

EFRAG SR Banking Advisory Panel

TERMS OF REFERENCE

The EFRAG SR TEG has decided to establish a Banking Advisory Panel advising EFRAG SR TEG to deal with the Banking sector-specific ESRS and other banking matters and issues in sustainability reporting, starting with value chain guidance. Banking is a very specific area where the EFRAG SR TEG requires support. The EFRAG SR Banking Advisory Panel is an advisor to EFRAG SR TEG and operates under its umbrella in accordance with Article 44 of the EFRAG Internal rules. All EFRAG technical positions, including those relating to the Banking industry, are taken by the EFRAG SRB after a recommendation by the EFRAG SR TEG. The EFRAG SR Banking Advisory Panel concentrates its activities on Banking specific matters and practices.

Objective

1. The role of the EFRAG SR Banking Advisory Panel (BAP) is to support EFRAG SR TEG in developing its technical recommendations to the EFRAG SRB in the context of the SRB's work as standard-setting advisor to the European Commission in terms of CSRD. This role includes activities like advising and supporting EFRAG SR TEG in developing the following:
 - a. Advice to EFRAG SR TEG on value chain aspects for financial institutions and sector specific standard for banks which will cover the subsectors as identified in ESRS SEC 1 i.e., central banking aspects, other monetary intermediation, financial leasing and granting of other credit.
 - b. EFRAG responses to the work of the ISSB on Banking specific issues (and combined with the EFRAG SR *Insurance Advisory Panel* and the EFRAG SR *Capital Markets Advisory Panel* where relevant),
 - c. Implementation support on Banking specific matters related to ESRS,
 - d. Other banking related matters from a corporate reporting and connectivity perspective.

Composition of the Advisory Panel

2. The indicative size of the Advisory Panel is 20 members.
3. The Advisory Panel should consist of members with particular experience of sustainability reporting issues and matters for banking. There should be a balanced composition of different stakeholder categories, e.g. preparers, auditors/assurance providers, actuaries, users, academics, standard setters, civil society, and other relevant stakeholders; as well as in terms of geographical, ethnic and professional backgrounds and gender composition.
4. Members should have strong technical expertise, including implementation work, on ESRS as issued by EFRAG at first and when issued, the delegated acts as adopted by the European Commission. Knowledge about GRI and/or ISSB is a bonus but not essential.



5. Members should be citizens of EEA countries and the Advisory Panel should also reflect the diversity of nationalities and ethnicity in the EEA as well as gender.
6. Members should be able to dedicate sufficient time to the Advisory Panel 's activities and commit to attend meetings.
7. Members are appointed in their personal capacities and cannot be represented by alternates. Members are expected to express their individual views unless it is explicitly stated that they are presenting the opinions of the organisations that they represent.
8. Members are required to commit themselves to act in the European public interest in all matters relating to their role.
9. The EFRAG SR BAP Chair generally is expected to be an EFRAG SR TEG member as per the EFRAG Internal Rules.
10. Observers from the Commission, ESMA, EIOPA and other interested organisations (such as Banking regulators) may also be invited to participate as observers.
11. The EFRAG SR TEG Chair and the EFRAG Secretariat will participate in the discussions as appropriate.
12. Staff of National Standard Setters (of countries that financially contribute to EFRAG) or of EFRAG Member Organisations, not being a member of the Advisory Panel may attend the meetings as observers.
13. Members are expected to bear their own travel and other costs relating to participating in the Advisory Panel 's activities. In exceptional circumstances, this can be reconsidered for individual cases.

Frequency of meetings:

14. Advisory Panel meetings are expected to meet at least six times a year (or more or less frequently as necessary) in private.
15. A delegation of the Advisory Panel may be invited to participate in selected EFRAG SR TEG sessions where specific topics relevant to banks are discussed.
16. Meetings to be online with physical meetings envisaged twice a year.

Regular updates to EFRAG:

17. The Advisory Panel gives input to and supports the work of the EFRAG SR TEG. It may also receive specific requests from EFRAG SR TEG and the general direction of the input expected. The Advisory Panel receives feedback on the EFRAG SR TEG advice reported to the EFRAG SRB.

Methods of working

18. The EFRAG SR BAP Chair and the EFRAG Secretariat are responsible for preparing the agenda.
19. Papers should be prepared by members of the EFRAG Secretariat as a basis for discussion by the Advisory Panel. When necessary and appropriate, the EFRAG Secretariat may ask for selected inputs from members of the Advisory Panel when preparing the papers.



20. Reasonable efforts should be made that the agenda and working papers are circulated and distributed five working days before the meeting.
21. The work (agenda papers and publications) and meetings of the Advisory Panel are conducted in English.
22. The EFRAG SR BAP Chair can invite guests to a specific meeting in which their contribution is considered useful.
23. The Advisory Panel's output will take the form of input to EFRAG SR TEG. It will not publicly express its views.
24. When providing input to EFRAG SR TEG, a constructive approach should be taken so that if members of the Advisory Panel has diverging views, such views and their supporting reasons are clearly explained and alternative ideas for resolving the issue are put forward for further consideration by the EFRAG SR TEG.
25. The EFRAG Secretariat provides support in all the activities of the Advisory Panel, including to the Chair.

Confidentiality

26. All members of the Advisory Panel should respect confidentiality in relation to the nature of the information they may obtain as part of advising the EFRAG SR TEG.
27. In case of breach of confidentiality, the relevant Advisory Panel member(s), and the EFRAG Secretariat should immediately contact EFRAG at saskia.slomp@efrag.org.

Internal rules

28. The EFRAG Internal Rules as approved by the EFRAG General Assembly on 28 April 2022, in particular Article 44 apply to all EFRAG working groups and advisory panels.

