Rhetoric and Realities: Analysing Corporate Social Responsibility in Europe (RARE)

A Research Project within the EU's Sixth Framework Programme

CSR in the European Banking Sector: Evidence from a Sector Survey

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CSR in the European Banking Sector: Evidence from a Sector Survey

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1 Introduction

According to literature the banking sector has been quite slow in considering the consequences of the issue of sustainability, despite of the fact of their exposure to risk having an intermediary role in the economy. Referring to the relevant literature from 1990 to 2000, banks began addressing the issue of sustainability by considering firstly environmental and then social issues and attempting to incorporate them by established policies for the environment and society[2]. It is possible to recognize that most studies focus on 'banking and the environment' or 'environmental risk' and consequently, in terms of banks' activities, 'environmental risk assessment', 'risk management', 'product developments' (special funds), 'new markets', 'communication and organisation'.

As a consequence of the emphasis on banking and the environment, research interests focused initially on the 'direct risks' banks were running, i.e. the risks of banks being held liable for polluting activities. Only in the later years the 'indirect risks', such as reputation and responsibility of banks related to lending activities (client's solvency/continuity or collateral) were taken up and investigated in the sector. Risk management which was usually focused on the potential financial risks, involves nowadays also the environmental and social consequences of lending money to clients with dubious sustainability performances[3].

Our survey explores four different kinds of financial institutions representing the most widespread European typology,[4] whose main difference traces back to their mission and in some cases to their ownership structure: commercial banks[5], co-operative banks[6], savings banks[7] and public banks[8].

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[1] Fondazione Eni Enrico Mattei (FEEM), Italy. We would like to thank Peter Wilkinson and Sabina Nicolella for valuable comments to an earlier draft of this paper.

[2] Jeucken 2002, Bouma/Jeucken/Klinkers 2001, Jeucken 2001.

[3] The ethical and sustainable orientation is more and more considered by different stakeholders: lender/savers would like to know how banks channel their money; NGOs ask banks to indicate what the economic sectors financed by banks are; investors are worried that the value of their shares can decrease if banks are involved in financial scandals or if banks finance "bad" companies for instance damaging the environment or violating human rights. An evident sign of the progressive environmental care is the growth of the market for funds that invest exclusively in responsible companies (Jeucken 2004).

[4] In the Annex we provide an illustration of the whole financial system and the evidence of the RARE project focus.

[5] The majority of *commercial banks* are joint-stock companies whose primary mission is to maximise profit for shareholders. The main activities of commercial banks cover "money transfer, deposits,

In the entire spectrum of banks' sustainable activities, the analysis of RARE project has focused on their understanding of responsibility related to three specific policy fields (mitigating climate change, promoting gender equality and countering bribery).

The aim of the sector survey is to provide a synthetic picture of CSR impacts regarding the three policy fields. The results of each single unit of analysis, the company's completion of the RARE questionnaire, have been analysed and assessed according to the framework developed in the project and thereby providing a benchmark of the companies against the policy fields.

With regards to the differentiation between direct and indirect aspects, the questionnaire and consequently the survey have adopted the wording 'indirect aspects' and 'direct aspects' and specified related sub-issues clearly implying two types of responsibility. In the conclusive paragraph of this survey, we have consequently tried to differentiate two types of impacts, defined as those consequences in the social and environmental realm deriving from a direct practice implemented by the company or linked to the most prominent activity of the banks, the lending operations.

1.1 Methodological steps (company selection, survey procedural)

Company selection was carried out through a mix of different criteria that matched the general and specific purposes of the RARE project: the first criterion was to consider banks with an explicit CSR profile based in the European domain; the second was to consider large groups, according to the EU definition of Multinational companies; the

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loans and credits, letters of credits, foreign-exchange transaction, bullion trade, guarantees, and others. (…) Most of the world's better-known banks fall into this category". (Schmidheiny/Zorraquin/WBCSD 1996: 99).

[6] *Co-operative banks* are owned by members-customers, who are the same group of person who elect their management teams in accordance to the principle "one person, one vote". This is economic democracy in action, whose dominant end-purpose is to provide customer value by offering tailor-made products and services cost-effectively and "close to home" (European Association of Co-operative Banks 2004:2). Their primary mission is not to maximise profit for their shareholders, but to offer their members/customers the best services. By their origin and nature co-operative banks have historically been leaders in supplying financial services adapted to certain categories of customers, such as farmers and small and medium-sized enterprises to which access to credit at other banks used to be limited.

[7] The *savings banks* business model is characterized by a group of decentralised, locally based banks. Savings banks are the main financial partners of European SMEs and private households. These banks are the second largest group of banks in Europe (in terms of total assets) and Europe's main representative of retail, decentralised, local and regional banks (European Savings Bank Group 2004:10). Their form of legal ownership varies: some banks are characterised by mutualism (such as co-operative banks), others are foundations, public banks, and in some cases there are also joint-stock savings banks.

[8] *Public banks* encompass a series of financial institutions that are public or publicly owned banks, development banks and funding agencies. "The function of the public credit institutions lies to a great extent in their role as promotional institutions within the context of an economic and structural policy" (European Association of Public Banks 2002).

third was to consider the CSR performance and activities/instruments adopted by banks with regard to RARE policy fields. Table 1 summarises the different phases of the preparative work to define the list of banks that were approached for the survey (36 banks in total).

Table 1: Company selection and carrying out of the survey

Work phase	**Timing/ Research instruments / criteria**	**Banks chosen/ con-tacted**	**Response rate**	**Comments**
Desk selection	**May 2005 – October 2005** - analysis of market leaders / multinational enterprises [9] - analysis of CSR reporting tools and web sites - SRI indexes composition and SR funds [10] - ranking of CSR performances [11] - interviews with some CSR sector experts [12] - banks CSR responsible manager (via publicly disclosed documents; via web)	36	-	Considering the different policy areas investigated in RARE, a crucial point was to identify the responsible CSR manager/unit able to answer to the RARE questionnaire.
Pre test	**September 2005- November 2005**	2	2 ; 100%	Two banks were pre-contacted to validate the format of the questionnaire.

[9] Elaboration by FEEM on the basis of a banking sector research (Mediobanca 2003).

[10] Sustainable Investment 2005.

[11] Stock at Stake 2004; Clausen J./ Loew T. /Westermann U. 2005; SustainAbility 2005; The Global 100 2005.

[12] We had the opportunity to discuss with a representative from Avanzi (Davide Dal Maso); ABI, the Italian Banking Association; the European Saving Banks Association.

Contact phase	**December 2005 – February 2006 (first round)** Questionnaires, with an accompanying letter, were sent out to CSR/environment managers by post and by e-mail.	36	11 ; 30,5%	When no answer came, banks were contacted by phone. It was difficult to reach the responsible person. The banks which refused to participate gave one of the following reasons: first, lack of time or lack of resources; second, the high number of questionnaires/enquiries they receive, especially from rating agencies.
	March 2006 – April 2006 (second round) We sent out a second round of questionnaires, as banks advised they had not received it or they wanted to delegate other people to handle the project.	25	6 ; 24%	End of April 2006 was the deadline to receive the questionnaire. The final positive result was 17 questionnaires.
Data analysis	**June 2006 - October 2006** Qualitative / Quantitative analysis (analysis of frequencies; correlations); redaction of the survey.	17/36	47,2%	

Source: RARE Project; FEEM 2006

The final response rate reached 47%, which is a good result considering the difficulties in obtaining responses; six banks (35% of respondents) were very cooperative by sending the questionnaire in due time and adding further information about their CSR activities (updated reporting; special information regarding policy areas or activities carried out; workshops they were organising or participating in).

1.2 Structure of the sample

The sample is constituted of 17 banks coming from European countries where the sector has a high relevance: Germany (5), United Kingdom (2), Switzerland (1), France (1), The Netherlands (1), Italy (3), Belgium (2), Spain (2). The main focus was on commercial banks (13) even though the sample also includes two saving banks, a cooperative bank and a public bank.

Concerning the size the sample includes both big players and a couple of 'pioneers' (to be considered as leaders regarding the use of certain instrument or because they address certain policy issues, but smaller than MNEs and thus less visible). The size has been analysed according to two parameters:

- Balance sheet total (total assets at 31 December 2005)[13]: it varies from 17 to 1,325 billions Euro (in average about 500 billions of Euro);
- Number of employees (2005): 3,740 to 137,000 (in average 50,000 employees).

Table 2: Survey participants

Company	Country of origin
Deutsche Bank	Germany
Dresdner Bank	
KfW Bankengruppe	
West LB	
HypoVereinsbank (HVB)	
Unicredit Group	Italy
Gruppo San Paolo IMI	
Gruppo Monte dei Paschi di Siena (MPS)	
The Royal Bank of Scotland (RBS)	United Kingdom
The Cooperative Bank	
Banco Bilbao Vizcaya Argentaria (BBVA)	Spain
Caja Madrid	
DEXIA	Belgium
KBC	
ABN AMRO	The Netherlands
UBS	Switzerland
Caisse Nationale des Caisses d'Epargne (CNCE)	France

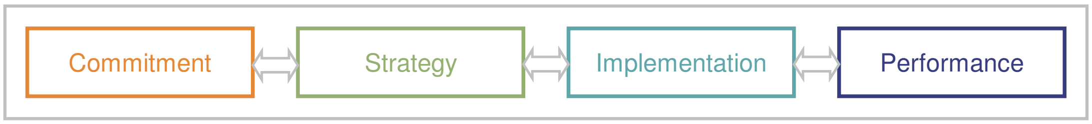
Source: RARE Project

[13] "This variable consists of the sum of all items of the assets side or the sum of all items of liabilities side. This indicator gives an idea of the economic importance of credit institutions" (Eurostat 2004: 208).

2 Survey results

The results of the CSR survey will be presented following a schematic path for corporate decision-making. It starts with the company's general commitment to its social and/ or environmental responsibility, followed by strategy building, implementation and performance measurement (Figure 1).

Figure 1: Survey structure



Source: RARE Project

2.1 Corporate commitment

2.1.1 Terms used to describe banks' responsibility to society and the environment

Concerning the terminology used by banks to describe their 'responsibility to society and the environment', companies were asked to choose from a variety of terms and could tick multiple answers[14] (Figure 2). All the terms provided were known and used by the banks while three banks added their own terminology.

'Corporate Social Responsibility', 'Corporate Responsibility' and 'Corporate Sustainability' are the most popular terms in our sample and are respectively mentioned by **fourteen** (representing 82% of the seventeen companies surveyed), **nine** (53%) and **seven banks** (41%). The frequencies' analysis shows that the other terms are less used than the first three above.

Banks chiefly relate their social and environmental responsibilities to the corporate sphere by choosing terms where the 'corporate duty' is clearly implied ('Corporate Social **Responsibility**', 'Corporate **Responsibility**'), the concept of 'Corporate Sustainability' follows, while other terms are less used ('Business Ethics', 'Corporate Accountability' and 'Triple Bottom Line').

[14] Eleven banks representing the 65% in our sample gave multiple answers.

Figure 2: Terms used to describe companies' responsibility to society and the environment

Source: RARE Project

2.1.2 Do banks perceive CSR activities as 'beyond compliance'?

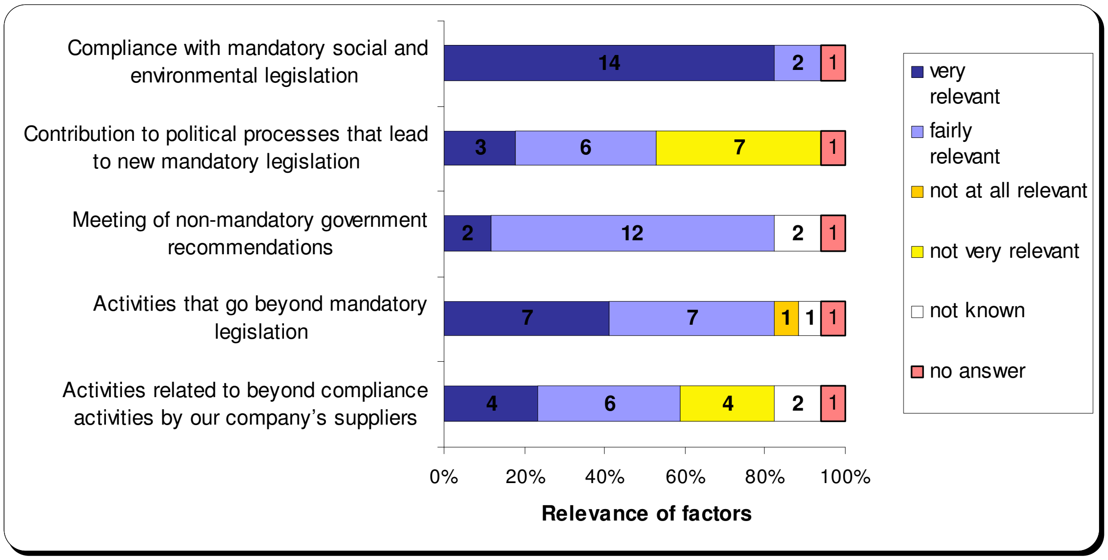
The survey asked banks to rank the importance of dimensions determining their responsibility moving from the 'compliance with mandatory legislation' to 'activities that go beyond mandatory legislation'. The answers provided interesting and apparently contradictory results if we refer to the core notion of CSR based on the voluntary and beyond compliance activities, according to the EU definition.

