**

2555 248. European Commission, *Handbook of good practices in the fight against corruption*, 2023.

2556 249. Financial Action Task Force (FATF), *Financial Flows from Human Trafficking*, 2018.

2557 250. Organisation for Economic Co-operation and Development (OECD) and Global Partnership
2558 for Financial Inclusion (GPII), *G20/OECD High-Level Principles on Financial Consumer*
2559 *Protection*, 2022.

2560 251. PwC, *PwC's Global Economic Crime and Fraud Survey*, 2022.

2561 **Topic 16.20 Anti-competitive behavior**

2562 **Authoritative instrument:**

2563 252. Organisation for Economic Co-operation and Development (OECD) and Global Partnership
2564 for Financial Inclusion (GPII), *G20/OECD High-Level Principles on Financial Consumer*
2565 *Protection*, 2022.

2566 **Additional references:**

2567 253. Brancaccio, E., Giammetti, R., Loprete, M., and Puliga, M., *Centralization of capital and*
2568 *financial crisis: A global network analysis of corporate control*, Structural Change and
2569 Economic Dynamics. 2018.

2570 254. Han, L., Zhang, S., and Greene, F.J., *Bank market concentration, relationship banking and*
2571 *small business liquidity*, International Small Business Journal, 2015.

2572 255. Organisation for Economic Co-operation and Development (OECD), *Competition and*
2573 *Financial Markets*, <https://www.oecd.org/daf/competition/43067294.pdf>, accessed on 1
2574 November 2024.

2575 **Topic 16.21 Tax**

- 2576 **Additional references:**
- 2577 256. Aliprandi, G., Barake, M., and Paul-Emmanuel, C., *Have European Banks Left Tax Havens? Evidence from Country-by-country data*, EU Tax Observatory, 2021.
- 2578
- 2579 257. European Parliament, *The Role of the Financial Sector in Tax Planning*, Directorate-General for Internal Policies, 2016.
- 2580
- 2581 258. Organisation for Economic Co-operation and Development (OECD), *Co-operative Tax Compliance: Building Better Tax Control Frameworks*, 2016.
- 2582
- 2583 259. Organisation for Economic Co-operation and Development (OECD), *Global Outlook on Financing for Sustainable Development 2021: A New Way to Invest for People and Planet*, 2020.
- 2584
- 2585
- 2586 260. Reiter, F., Langenmayr, D., and Holtmann, S., *Avoiding taxes: banks' use of internal debt*, International Tax and Public Finance, 2021.
- 2587
- 2588 261. The EU Tax Observatory, *Global Tax Evasion Report 2024*, 2024.

2589 **Resources:**

- 2590 262. Organisation for Economic Co-operation and Development (OECD), *Tax Planning by Multinational Firms: Firm-Level Evidence from a Cross-Country Database*, 2016.
- 2591
- 2592 263. United Nations Development Programme (UNDP), *Tax for Sustainable Development Goals Initiative Annual Report 2022*, 2022.
- 2593

2594 **Topic 16.22 Public policy**

2595 **Additional references:**

- 2596 264. Centre for Research on Multinational Corporations (SOMO), *Taking Lobbying Public: The Transparency of Dutch Banks' Lobbying Activities*, 2013.
- 2597
- 2598 265. Leibniz Institute for Financial Research SAFE, *Captured by financial institutions? New academic insights for European policymakers*, 2021.
- 2599
- 2600 266. Organisation for Economic Co-operation and Development (OECD), *Transparency and Integrity in Lobbying*, 2013.
- 2601
- 2602 267. United Nations Environment Programme Finance Initiative (UNEP FI), *Guidance on Responsible Policy Engagement*, 2025.
- 2603

2604 **Resources:**

- 2605 268. Organisation for Economic Co-operation and Development (OECD), *Background Paper 1: The Business Case for Common OECD Standards on Political Engagement for the Private Sector*, 2023.
- 2606
- 2607
- 2608 269. Shpaizman, I., *Beyond the visible policy agenda: problem definitions disappearing from the agenda as nondecisions*, Journal of Public Policy, 2020.
- 2609
- 2610 270. United Nations Global Compact, *Investing in Transformational Governance*, 2024.
- 2611
- 2612 271. United Nations Global Compact, *Transformational Governance and Responsible Governmental Engagement*, 2024.
- 2613
- 2614 272. We Mean Business Coalition, *Climate Ambition Advocacy: A framework for responsible policy engagement*, 2023.
- 2615