

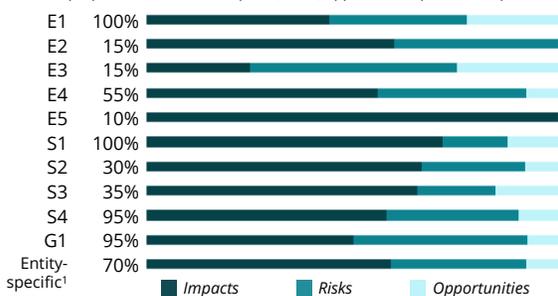
Wave 1 CSRD Reports – Double Materiality in focus

Industry: Commercial banks

Material topics

While unsurprisingly all banks analyzed concluded climate change and own workforce are material, just over half reached the same conclusion for biodiversity.

% of banks analyzed disclosing material IROs for each ESRS topic.
The proportion of material impacts, risks, opportunities per ESRS topic.



Overall, **the emerging picture** is that many large commercial banks recognize a dual challenge of

- (i) mitigating negative climate and wider ESG **impacts** within their own operational footprint and workforce practices; and
- (ii) managing significant climate-related financial **risks** and reputational exposures in their downstream portfolios.

At the same time, they are seeking to leverage **opportunities** by offering sustainable investment products, both to capture growing client demand and to position themselves as collaborators in the global energy transition to build a more resilient economy.

- The banking sector is divided on the materiality of E4-Biodiversity and ecosystems: while just over half of the banks consider E4 to be material, a substantial proportion do not. Banks that do focus on biodiversity typically view it as both a negative impact and a risk, suggesting a need for further analysis and alignment of the industry group.
- Only 15% of banks analyzed deemed other nature-related and circularity topics as material, indicating that biodiversity is currently the main environmental focus beyond climate change.
- Given the sector's specific risk profile and reliance on digital infrastructure, analyzed banks emphasized the importance of cybersecurity, data privacy, and financial crime prevention (anti-money laundering, fraud, and corruption). Sustainable finance and product offerings also feature prominently in banks' entity-specific material topics (or sub-topics), pointing to an appetite for ESG-driven innovation.
- Of the 20 banks analyzed, all assessed E1-Climate change and S1-Own workforce as being material, in particular sub-topics E1:Climate change mitigation and adaptation and S1: Working conditions and Equal treatment and opportunities for all.

About CSRD Insights Research

Deloitte Global has conducted analysis of the Wave 1 CSRD reports. A broad report with more insights and observations per industry is coming soon.

About Industry series

For the Commercial Banks Industry Card CSRD Report 2025, 20 banks were analyzed. Findings in this document are non-exhaustive in nature and are intended for information-only purposes.

Key terms and abbreviations

CSRD – Corporate Sustainability Reporting Directive
ESG – Environmental, Social and Governance
DMA – Double Materiality Assessment
IROs – Impacts, risks, and opportunities
ESRS – European Sustainability Reporting Standards

Material IROs across the value chain

Key impacts in own operations

- Workforce welfare (fair pay, diversity, mental health, inclusion)
- Carbon footprint (Scope 1 and 2) and resource efficiency
- Data privacy and cybersecurity

Key downstream climate change risks

- Transition risks from lending/investment in high-emitting sectors
- Physical climate risks (collateral devaluation, insurance losses)
- Biodiversity and ecosystems damage (reputational and credit risks)

Key opportunities across upstream, own operations and downstream

- Upstream: Sustainable sourcing and procurement
- Own operations: Energy efficiency, emissions reduction and enhanced employer reputation
- Downstream: Sustainable finance growth, sustainability-linked products, advisory services on decarbonization and climate adaptation

Heat map of the average # of material impacts, risks, opportunities per ESRS topic disclosed by banks analyzed.

	# of Impacts				# of Risks				# of Opportunities			
	Average # of impacts per topic	Upstream	Own Operations	Downstream	Average # of risks per topic	Upstream	Own Operations	Downstream	Average # of opportunities per topic	Upstream	Own Operations	Downstream
E1	3.35	1.25	0.65	2.50	2.55	0.70	0.50	2.10	1.70	0.50	0.35	1.40
E2	0.30	0.10		0.30	0.20	0.05	0.05	0.15	0.10			
E3	0.10			0.10	0.20			0.20	0.10			
E4	0.70	0.15	0.05	0.70	0.45		0.15	0.35	0.10			0.10
E5	0.15			0.15								
S1	4.80	0.20	4.40	0.05	1.05		0.95		0.85		0.70	
S2	0.40	0.10		0.35	0.15	0.10		0.10	0.05	0.05		0.05
S3	1.05	0.15	0.20	0.85	0.30	0.10	0.10	0.20	0.25			0.25
S4	3.10	0.35	0.75	1.85	1.80	0.20	0.45	0.95	0.60	0.10	0.05	0.50
G1	2.55	0.90	1.60	0.90	2.15	0.60	1.35	0.75	0.40	0.25	0.25	0.25
ES*	1.45	0.20	0.40	1.00	0.80	0.25	0.25	0.50	0.20	0.05		0.20

0 5 Average # of IROs

* ES – Entity-specific topics

Key assumptions and limitations

- When IROs were not clearly listed and mapped to the relevant parts of the value chain and time horizon in the report, the information was treated as not being stated and was excluded from calculations of IROs.
- One IRO could be mapped to multiple parts of the value chain and therefore could appear more than once in the calculations of IROs.
- The mapping of IROs to ESRS topics was guided by the names of the related material topics and the disclosed ESRS topics reported by the company.

¹Including entity-specific sub-topics.



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