Considering the first and the fourth lines in the diagram (Figure 3) as the two opposite answers, more than four fifth of banks (14 out of 17) stressed that compliance with mandatory social and environmental regulation is 'very relevant', while seven banks state that CSR corresponds to 'activities that go beyond mandatory legislation'.

If we aggregate together the two frequencies boxes 'very relevant' and 'fairly relevant' in order to stress the very positive result (the banks stating as positive/relevant to go beyond the mandatory legislation), we have **sixteen banks** (representing 94% of our sample and 100% of answers) considering 'compliance with mandatory legislation' as relevant and **fourteen banks** (representing 82% of our sample and 88% of answers) stressing that the 'meeting of non-mandatory government recommendations' and 'activities that go beyond mandatory legislation' are relevant too.

Being a question open to multiple answers, it is likely that the same banks signed the two opposing answers without perceiving a clear contradiction.

Figure 3: Dimensions of responsibility



Source: RARE Project

The conclusion from this is that banks consider CSR and its related activities as a path to ensure achievement of compliance and to go beyond thus revealing the vision of a form of 'continuum' rather than as a sharp division between compliance and beyond compliance activities.

Concerning the other dimensions of CSR, fourteen banks (aggregating the first two top positive results) consider as important the meeting of non-mandatory recommendations (the so called soft law).

Nine banks state that the 'contribution to political processes that lead to new mandatory legislation' is very (3) or fairly (6) relevant, but seven companies choose the 'not very relevant' answer. Supply chain activities are seen as very or fairly relevant in 63% of answers (59% of our sample).

Another key point of our analysis was the close relationship between the overall level of CSR activities and the three issue areas (mitigating climate change, promoting gender equality and countering bribery). The 'level of activities' is an aggregate value deduced from the activities that companies perform to implement CSR. One assumption was that companies which rate the dimension "activities beyond mandatory legislation" as very or fairly relevant would tend to have **a higher level** of overall CSR activities than companies which consider "compliance with legislation" as especially important.

Table 3: Relation between dimensions of responsibilities and level of company activities

		Level of Company Activities			Number of companies
		high	medium	low	
Dimensions of Responsibility (very relevant / fairly relevant)	Compliance with legislation	1	14	1	16
	Contribution to the political process	1	7	1	9
	Meeting of non-mandatory legislation	1	12	1	14
	Activities beyond mandatory legislation	1	12	1	14
	Activities related to beyond compliance of suppliers	1	8	1	10
	Column Total	*5*	*53*	*5*	-

Source: RARE Project

As the cross-tabulation in Table 3 shows, this expectation was not confirmed by the results, being ‘compliance with legislation’ and ‘activities beyond mandatory legislation’ frequencies more or less the same. The columns describe the independent variable (level of activities aggregated across all three issue areas); the rows describe those dimensions that companies feel to be very or fairly relevant for their understanding of responsibility. The outcome shows that the companies’ understanding of relevant dimensions is fairly dependent on their activities’ level, which for the banking sector is medium.

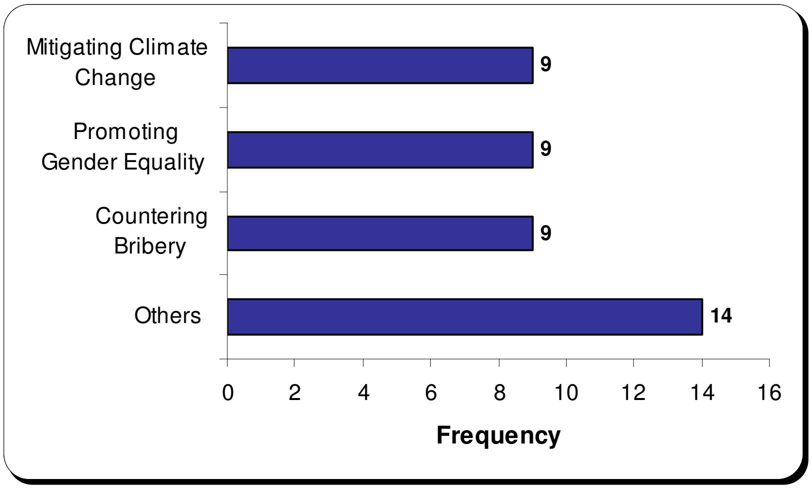
2.1.3 CSR vision and statements on issues surveyed by RARE

Looking more closely at the ‘commitment issue’ to society and environment, this was shown by sixteen companies reporting a written corporate statement of overall vision, mission or objective. Asking them if the corporate statement covers the issues targeted by the RARE project, nine companies (representing 64% of answers) report that the statement encompasses our issues and fourteen declare there are other relevant issues covered by their statement.

RARE’s targeted issues are included in half of the corporate statements of the banks sample. Nevertheless it is fairly relevant that fourteen banks out of seventeen cover issues which are not encompassed among the RARE topics[15].

[15] Some banks specified issues some of the following issues: customer care and satisfaction, corporate values, business principles, fair business, promotion and protection of the environment, employee welfare/professional development, relations with suppliers, community investment, employee entrepreneurship, human rights, quality and ethic service to customer, providing the utmost value possible on a balance basis to all direct stakeholders.

Figure 4: Coverage of written statement on companies' responsibility



Source: RARE Project

2.2 Corporate strategy

2.2.1 The most important social and environmental issue areas

Focusing on the second step of the CSR process, we asked companies to identify the most important social and environmental issues (as open answers) and to rely on their integration into existing strategies or policies.

Sixteen out of seventeen companies replied to the first question providing a list of issues that we have then clustered as in Figure 5. It is relevant to consider that the **most important social and environmental issue area** specified encompasses 'indirect responsibility via customers'. Banks seem to be aware of the indirect role they play via their lending operations, management of assets, SRI funds, other financial products/services and consulting.

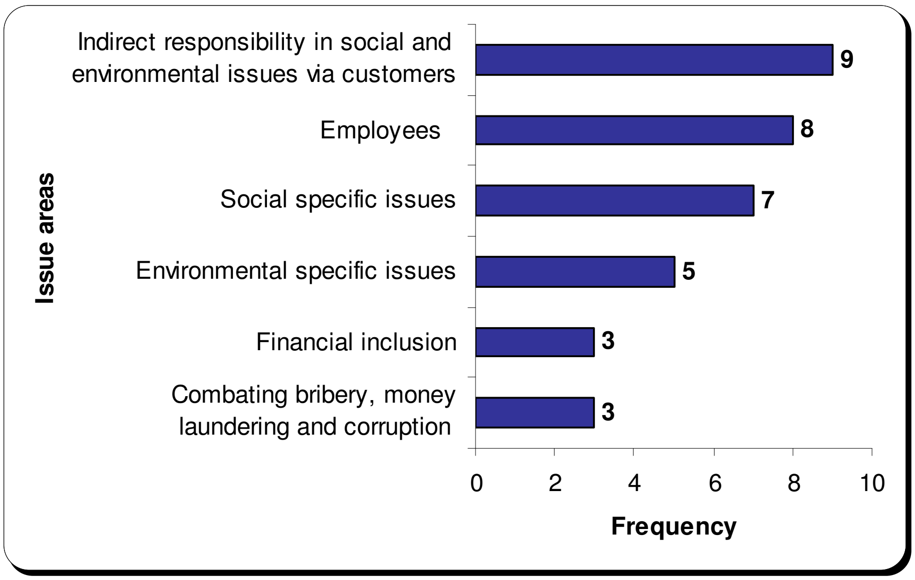
The issue areas identified as next in importance are related to 'employees' (8 answers), 'social specific issues'[16] (7) and 'environment specific issues' (5 answers mainly related to climate change area[17]). These aspects, as they are not linked to financial products and services, give a less interesting result than 'indirect impacts'. It is also important to note that three banks list financial inclusion as important: this deals with the struggle against the social exclusion issue, a phenomenon involving above all both micro-small enterprises and households, in particular social categories such as immigrants, women, young

[16] We grouped issues like assistance to the elderly and dependent persons, corporate citizenship, socio-cultural activities, human rights, social and community support.

[17] They encompasses CO2 emissions, climate change, nuclear power, energy consumption, bio architecture.

and old people i.e. the so-called non-bankable people. Furthermore, three companies indicates as relevant the RARE selected issues - combating bribery, money laundering and corruption.

Figure 5: Most important social and environmental issue areas

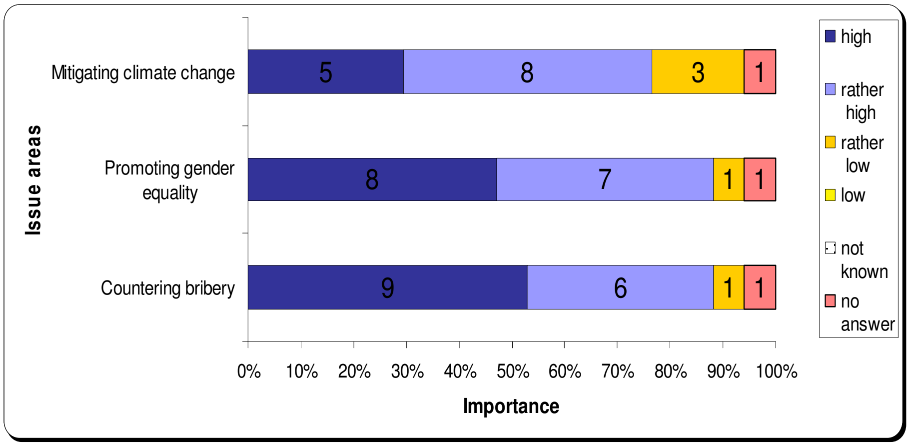


Source: RARE Project

Looking at the strategic importance of the issue areas targeted by the RARE project, ‘countering bribery’ and ‘promoting gender equality’ score best, with respectively nine and eight companies (close to 50% of our sample) declaring them as being of ‘high’ strategic importance (Figure 6). They are followed by the ‘mitigating climate change’ issue area which is considered of ‘high’ strategic importance by five companies (here the share of companies decreases below 30% of our sample).

Analysing the diagram below we note that all of the banks (with one exception) replied to the question and ranked the strategic importance of the RARE three issue areas. Moreover, the frequencies distribution is highly polarised along two main categories (‘high and rather high’). Considering together these categories we can interpret that the strategic importance of ‘countering bribery’ and ‘promoting gender equality’ issue areas score at the same level (15/16) while ‘mitigating climate change’ scores a bit less than the first two issue areas (13 answers).

Figure 6: Strategic importance of selected issue areas



Source: RARE Project

In a further analytic step, we analysed how the strategic importance the companies attribute to specific issue areas links with the level of the (issue specific) activities they carry out (Table 4). According to the thresholds defined for a low/medium/high activities' level, companies in the banking sector perform a medium level of activities along the three issue areas.

Table 4: Relation between assessment of strategic importance and level of activities

		Level of Company Activities		
		High	Medium	Low
Strategic importance (high / rather high)	Mitigating climate change	38%	62%	0%
	Promoting gender equality	20%	67%	13%
	Countering bribery	13%	80%	7%
	Total	23%	70%	7%

Source: RARE Project

The 80% of companies stating the high/rather high importance to the issue area 'countering bribery' have a medium level of activities. The other 20% of banks declaring the strategic importance of 'countering bribery' feature both a high level of activities (13%) and a low level (7%). This result shows that the strategic importance attributed by banks to 'countering bribery' depends on the level of activities carried out in the same area; banks perceive this issue area as strategic but they are still developing the issue.

Analysing the 'promoting gender equality' issue area it shows much the same level of dependence between the strategic importance and the level of activities carried out by companies as in the previous issue. The 67% and the 20% of banks that attribute a high/rather high importance to this issue area have respectively a medium and high level of activities to promote gender equality.

Moving to ‘mitigating climate change’ we denote a stronger dependence than in the two previous cases. 62% and 38% of companies have respectively a medium and high level of activities to mitigate climate change’.

Banks being a relatively clean sector, have a low environmental impact compared with other industries and services (e.g. oil and gas, fisheries, transportations etc.) and considering their direct impacts (energy consumption, travels etc.). Even if the sector contributes to some extent to mitigating climate change, for instance reducing CO2 emissions, in this regard it is more significant to consider the importance of the indirect impacts banks can have for example via their clients (products and services). This is confirmed by banks themselves: according to the previous question 9, banks rank that the most important issue area is the ‘indirect responsibility in social and environmental issues via customers’. According to the thresholds defined for a low/medium/high activities’ level, companies in the sector perform both a high level of ‘mitigating climate change’ activities (direct aspects) and a medium level (indirect aspects).

Table 5 shows that the strong dependence between the strategic importance and the level of activities carried out by banks to mitigate climate change is mainly due to direct aspects. Indirect aspects are less relevant but they are still dependent on the level of activities carried out by banks throughout their financial products and services. Banks are considering their indirect impacts and are working on them.

Table 5: Relation between assessment of strategic importance and level of activities (in mitigating climate change issue area)

		Level of Company Activities		
		high	medium	Low
Strategic importance (high / rather high)	Mitigating climate change	38%	62%	0%
	Direct aspects [18]	85%	8%	8%
	Indirect aspects [19]	0%	77%	23%

Source: RARE Project

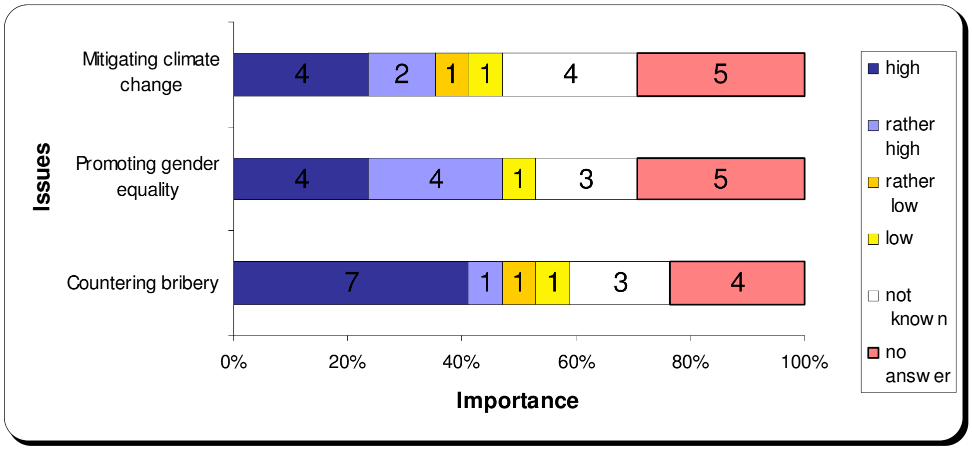
Considering the **strategic importance** of the same three issue areas for their operations **in the new EU Member States**, we notice a decrease of the response rate: from 94% to 71% (this is due to the inapplicability of the question to banks not operating in new EU member states). As shown in Figure 7 the ‘countering bribery’ issue area scores best

[18] Direct aspects encompass activities to reduce energy use, GHG emission, travels etc..

[19] Indirect aspects encompass: accounting for climate change risks involved in lending operations, financial transaction and equity investments; offering environmental loans to organisations committed to GHG emissions reduction projects; policies to avoid lending to projects that are intense in GHG emissions or that reduce GHG sinks and policies to prefer investment in companies with low GHG emissions; providing venture capital activities for environmental innovations mitigating climate change; SR funds taking into account climate change mitigation criteria.

(seven banks ticked the 'high' strategic importance) followed by 'promoting gender equality'[20] and 'mitigating climate change' (4 answers each).

Figure 7: Strategic importance of selected issue areas in new EU Member States



Source: RARE Project

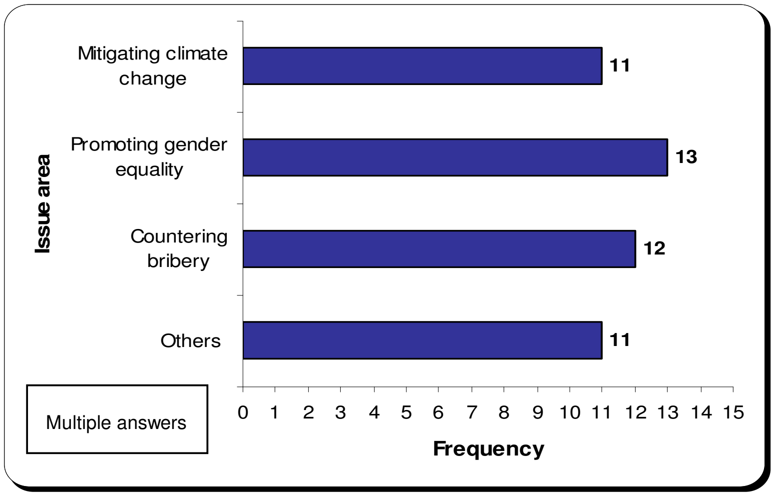
2.2.2 Translating responsibilities into corporate policies/strategies

To test how companies are managing their social and environmental responsibilities we investigated two possible options: first, if banks have developed specific policies covering our targeted issues (Figure 8); second if these responsibilities have been incorporated into existing corporate strategies (Figure 9).

Fifteen banks (representing 88% of our sample) state that they have developed or are developing specific policies covering RARE's issue areas. As shown by Figure 8 thirteen companies (87% of answers) have developed specific policies to promote gender equality and the frequencies collected from the other two issue areas are close to the first. Moreover, eleven banks (73% of answers like 'countering bribery') have developed other policies e.g. on environmental protection in general, fairness and transparency, occupational health and safety, human rights and other.

[20] It is noticeable that promoting gender equality is considered as of a rather high degree of strategic importance by four banks while mitigating climate is identified as such by only by two.

Figure 8: Translation of corporate responsibility into self-standing policies

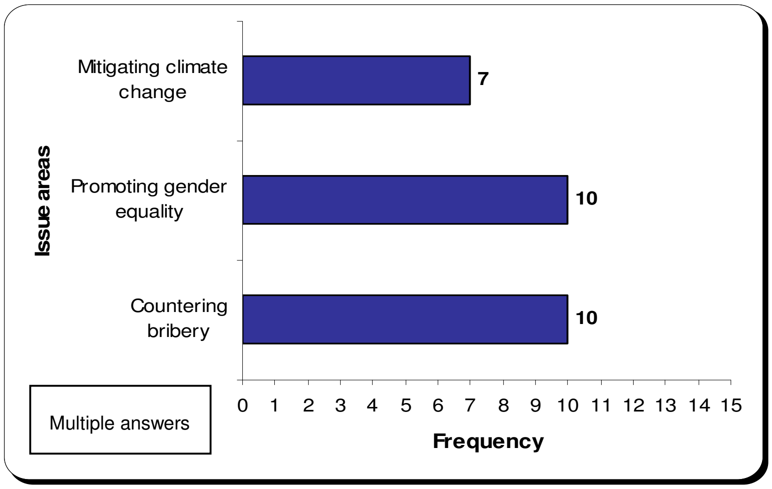


Source: RARE Project.

Concerning the second option (integration of corporate responsibility into existing strategies) the response rate decreases from 88% to 71%; nevertheless results are good, and confirm the idea that banks seem to integrate these concerns *in addition* – not as an alternative – to the development of specific policies on issues targeted by the RARE project (Figure 8). They tend to do so to a lesser extent than setting up specific policies (27 entries in Figure 9 vs. 36 entries in Figure 8). Issue areas targeted by RARE have been mostly integrated into existing strategies: almost three quarters of banks (12/17) integrate RARE's issue areas into existing corporate strategies and the survey records ten frequencies (83% of answers) both for gender equality and bribery and seven (58%) for climate change (multiple answers were possible).

The mitigating climate change issue area denotes an interesting qualitative result. By asking banks to specify which strategies include RARE's issue areas, two companies reported integrating them into 'risk and asset management': as this is a core business activity for a bank (providing financial products and services), the result confirms that some companies are considering their indirect environmental responsibilities via their customers.

Figure 9: Integration of corporate responsibility into existing strategies

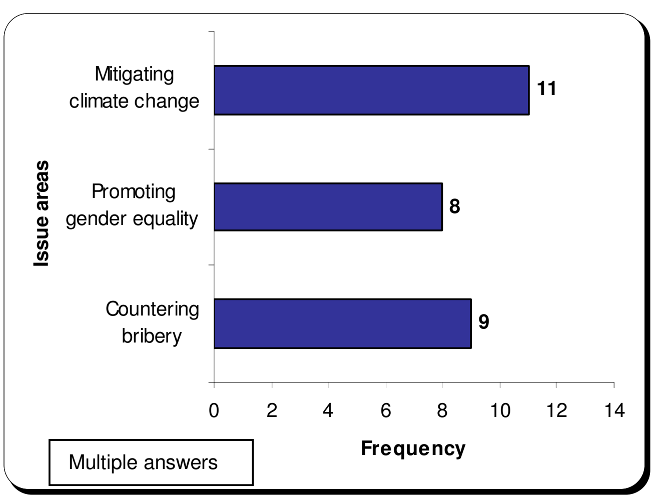


Source: RARE Project.

Translating corporate responsibilities into strategies and policies imply target setting and the application of targets for specific company operations. All banks (with one exception, i.e. 94% of our sample) state that targets apply to 'company's own operations', 11 banks (65% of our sample) declare that targets apply to 'impacts of products and services by suppliers and service providers' and 5 banks (29%) are applying targets to 'other key business partners'.

Figure 10 illustrates that 11 banks (65% of our sample) have defined targets on 'mitigating climate change', 9 banks (53%) on 'countering bribery' and 8 on 'promoting gender equality'.

Figure 10: Targets covering RARE's issue areas.



Source: RARE Project.

Table 6 shows the statistical relationship between the **assessment of strategic importance** of RARE issue areas and **target setting** covering the same issues. In all issue areas to which banks assign a high/rather high strategic importance, more than half of them have set targets with regard to this specific issue area. The first intense relationship can be identified with regard to the climate change issue (10 banks representing 77% of banks assign a high/rather high strategic importance to this issue); then follows countering bribery (9 banks, 60%) and gender equality (8 banks, 53%). At this stage, we prefer to stress that data show the existence of a statistical relationship between the assessment of strategic importance and the setting of targets rather than comparing the RARE's issue areas. Even if banks seem to set targets in the climate change issue area more likely than in others, we should consider that climate change targets may range greatly from lending and investment decisions (relevant issues for the banking sector) to a variety of minor and simple initiatives like in-house operations (e.g. energy consumption reduction, switching to renewable energy use, increasing business travel by train etc. i.e. direct aspects).

Table 6: Relation between assessment of strategic importance and target-setting

		Targets		*Row Total*
		Yes	No	
Strategic Importance (high / rather high)	Mitigating climate change	77%	23%	*100%*
	Promoting gender equality	53%	47%	*100%*
	Countering bribery	60%	40%	*100%*

Source: RARE Project.

This paragraph depicts interesting results on the banks' corporate strategy. Banks assess the strategic importance of RARE issue areas as high/rather high and they are also considering other CSR issues (including their indirect responsibility via customers). The great majority of banks have developed specific policies covering the RARE issues and more than 70% of banks have already integrated these issues into existing corporate strategies.

Even if this seems to be a positive result regarding the sector, it is too early to make a judgement. The indirect responsibility issue (via customer) should be the object of future research.

2.3 Implementation

How are companies implementing their CSR policies and strategies in the sector? In this paragraph we will analyse instruments and activities carried out by banks. The first focus is on the CSR instruments adopted (codes of conducts, management systems, different forms of stakeholder engagement and cooperation, social and environmental accounting and reporting, conformance with requirements of social and ecological product labels or awards); in addition we have considered 'Corporate Citizenship' such as donations, the establishment of foundations or cause-related marketing (CRM), employee volunteering etc.

The second focus is on the specific activities carried out by banks in climate change, gender equality and bribery issue areas. In the third focus, we were interested in knowing more about the organisational structures and resources that are in place to promote the effective implementation of CSR instruments and activities.

2.3.1 CSR instruments and community activities

'Codes of conduct' are the most relevant instrument category used in the banking sector (89 entries) followed by 'forms of stakeholder engagement and cooperation' (61), 'non-financial accounting and reporting' (45)[21] , 'management systems' (34) and 'conformance with requirements of social and ecological product labels or awards'.

Banks use different CSR instruments moving from a lower level of 8 instruments to the highest of 28; the average number of CSR instruments adopted by each bank is 17.

Table 7 illustrates the top scoring instruments within the different categories.

Codes of conduct

European banks have developed company-specific codes for systematically managing social and environmental issues (15 banks representing 88% of our sample) but they also adhere to international codes promoted by the United Nations: thirteen banks use the UN Global Compact and twelve the UNEP Statement by Financial Institutions on the Environment and Sustainable Development.

It is relevant to stress that almost half of banks (8) use the 'Equator Principles', which tackle indirect environmental responsibilities i.e. their financial services. Furthermore, eight banks have adopted the Financial Action Task Force (FATF) on Money Laundering and five banks (representing 35% of our sample) use the Wolfsberg Principles: these instruments are related to money laundering which is aligned to the countering bribery issue area.

[21] 45 entries calculated excluding banks' own reports (17); all of the banks have drawn up a non-financial report.

Table 7: CSR instruments most frequently used by respondents

List of top scoring instruments per category used by banks	Absolute frequencies	Relative frequencies	Absolute frequencies / Total entries
Codes of Conduct			
Company-specific codes	15	88.24%	16.85%
Global Compact	13	76.47%	14.61%
UNEP Statement	12	70.59%	13.48%
Equator principles	8	47.06%	8.99%
FATF on money laundering	8	47.06%	8.99%
Companies of the sample	**17**		
Total entries	**89**		
First 5 codes / All codes			**62.92%**
Management systems			
ISO 14000	12	70.59%	35.29%
Company-specific management systems	8	47.06%	23.53%
EMAS	5	29.41%	14.71%
EFQM Excellence model	3	17.65%	8.82%
SA 8000	2	11.76%	5.88%
Companies of the sample	**17**		
Total entries	**34**		
First 5 MS / All MS			**88.24%**
Forms of stakeholder engagement and co-operation			
Collecting information about/from stakeholders	16	94.12%	26.23%
Consultation of stakeholders and dialogue	15	88.24%	24.59%
Participation in multi-stakeholder initiatives	15	88.24%	24.59%
Companies of the sample	**17**		
Total entries	**61**		
First 3 Forms of stakeholder eng and co-op / All forms			**75.41%**
Non-financial accounting and reporting			
Global Reporting Initiative (GRI)	15	88.24%	33.33%
GRI Financial Services Sector Supplements	12	70.59%	26.67%
Other	7	41.18%	15.56%
ISAE 3000	5	29.41%	11.11%
Internal Environmental Performance Indicators for the Financial Industry	4	23.53%	8.89%
Companies of the sample	**17**		
Total entries	**45**		
First 5 N-F Accounting and Reporting / All N-F A and R			**95.56%**

Source: RARE Project; FEEM 2006.

Management systems

The most frequently employed management system is ISO 14000 (12 banks representing 71% of our sample use it). Furthermore five banks have adopted EMAS (the environmental management system promoted by the EU). There is no surprise here as banks are neither polluting businesses nor big energy consumers. Banks contribute to some extent to mitigating climate change and protecting the environment by reducing their emissions and waste production but more interesting is the question if they are developing specific-management systems to deal with indirect aspects. As shown in Table 7 eight banks state use of company-specific management systems but this does not allow us to identify if they are dealing or not with indirect CSR aspects (e.g. activities throughout financial services; GIPS certification; ethical excellence in the practice of investment performance evaluation and presentation).

Stakeholder engagement

Stakeholder engagement activities and forms of stakeholder co-operation are progressively gaining importance in the CSR range of instruments[22]. These kind of instruments seem to be diffused in the banking sector: all banks (with the exception of one) collect information about/from stakeholders and fifteen of them (representing 88% of our sample) both consult stakeholders and participate in multi-stakeholder initiatives.

The first main finding is that twelve banks engage in multi-stakeholder initiatives on climate change while the initiatives taken up in the other issue areas are much less numerous (6 companies in countering bribery and 3 in gender equality). This emphasises a displacement of the mitigating climate change activities on the external side; despite this result, if we refer to Figures 8 and 9 (paragraph 2.2 'Corporate strategy'), this issue scored less than the others as regards the translation of social and environmental responsibilities into corporate policies and strategies. This apparent contradiction could have a double interpretation, as negative (banks participate in climate change initiatives to increase their reputation: rhetoric) and positive (companies have maybe assessed as interesting the future strategic importance of financial products related to mitigate climate change as a contribution to the sustainability issues).

A second finding with regard to 'different forms of stakeholder engagement and co-operation' is the quite high share of banks stating the inclusion of stakeholders into decision-making (11 companies representing 65% of our sample).

Sustainability reporting

Non-financial reporting is a very popular instrument in the banking sector and this is a partial confirmation of CSR's maturity of the sector. All banks have developed their own reports and most use the 'Global Reporting Initiative' (GRI) reporting framework. Fifteen banks (representing 88% of our sample) follow the GRI reporting framework and twelve (71%) use the GRI supplements for the financial sector. For 'other standards', represented by national standards there are 8 entries; the International Standard on Assurance Engagements - ISAE 3000 – (5 entries) and the VfU Internal Environmental Performance Indicators for the Financial Industry (4 entries).

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[22] AccountAbility (the international membership organization committed to enhancing the performance of organisations and to developing the competencies of individuals in social and ethical accountability and sustainable development) launched the Stakeholder Engagement Standard in September 2005. (www.accountability.org)

Conformance with requirements of social and ecological product labels or awards

As regard these instruments eight banks, representing 47% of our sample, report conformance with requirements of diversity awards and/or gender equality awards.

Concluding this analysis on CSR instruments it is interesting to test possible correlation between the typology of banks and the number of CSR instruments used. Remembering that our sample encompasses mostly commercial banks (13 representing the 76% of our sample), four non-commercial banks (two saving banks and a couple of cooperative and public banks), the results do not provide a relationship between the instruments and the typology of bank. The cross-tabulation presented in Table 8 reveals that the vast majority of banks per each typology is closely distributed around the average number of CSR instruments adopted (17 as pointed out at the beginning of the paragraph).

Table 8: Relation between typology of banks and use of CSR instruments

		Use of CSR Instruments					*Total*
		0 - 9	10 - 14	15 - 19	20 - 24	25 - more	
Bank typology	Commercial banks	8%	15%	62%	0%	15%	*100%*
	Saving banks	0%	50%	50%	0%	0%	*100%*
	Cooperative banks	0%	0%	100%	0%	0%	*100%*
	Public banks	0%	0%	100%	0%	0%	*100%*
	Non commercial banks	0%	25%	75%	0%	0%	*100%*

Source: RARE Project.

Another interesting finding is represented by the case of a couple of commercial banks (representing 15% of all the commercial banks) which, compared to the others, adopt a high number of CSR instruments. These banks are neither big market players nor small banks; in terms of size (balance sheet total and total number of employees) they are more or less placed in the middle of our sample. At first sight this result shows that there is no correlation between the size of companies and the number of CSR instruments adopted.

The repercussions of CSR instruments on the wider **value chain** has been investigated by asking banks if they require compliance from their business partners. Large banks, like other big companies, are important customers able to impose CSR conditions on their suppliers though their purchasing policies. **Fourteen banks** (representing 93% of respondents and 82% of our sample) require compliance from their contractors and suppliers with different instruments (ISO 14000, EMAS and UN Global Compact) or their underlying standards (ethical codes for suppliers, ethical charters, environmental and sourcing policies, requirements against the employment of children labour).

Nine banks (representing 60% of respondents and 53% of our sample) require compliance from customers (borrowers and recipient of investment funds); it is relevant to note that one third of banks requiring compliance from customers (3) specify that they use the Equator Principles while four banks indicate credit directives, company guidelines, the code of business ethics and the bank's ethical policy. This finding seems to confirm the emerging role of banks in dealing with CSR indirect aspects (via clients and throughout their financial products and services).

Five banks (representing 33% of respondents and 29% of our sample) require compliance from other business partners, agents etc.[23]

Furthermore we asked companies to indicate if there are business partners which are requiring banks to comply with instruments or underlying standards. Analysing data we can affirm that this issue is less relevant than before (18 total entries vs. 28) and that banks have a quite strong contractual power. Compliance is required from banks by customers (9 entries; representing 60% of respondents and 53% of our sample), lenders/investors (6; 40% and 35%) and other business partners (3; 20% and 18%). Banks specify the instruments and underlying standards required which are Equator Principles (3 entries), questionnaires of rating agencies (2), compliance and good governance regulation (2), influence of SR funds (2), anti-money laundering policies and procedures (2), SA 8000 (1), ISO 9000 (1), the will of clients (1) and the requirements of some clients asking the bank to prove that it is a good business (1).

Moving to **Community activities** (or 'Corporate Citizenship') we asked companies to indicate the social and environmental initiatives carried out in the three issue areas targeted by the RARE project.[24]

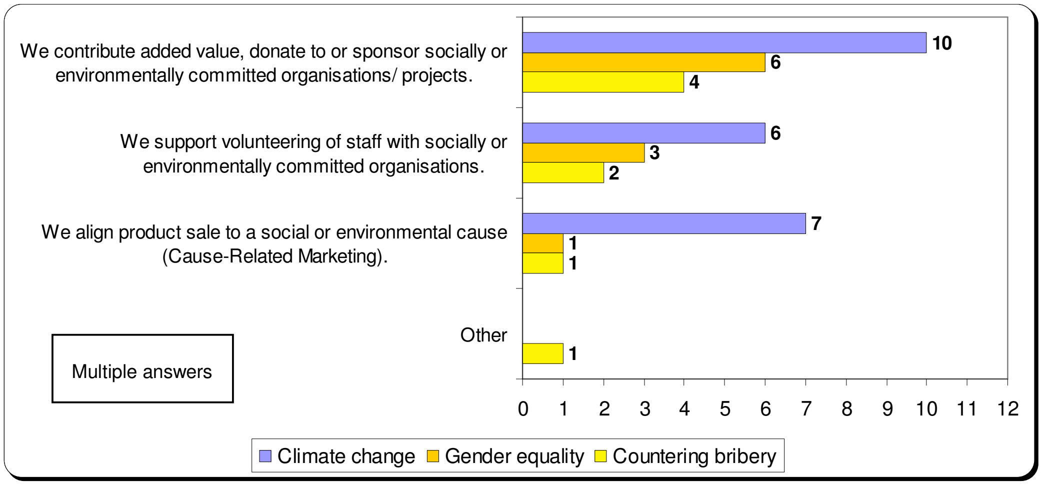
The most relevant initiative is donating/sponsoring (20 total entries) followed by volunteering (11) and Cause-Related Marketing (9). The most referenced issue area involving community activities is climate change (23 total entries) followed, at some distance, by gender equality (10) and countering bribery (7).

Figure 11 shows how the entries are distributed along issue areas and the typology of community activities.

[23] Here only three banks specify which instruments or standard are requiring of their other business partners: they state they require compliance with company guidelines, the code of business ethics and audit charter, and anti-money laundering policies and procedures.

[24] Fifteen banks representing 88% of our sample replied to this question and multiple answers were possible.

Figure 11: Community activities carried out by companies



Source: RARE Project.

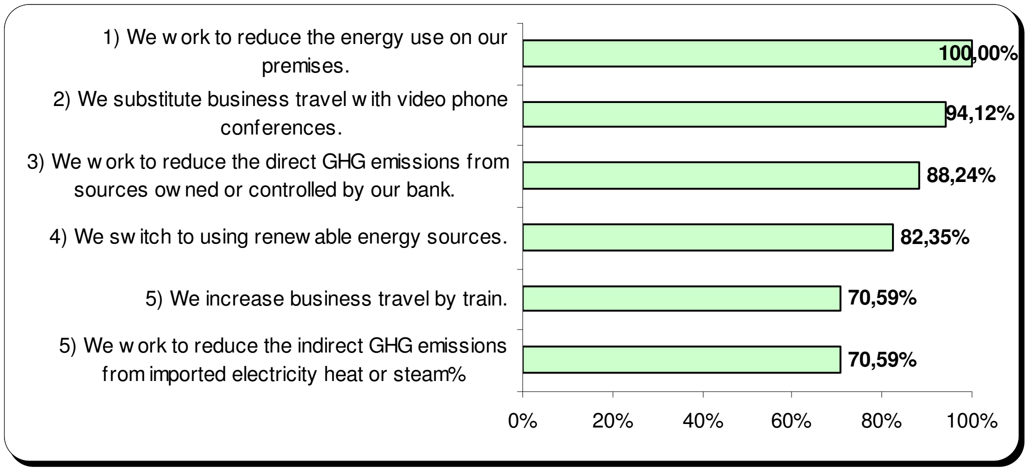
2.3.2 Voluntary activities in issue areas targeted by RARE

Mitigating climate change

In this issue area we asked companies to tick among a series of in-house (or direct) activities – such as the use of renewable energy sources, the reduction of greenhouse gases (GHG) emissions etc. - and indirect activities such as providing SR funds concerned with climate change mitigation criteria, using policies which prefer investment in companies with low GHG emissions and other.

Surveying 'direct activities' we note that all of the companies work to reduce the energy use in their premises, sixteen banks (representing 94% of our sample) substitute business travels with video phone conferences and 15 banks (88%) work to reduce direct GHG emissions from sources owned or controlled by banks themselves. Figure 12 illustrates the five top-scoring activities carried out by banks to reduce their emissions of GHG and to change to renewable energy sources.

Figure 12: Direct voluntary activities to mitigating climate change (top scores)

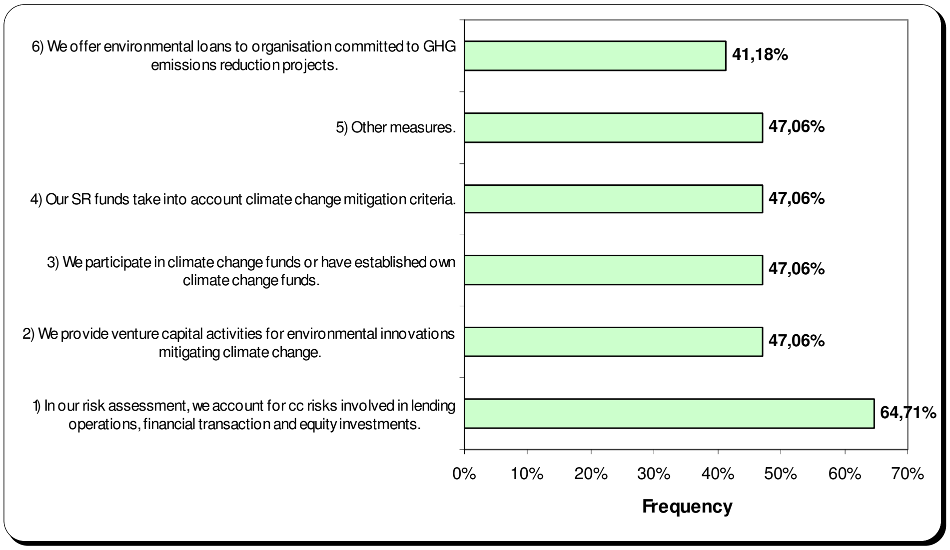


Source: RARE Project.

Accounting for climate change in banks' lending and investment policies ('indirect activities'), the most common activities that banks carry out voluntarily are summarised in (Figure 13). Eleven banks (representing 65% of our sample) account for climate change risks in their risk assessment and eight (47%) provide venture capital activities for environmental innovation, participate in or have established climate change funds, and have SR funds taking into account climate change mitigation criteria.[25] These findings are quite interesting and we can assert that about half of the companies are dealing many indirect CSR activities, even though, some strong policies such as to avoid lending to projects that are intense in GHG emissions and to prefer to invest in companies with low GHG emissions are respectively carried out by five and one banks only (representing the 29% and the 6% of our sample).

[25] Furthermore, eight banks state use other measures.

Figure 13: Indirect voluntary activities to mitigate climate change (top scores)



Source: RARE Project.

Promoting gender equality

This issue encompasses four main sub-issues:

1) promoting equal opportunities and equal pay of women and men;
2) promoting work-life balance;
3) ensuring anti-discrimination with respect to sexual harassment;
4) ensuring gender equality/diversity and equal treatment regarding access to and supply of banking services.

While the first three sub-issues refer to in-house activities (direct aspects) the last is linked to financial products and services (indirect aspects).

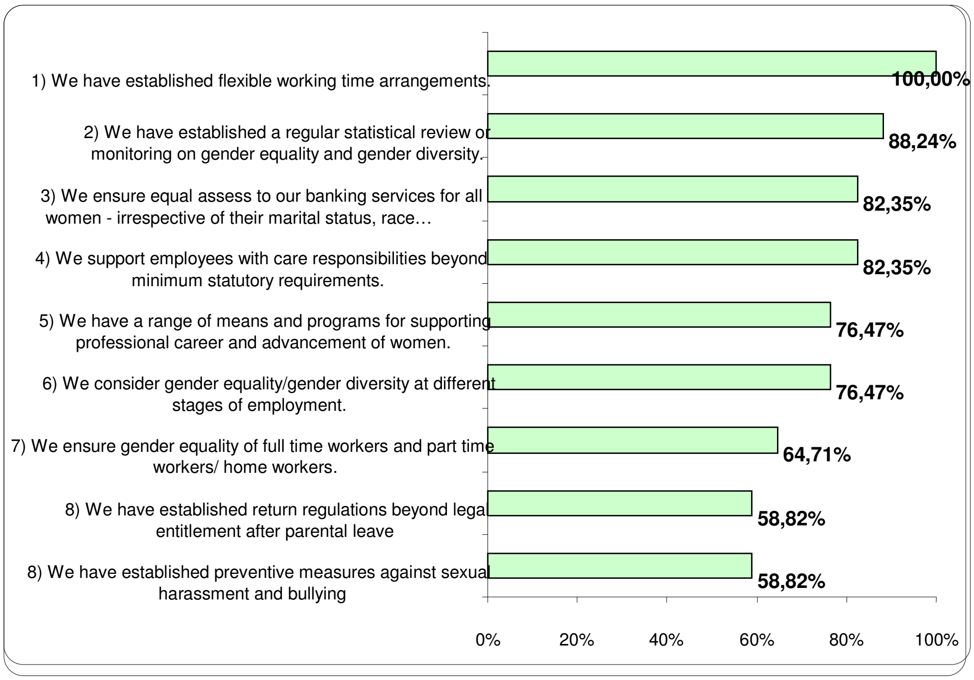
Figure 14 shows the top eight CSR activities in promoting gender issues.

Banks are promoting the work-life balance of employees[26], equal opportunities and equal pay of women and men[27] and have established preventive measures against sexual harassment and bullying (10 banks representing 59% of our sample). Moreover, fourteen banks (82% of our sample), to some extent are considering indirect aspects such as

[26] All of the banks have established flexible working time arrangements, 14 banks (representing the 82% of our sample) support employees with care responsibilities; 10 banks (59%) have established return regulations after parental leave.
[27] 15 companies (representing the 88% of our sample) have established a regular statistical review on gender equality and diversity, 13 banks (76%) have a range of means for supporting professional career and consider gender equality and diversity at different stages of employment, and 11 (65%) ensure gender equality of full time workers and part time workers / home workers.

ensuring equal access to banking services for all women – irrespective of their marital status, race, ethnic or national origins, religious or political affiliation.

Figure 14: Voluntary activities to promote gender equality (top scores)



Source: RARE Project.

Focusing on indirect aspects, it is relevant to consider that a couple of relevant voluntary activities have not been considered by banks; for instance programmes for loans to founders and/or other forms of credit services in economic sectors dominated by female entrepreneurs and the participation in/or the establishment of funds dedicated to women's empowerment are respectively taken up by three and one banks only (representing the 18% and the 6% of our sample).

The question asked for information about activities to promote gender quality that were at least partly required by law. The answers with higher score are related to an indirect aspect (equal access to banking services to all women) and a direct one (action to promote parental leave) ticked by five companies only (29% of our sample).

Countering bribery

In our questionnaire voluntary activities related to the countering bribery issue area were presented according to four main sub-issues:

1) countering the risk of bribery;
2) countering money laundering;
3) countering the risk of bribery in asset management, lending operations and SR funds;
4) transparency in resource-backed lending[28].

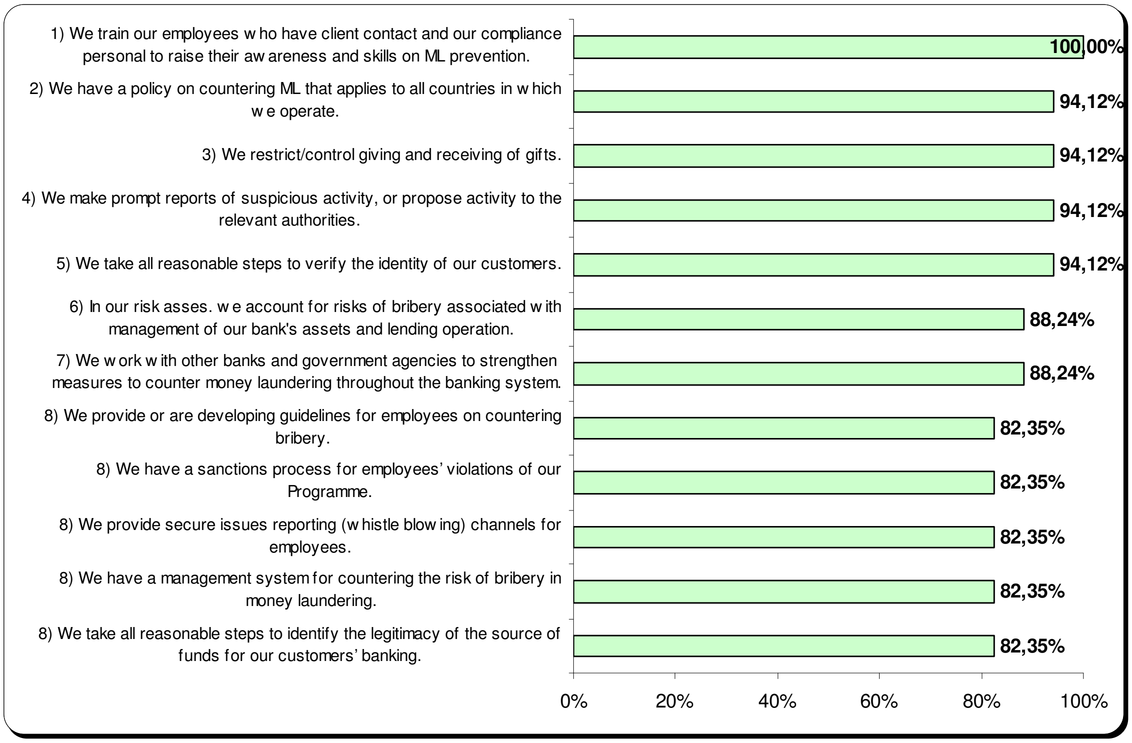
The first two sub-issue encompassed in-house (or internal) activities such as the setting of programmes and internal control systems for countering bribery and money laundering, but also external activities such as sanctions processes for business partners' violations of the management systems for countering bribery (the 'Programmes'), the cooperation with other banks and government agencies to strengthen measures to counter money laundering throughout the banking system etc.. All these internal and external activities represent direct aspects of banks' responsibilities.

The third and the fourth sub-issues are instead related to the products and services provided by companies operating in the banking sector and constitute the indirect aspects of banks' responsibilities.

Figure 15 shows the top eight CSR activities; it is present at least one activity for each sub-issue with the exception of "transparency in resourced-backed lending" that scores much lower. The percentages express the share of companies of our sample (it encompasses 17 banks) that carried out a specific voluntary activity in countering bribery issue area.

[28] These are loans secured against future resource revenues, especially oil revenues. Banks risk managing themselves complicit with the misappropriation of state funds unless provisions are in place to check that loans are being properly used and to ensure that the borrowing government's fiscal management is transparent.

Figure 15: Voluntary activities in countering bribery issue area (top scores)



Source: RARE Project.

In general we can state that all the options presented in the questionnaire have been highly ticked with respect to countering bribery and money laundering. The first issue does not seem required/partly required by law while anti-money laundering is a highly regulated area of banking activity.

Analysing 'countering bribery' sub-issue area it is relevant to stress positive and negative findings. Sixteen banks (representing 94% of our sample) restrict/control giving and receiving of gifts and fourteen banks (82%) provide/are developing guidelines for employees, provide secure issues reporting (whistle blowing) channels for them, and have sanctions processes for their violations of the 'Programmes'. There are also some negative findings such as sanctions processes for business partners' violations of the 'Programmes' (ticked by 4 banks, representing 24% of our sample only), training for business partners (3, 18%), 'Programmes' performance publicly reported and advice channels or hotlines for them (2, 12%). This reveals a huge difference between internal and external aspects of banks' responsibilities in countering bribery issue area; in the banking sector internal countering bribery activities are quite mature but their external dimensions are still in an embryonic phase.

Positive and interesting are also findings concerning the indirect aspects of banks' responsibilities (countering the risk of bribery in asset management, lending operations and SR funds)[29]. Fifteen banks (representing 88% of our sample) account for risks of bribery associated with management of banks' assets and lending operations (including project financing); thirteen companies (76%) take into account criteria for countering bribery in managing assets (including project financing); nine banks (53%) manage SR funds taking into account criteria for countering bribery.

As regard to money laundering we denote the major number of frequencies given (in average 15 entries for each option, i.e. almost 15 banks ticked in average each option proposed). This positive result is probably due to the fact that these activities are, as said above, a highly regulated area.

Level of activities

In order to provide a rough and purely quantitative picture of the **level of activities** that companies carry out in each issue area targeted by RARE we relate the number of activities ticked[30] by each company in each issue area to the total number of possible options. First of all the shares were distributed according to three levels of activities: 'low' (ranging from 0% to 33% of ticks per issue area), 'medium' (from 34% to 66%) and 'high' (from 67% up to100% of ticks); secondly, we calculated the average level of activities carried out by our banks' sample (expressed once again in percentage) per each issue area and aggregated across them.

This method is useful both for a comparison between companies in the banking sector and for a cross-sector comparison between the three RARE sectors.

Table 9: Level of activities (per issue area and aggregated across issue areas)

12. Mitigating Climate Change **a) Direct aspects**	**Sector Average**
Number of activities carried out	113
Maximum number of answers	153
Percentage	74%
Activities level (low/ medium/ high)	High
12. Mitigating Climate Change **b) Indirect aspects (via customers and financial products)**	**Sector Average**
Number of activities carried out	56
Maximum number of answers	136
Percentage	41%
Activities level (low/ medium/ high)	Medium

[29] Conversely we remind the negative results collected on transparency in resource-backed lending issue.

[30] Or additionally specified for open answer options.

12. Mitigating Climate Change (direct + indirect aspects)	Sector Average
Number of activities carried out	169
Maximum number of answers	289
Percentage	58%
Activities level (low/ medium/ high)	Medium
13. Promoting Gender Equality	**Sector Average**
Number of activities carried out	207
Maximum number of answers	442
Percentage	47%
Activities level (low/ medium/ high)	Medium
14. Countering Bribery	**Sector Average**
Number of activities carried out	390
Maximum number of answers	765
Percentage	51%
Activities level (low/ medium/ high)	Medium
Aggregation across issue areas	**Sector Average**
Number of activities carried out	766
Maximum number of answers	1496
Percentage	51%
Activities level (low/ medium/ high)	Medium

Source: RARE Project.

At first sight Table 9 reveals that the banking sector is lightly more active with regard to mitigating climate change (58% of total activities carried out by companies) than with regard to countering bribery (51%) and gender equality (47%). But if we consider ‘indirect aspects’ in mitigating climate change issue area only, it is possible to affirm that this issue becomes less relevant than the others.

The general level of activities carried out by the banks of our sample is medium for each issue areas as well as for the aggregation across the issue areas (51%). This finding indicates that the banking sector has a consolidated tradition with regard to CSR activities and reveals a certain ‘maturity’.

2.3.3 Organisation and resources

The implementation of CSR depends also on the assignment of social and environmental responsibilities within the organisation and expenditure for implementing CSR instruments and activities.

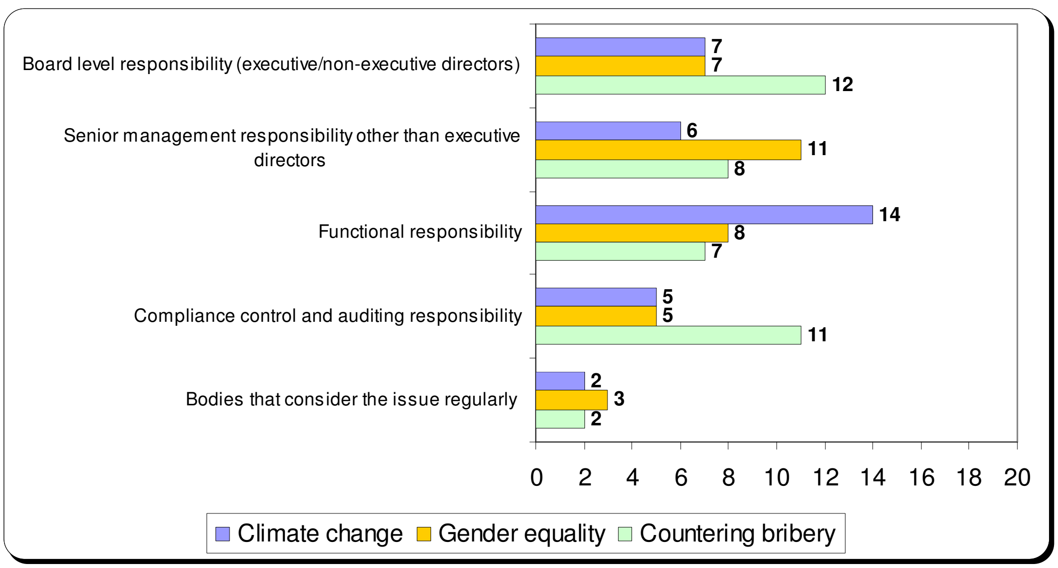
European banks have assigned **organisational responsibilities** along the whole issue areas targeted by RARE: ‘countering bribery’ scores best (40 entries) followed by ‘climate change’ and ‘gender equality’ (34 entries). Considering the three issue areas together, the most ticked responsibility is ‘functional’ (29 entries) followed by ‘board level responsibility’ (26), ‘senior management responsibility’ (25) and ‘compliance control and auditing' one (21). Only seven entries were ticked for 'bodies that consider the issue regularly'.

Figure 16 illustrates the different level of responsibilities along the issue areas. A first interesting finding is that climate change is markedly managed by functional bodies; this could be due to the more technical nature of its direct targets (e.g. reduction of waste, of paper and water consumption, energy saving – all of which have to involve all the employees to be effective) or to the fact that the topic is maybe less risky than the others.

As regards countering bribery most banks (75% of respondents and 71% of our sample) have executive or non-executive directors (board level responsibilities) taking care of the issue; all these companies (with one exception) also state that responsibilities are assigned to a compliance control/auditing body.

Finally, it is also relevant to stress that the gender equality issue area scores best at the level responsibilities of senior managers (we collected 11 entries representing frequencies given by 69% of respondents and 65% of our sample).

Figure 16: Organisational responsibilities for CSR issues targeted by RARE



Source: RARE Project.

Table 10 illustrates the link between the organisational responsibilities assigned in the three issue areas and the strategic importance that companies attribute to these issues (corporate strategies).

Table 10: Relation between assessment of strategic importance and assignment of responsibilities

		Organisational Responsibility				
		Board level	Senior management	Functional responsibility	Compliance control and auditing responsibility	Bodies considering the issues regularly
Strategic Importance (high /rather high)	Mitigating climate change	38%	38%	77%	31%	15%
	Promoting gender equality	40%	67%	40%	27%	20%
	Countering bribery	73%	47%	40%	60%	7%

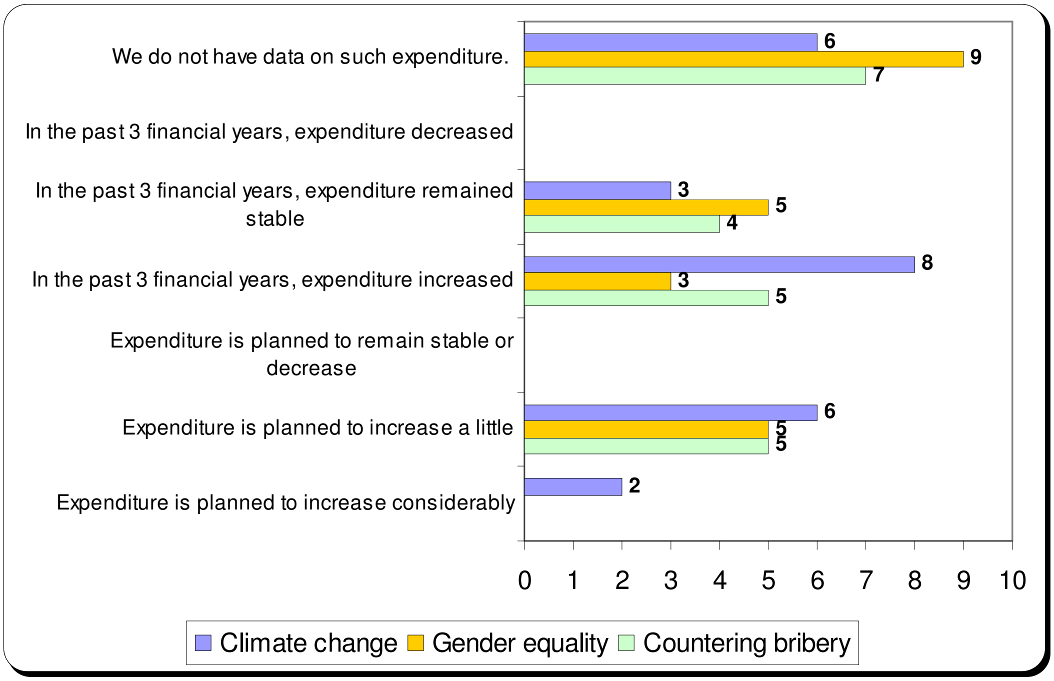
Source: RARE Project.

The majority of banks that rated 'mitigating climate change' of high/rather high strategic importance (77%) assigned organisational responsibility at the functional level. This is not the case of the other two issue areas which were rated at an equal strategic importånt. In the gender equality issue area 67% of the companies have assigned senior management responsibility, while bribery issues are mainly managed at the board level (73%).[31]

As regards to expenditure for the implementation of CSR instruments and voluntary activities (cf. Chapters 2.3.1, 2.3.2), we asked banks if it had changed over the past three financial years and if it is planned to increase or not. Here a significant number of companies do not have data and a significant number are increasing to some extent, especially for climate change. No banks declare that expenditure decreased or that it is planned to remain stable. Figure 17 resumes data collected showing the differences through the three issue area targeted by RARE.

[31] The percentages calculated in table 4 have been related to 13 absolute frequencies for climate change and to 15 absolute frequencies both for gender equality and bribery.

Figure 17: Development of expenditure on selected CSR issues



Source: RARE Project.

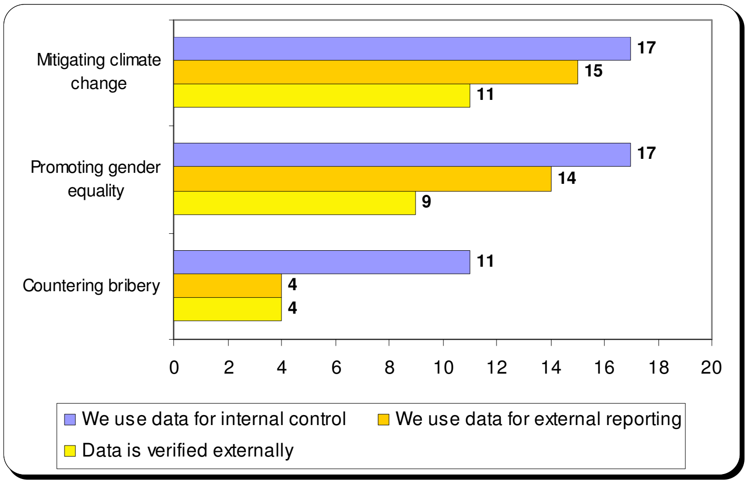
2.4 Performance

The measurement of performance is a key issue to demonstrate the concrete embedding of CSR and the consequent responsible behaviour of the companies with regard to the impact they can produce.

First of all we asked companies if they are measuring their social and environmental performance in the issue areas targeted by RARE. Climate change and gender equality performances are internally measured by all (17 banks) but bribery is less (11 companies representing 65% of our sample only)[32]. As shown by Figure 18 climate change performance also scores best in external reporting and furthermore, most of companies declare that data are verified externally (11, representing 65% of our sample). This result could be due to the fact that the implementation of an environmental management system certified by ISO or EMAS requires a third partly verification; yet we note that findings are more or less the same in the gender equality issue area where banks report that they do not use gender specific CSR instruments.

[32] Four banks stated they do not measure countering bribery performance and two didn’t reply to our question.

Figure 18: Measurement of CSR performance



Source: RARE Project.

Bribery is less measured and only four banks report on their performance and use third partly verification. Countering bribery is probably hard to measure (one bank states that no indicators have been identified); this seems to be confirmed analysing the following correlation. Table 11 illustrates the relationship between the high/rather high strategic importance of each issue area and the correspondent performance measurement. Percentages show the complete dependence of the two variables in climate change and gender equality issue areas while, for countering bribery 33% of banks assigning a high/rather high strategic importance to the issue do not measure their performance.

Table 11: Relation between assessment of strategic importance and performance measurement in the issue areas targeted by RARE

		Performance measurement		*Row Total*
		Yes	No / Not known	
Strategic Importance (high / rather high)	Mitigating climate change	100%	0%	*100%*
	Promoting gender equality	100%	0%	*100%*
	Countering bribery	67%	33%	*100%*
	Column Total	*88%*	*12%*	*100%*

Source: RARE Project.

The main and most relevant question was to investigate if banks were able to demonstrate an improvement of performance for each issue area targeted by RARE measured on the basis of their own key performance indicators (KPI's).

In order to give a picture on this issue we will illustrate Table 12 reasoning on three main findings.

First finding: the **response rate**. Mitigating climate change, which obtained the major number of entries (26), scores better than gender equality (22) and countering bribery (14). It is also relevant to stress that most of the banks (12 representing the 71% of our sample) can demonstrate the improvement of their performance in relation with two direct aspects ('reducing greenhouse gas emissions' and 'promoting equal opportunities-equal pay of women and men'). Other significant frequencies are distributed on 'changing to renewable energy sources' (10 entries, representing 59% of banks in our sample), 'promoting work-life balance' (7, 41%) and 'countering money laundering' (7, 41%) sub-issue areas. However these aspects are still related to direct CSR performance of banks and if we look at the indirect aspects we cannot account for positive findings; less than 24% of banks (4/17) can demonstrate performance improvement in accounting for climate change in lending and investment policies, about 18% of companies (3/17) in countering bribery in project financing, and only one bank in the equal treatment in the access/supply of services for women and men.

Moreover there are also some critical direct aspects concerning sexual harassment and countering bribery: for those issues only two and four banks can demonstrate performance's improvement.

Second finding: a ranking that specifies to what extent the **performance** of banks **improved.**

On average companies estimated the highest improvement with regard to countering bribery (2.71) followed by mitigating climate change (2.38) and by promoting gender equality (1.97). Nevertheless these results suffer from the huge variance of frequencies distributed along the sub-issue; so the best is to consider some findings looking separately at each sub-issue rather than using the average measure.

Concerning the **countering bribery** sub-issue, banks estimated very high improvements with regard to countering bribery (2.75), countering money laundering (2.71) and countering bribery in project financing (2.67). Moreover with regard to 'accounting for climate change in lending and investment policies' the result is close to the formers (2.50) and it is higher than direct impacts in the same issue area. This is a good sign: those banks which measure this issue have good results. Even if the measurement of CSR activities is not still very widespread, companies that are striving to do so can demonstrate a sensitive improvement of their performances. The argument for the measurement of the CSR performance seems to be the very sensitive scenario for the business as well as for the research fields.

Table 12: Improvement of CSR performance

	Improvement of performance					
	rather low	medium	rather high	Average weight	BANK THAT REPLIED	RATE OF RESPONSE
Weights	1	2	3			
Mitigating climate change						
Reducing greenhouse gas emissions:	1	6	5	2.33	**12**	**70.59%**
Changing to renewable energy sources	1	5	4	2.30	**10**	**58.82%**
Climate Change average (direct impacts)				**2.32**		
Accounting for climate change in lending and investment policies:	0	2	2	2.50	**4**	**23.53%**
Climate Change average (indirect impacts)				**2.50**		
Climate Change total average				**2.38**		
Promoting gender equality						
Promoting equal opportunities of women and men and equal pay:	1	7	4	2.25	**12**	**70.59%**
Promoting work-life balance	2	2	3	2.14	**7**	**41.18%**
Ensuring anti-discrimination with respect to sexual harassment	1	1	0	1.50	**2**	**11.76%**
Gender equality/diversity and equal treatment in the access to and supply of banking services:	0	1	0	2.00	**1**	**5.88%**
Gender equality total average				**1.97**		
Countering bribery						
Countering bribery	0	1	3	2.75	**4**	**23.53%**
Countering money laundering	0	2	5	2.71	**7**	**41.18%**
Countering bribery in project financing	0	1	2	2.67	**3**	**17.65%**
Transparency in resource-backed lending	0	0	0	0.00	**0**	**0.00%**
Countering bribery total average				**2.71**		
NUMBER OF BANKS IN THE SURVEY					**17**	

Source: RARE Project.

Arguing around our core question in the project, to distinguish Rhetoric and Realities, as announced in paragraph 2.3.2 we proceed with a second deepening correlating aspects of banks' strategy with the improvement of performance (impacts of CSR). Table 13 shows the relationship between the strategic importance that banks assess RARE's issue areas and the level of demonstrable improvement of performance for those CSR activities that companies have carried out.

Table 13: Relation between assessment of strategic importance and level of demonstrable improvement of performance

		Level of demonstrable improvement			Row Total	Banks which stated a high/rather high strategic importance
		rather law	medium	rather high		
Strategic importance (high / rather high)	Mitigating climate change					
	Reducing greenhouse emissions	13%	38%	50%	*100%*	*8*
	Changing to renewable energy sources	0%	57%	43%	*100%*	*7*
	Accounting for climate change in lending and investment policies	0%	33%	67%	*100%*	*3*
	Promoting gender equality					
	Promoting equal opportunities of women and men and equal pay	9%	64%	27%	*100%*	*11*
	Promoting work-life balance	29%	29%	43%	*100%*	*7*
	Ensuring anti-discrimination with respect to sexual harassment	50%	50%	0%	*100%*	*2*
	Gender equality/diversity and equal treatment in the access to and supply of banking services	0%	100%	0%	*100%*	*1*
	Countering bribery					
	Countering bribery	0%	33%	67%	*100%*	*3*
	Countering money laundering	0%	33%	67%	*100%*	*6*
	Countering bribery in project financing	0%	33%	67%	*100%*	*3*
	Transparency in resource-backed lending					*0*

Source: RARE Project.

With regard to countering bribery, 67% of banks stating the high/higher importance of this issue area report a ‘rather high’ improvement of CSR performance and no companies state that the improvement is ‘rather low’; it emerges the strong dependence of the strategic importance’s assessment from the level of performance improvement. With respect to the other issues area ‘countering bribery’ performance is less measured by companies but, in the cases that they do, banks seem to be able to demonstrate higher improvements. Here we can probably reason more in terms of ‘realities’ rather than ‘rhetoric’ even though we cannot ignore the low frequencies collected in this issue area (note the last column in table 13) and that there are no frequencies collected for the ‘resource backed lending’ sub-issue. It is also relevant to note that there are no differences between direct and indirect impacts (countering bribery vs. countering bribery in project financing).

Promoting gender equality scores very differently along the four sub-issues. Concerning the first two sub issues it is possible, to some extent, to identify elements of ‘realities’, such as the strategic importance given by banks to promoting gender equality issue area from performances; it is lower than in the case of countering bribery but it is strengthened by significant frequencies collected (11 and 7). Yet we note signals of ‘rhetoric’ coming from the analysis of the indirect aspects/impacts (gender equality/diversity and equal treatment in the access to and supply of banking services) where frequencies are close to zero.

As regards mitigating climate change, we are chiefly interested in indirect impacts because the banking sector is not considered a polluting business or energy consuming. ‘Accounting for climate change in lending and investment policies’ scores like countering bribery; there is a strong dependence between the strategic importance assessed by banks and their performance on this issue. We can argue that, at to some extent, it is possible to capture aspects concerning ‘realities’ but we have also to keep in mind that the too little frequencies collected (3) are a signal of ‘rhetoric’.

Leaving the question dedicated to KPI’s and being interested to identify the factors that support banks’ social and environmental performance, **firstly** we asked companies to specify which one of the CSR instruments contributed most to an improvement of their performance (Table 14).

Table 14: Instruments conducive to improving CSR performance/impact

Issue area	**Instrument**	
		% of respondents
Mitigating climate change[33]	ISO 14000	33% (5/15)
	EMAS	13% (2/15)
	CSR REPORT	13% (2/15)
Promoting gender equality[34]	OTHER INSTRUMENTS OR ACTIVITIES	13% (2/15)
	CSR REPORT	13% (2/15)
Countering bribery[35]	COMPANY SPECIFIC CODES OF CONDUCT	27% (4/15)
	OTHER INSTRUMENTS OR ACTIVITIES	13% (2/15)

Source: RARE Project.

[33] With regard to ‘mitigating climate change’ an entry (7% i.e. 1/15) was also given to equator principles, UNEP-FI Statement, Global Compact and other instruments or activities.

[34] With regard to ‘promoting gender equality’ an entry was also given to forms of stakeholder engagement and cooperation and company specific codes of conduct.

[35] With regard to ‘countering bribery’ an entry was also given to company specific management systems, Wolfsberg Principles, Financial Actions Task Force (FATF) on money laundering and Global Compact.

ISO 14000 with regard to mitigating climate change and company specific codes of conducts referred to countering bribery are the most referenced instruments. Apart from these instruments, no others stand out (frequencies are too low). An interesting finding is that three banks cite **other factors** rather than instruments: dialogue with rating agency and NGO's, non-financial rating and activities to mitigate climate change (buy energy from renewable, increase energy efficiency, neutralize CO2).

Secondly, we asked companies to tick the mechanisms they used to implement two of the three instruments which banks indicated in the previous question. We also required banks to reply us indicating an instrument related to countering bribery.

Table 15: Mechanisms supporting the implementation of CSR instruments (top scores)

Instrument / Implementation Mechanism	ISO 14000 (related to mitigating climate change)	COMPANY-SPECIFIC CODES OF CONDUCT (related to countering bribery)
1) Setting of targets	4	2
2) Definition of procedures	4	4
3) Regular monitoring of compliance	4	4
4) Regular evaluation and control	4	4
5) Regular review and improvement processes	4	2
6) Internal verification	4	4
7) External, independent verification	3	1
8) Internal communication	3	4
9) External communication	2	2
10) Employee training programmes	4	4
11) Appraisal schemes	2	1
12) Disciplinary action in case of breaches	0	3
13) Stakeholder engagement	2	2

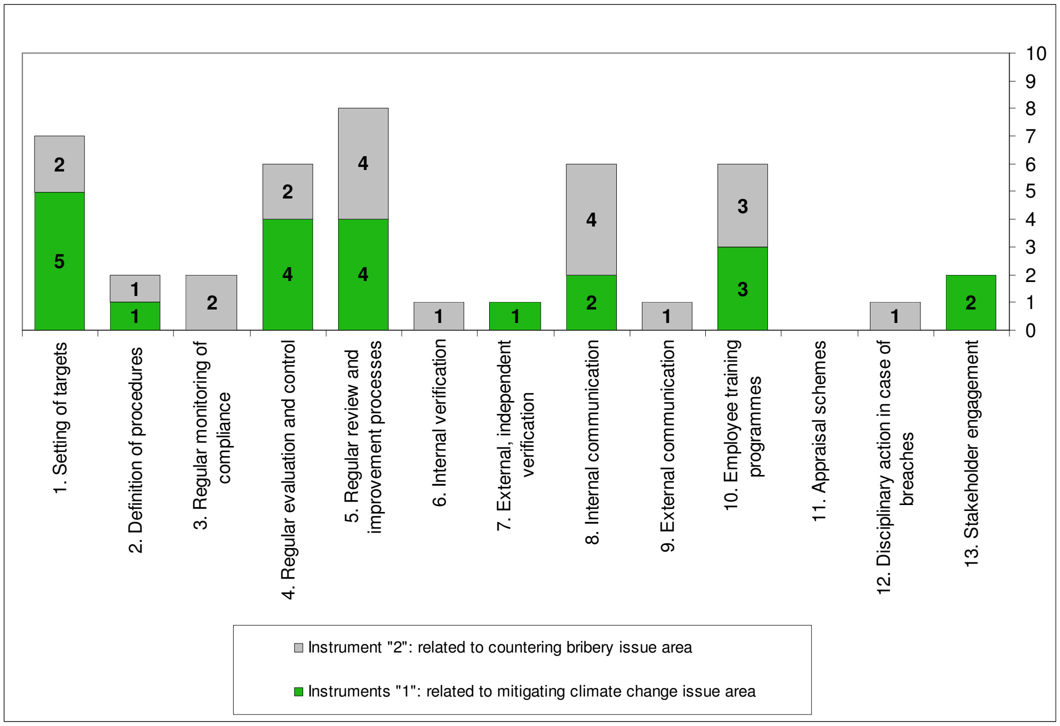
Source: RARE Project.

Definition of procedures - regular monitoring of compliance, evaluation and control - internal verification as well as employee training programmes seem to be the mechanisms used most both in relation to the ISO 14000 (mitigating climate change) and company-specific codes of conduct (countering bribery).

It is relevant to note that three banks use disciplinary actions in case of breaches with regard to company codes to counter bribery, while no companies indicate the same implementation mechanism with regard to ISO 14000. Yet, with regard to setting of targets, regular review and improvement processes, external-independent verification, ISO 14000 scores better than company-specific codes of conduct.

In order to find out which of the thirteen implementation mechanisms are considered the most relevant for enhancing the instruments' impact, we asked banks to rank the first three important mechanisms. Figure 19 shows the most important mechanisms which are distinguished into two categories of instruments (related to mitigating climate change and countering bribery)[36].

Figure 19: Most important mechanisms for enhancing the instruments' impact (top scores)



The most important mechanism identified by banks is the regular review and improvement processes (8 entries equally distributed on the two typology of instruments). It is followed by setting of targets that is mainly referred to instruments related to mitigating climate change. Instruments related to countering bribery (all represented by company-specific codes of conduct) score higher than the others with regard to the following mechanisms: regular monitoring of compliance, internal verification, internal and external communication, and disciplinary action in case of breaches. Stakeholder engagement is thought relevant by two banks with regard to instruments related to mitigating climate change.

[36] No banks indicated CSR instruments related to promoting gender equality in the two previous questions.

Generally it seems that mostly of these mechanisms refer to the internal effective implementation and good working of the instruments rather than external mechanisms (external-independent verification, external communication and stakeholder engagement).

Finally, we surveyed the impacts created outside the companies by social and environmental activities. There is high awareness of the impacts outside the banks of their CSR activities (100% of respondents; two banks did not reply). Ten companies (representing two thirds of respondents and 59% of our sample) state that their activities served as a model for other companies and helped to diffuse knowledge or technologies. More than half of respondents (8 banks, representing 47% of our sample) stress both that their activities built the conceptual basis for new legislation and helped build capacity for society. Seven banks highlight that CSR activities contributed to higher standards of integrity and transparency by their business partners. These seem to represent a high level of confidence and achievement in the banks' thinking.
It is also relevant to note that the great majority of banks think that their activities neither removed the need for envisaged legislation (2 entries) nor built the conceptual basis for new legislation (1 entry).

There is evidence of the banks managing their small and medium enterprises (SMEs) **supply chain** from the CSR aspect with nine banks (representing 64% of respondents; 53% of our sample) communicating corporate values/standards and six (43%; 35%) requesting information on whether their suppliers promote social/environmental standards with their (sub) suppliers. However, only four banks (29%; 24%) request information from SMEs suppliers for social/environmental performance and only two ones (14%; 12%) collect data on their performance.

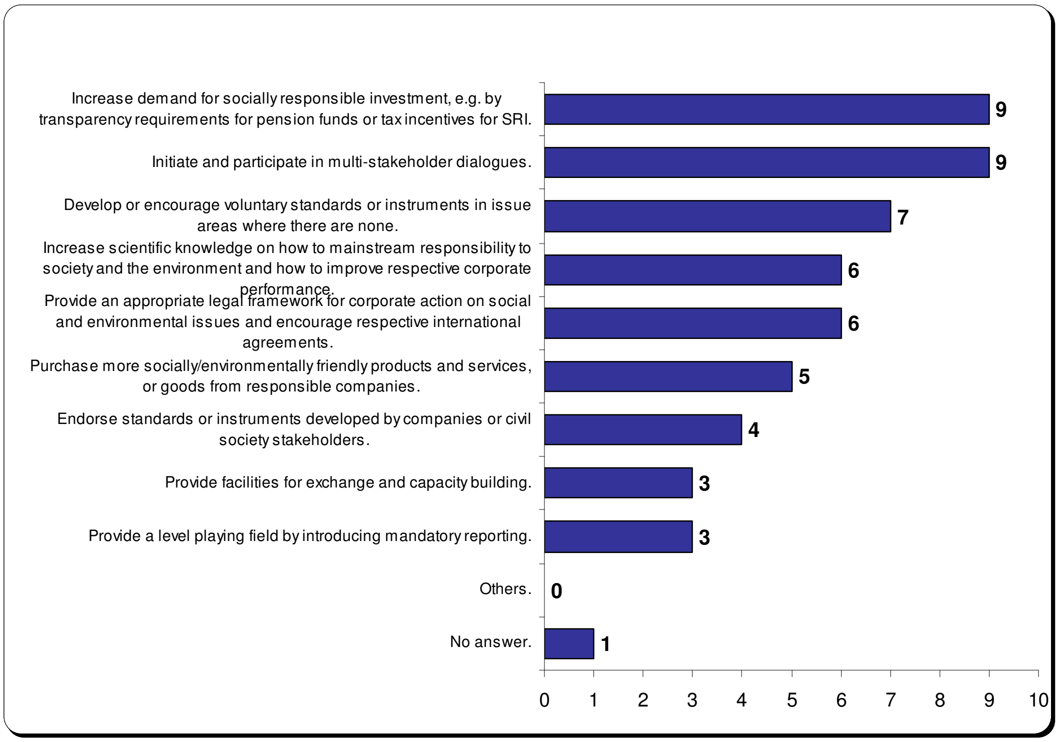
In order to further improve their CSR performance, we asked companies if they wish policy makers to lend specific types of support (Figure 20). This question provided some interesting responses.[37] Banks' wants of policy makers:

- to help in increasing awareness mainly among consumers (12 entries), investors (11) and companies (10);
- to build a receptive environment for CSR through the means of multi-stakeholder dialogue and to build the demand for SR funds by incentives or transparency requirements (9 entries);
- to provide an appropriate legal framework for corporate action on CSR issues, encourage international agreements and to increase scientific knowledge on how to mainstream CSR responsibilities an how to improve respective corporate performance (6 entries);
- to increase CSR culture pursuing socially/environmentally friendly products and services (5 entries).

[37] All of the banks, with one exception, replied to the question.

An interesting score is that seven banks want policy makers to develop or encourage voluntary standards or instruments in issue areas where there are none at present.

Figure 20: Public policy support for CSR



Source: RARE Project.

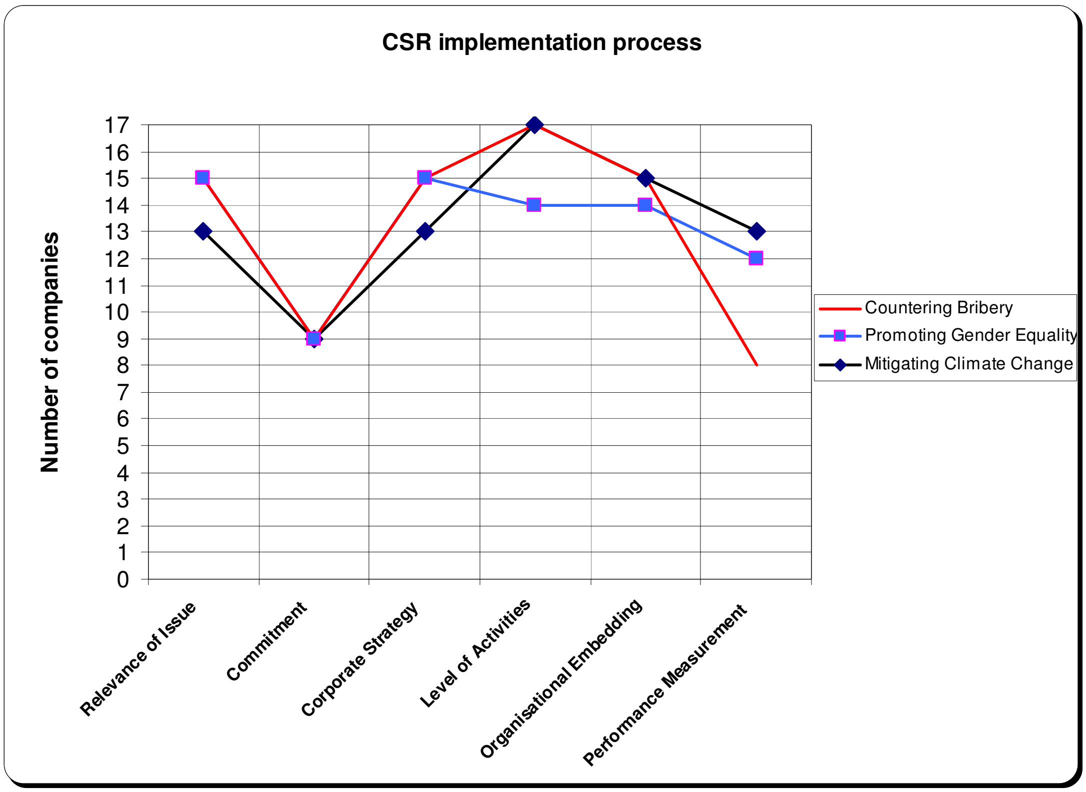
3 Conclusions

3.1 Scope and depth of impacts in the RARE policy fields

According to the overall question of the RARE project, this survey aims at investigating which areas of companies' operations are expected to create 'responsible' outcomes and impacts within the three policy fields targeted by RARE. The survey showed that CSR is perceived by banks as a path leading from commitment stage towards substantive and visible results both internally to the bank and externally in the societal and environmental realms. Therefore, we will summarise and present the conclusion of the survey according to the impact model which was the guidance structure the survey.

The figure below[38] gives a synthetic picture of how companies acted during the different phases of their voluntary involvement in the three policy fields.

Figure 21: CSR implementation along RARE impact model



Source: RARE Project.

At a first glance, a clear path of CSR emerges from the diagram: the three different policy fields perform similarly, with the exception of countering bribery which decreases in the last column of the diagram, as the measurement of its performance is less frequent.

[38] The results have been systematically organized around six steps: **Relevance of issue**: in order to appear in the index above, banks should have stated an high or rather high strategic importance to the RARE issue areas (see Figure 6). **Commitment**: refer to Figure 4. **Corporate strategy**: for this step banks must have set up a separate policy on the issue concerned or integrated the issue into existing corporate strategies and policies (see question 7). **Level of activities**: in order to appear in the index, companies must have ticked more than one third of the activities given by the questionnaire (i.e. banks that perform with a "medium" or a "high" level of activities). **Organisational embedding**: in order to appear in the index, banks must have ticked any of the given options from the board level to issue-specific teams as provided in the questionnaire. **Performance measurement**: in order to appear in the index, banks must have declared to be able to demonstrate an improvement of performance within the RARE issues areas.

As the diagram shows, a high number of banks recognise the relevance of the three policy issue areas but when it comes to commitment, results decrease. However, the question of the level of commitment was related to the banks' written corporate statement, not to other forms of commitment. Given the discrepancy between the results on commitment and those for strategies and activities, it is plausible to assume that respondents do have some form of unwritten commitment that is translated into strategies or activities

To highlight some big picture items, it is relevant to underline how some activities, specifically some instruments, are becoming an influential factor: the example of GRI, which has been increasingly adopted by most of the banks in their sustainability reports is particularly evident. Banks are largely using GRI framework and the technical protocol for the finance sector against which to report – this shows that the GRI is both assisting in banks carrying out CSR more consistently (i.e. banks will tend to identify the same key indicators) and being a change factor for CSR performance.

When it comes to the organisational embedding column, there are significant differences between the three policy fields: climate change is assigned to functional responsibility, probably because of the technical nature of its target and the fact that is a less risky field for the banks and gender equality results show assignment at senior management level. However, for countering bribery and money laundering are high risk areas, oversight is provided at the board level.

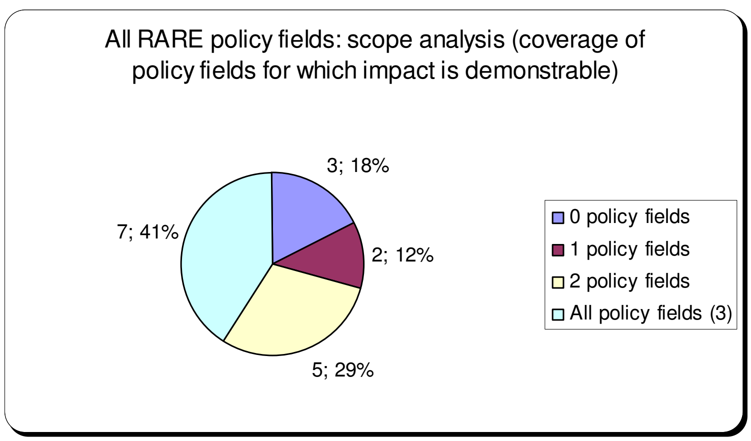
For the last column, the performance measurement, the benchmarking of the policy fields shows that: mitigating climate change scores better than the others, with 13 companies (representing 76% of our sample) demonstrating an improvement of performance; it is followed by promoting gender equality (12 banks, representing 71% of our sample) and countering bribery (8, 47%). A specific note regards the countering bribery: being that a high regulated area, banks have in place a wide range of systems and tools to ensure compliance. Nevertheless it is an area where performance measurement is quite difficult as bribery and money laundering by their nature are hidden. Thus measurement is realised through intermediary or proxy measures instead of specific key performance indicators. Banks have in place policies and procedures to minimise risk from bribery and damage to reputation, and this is consistent with the survey results that show that banks dealing with the issue area, have numerous activities in place.

Another interesting finding regarding the emerging role of indirect aspects in the sector is highlighted by the fact that banks recognise the impact of their lending and investment operations and the adoption of some instruments has a substantial influence along the supply chain, requiring compliance by customers and clients. Considering the environmental issues, the Equator Principles, a voluntary code tackling sustainability issues in investment and lending to projects, have been adopted by almost half of the banks.

In assessing CSR impacts, we will use the categorisation developed in the project: CSR impacts are defined as those consequences in the social and environmental realms resulting from changes in corporate practices, which in turn have been induced by the use of CSR instruments and/ or activities. The **impacts**, according to our impact assessment, will be analysed along two dimensions: **scope** and **depth**. Scope will be explained in terms of coverage of those issues areas for which impact is demonstrable. Depth relates to change in the Key Performance Indicators (rather low /medium / rather high). The focus in the survey was on the RARE policy fields (mitigating climate change, promoting gender equality and countering bribery): our procedure in analysing and benchmarking the results starts from the consideration of the policy issue area in general and then goes into detail on the sub-issues encompassed within each issues area.

Analysing the **scope**, i.e. the coverage of RARE policy fields for which impact is demonstrable, banks were asked to indicate if they can demonstrate an improvement of performance in RARE issues areas. As figure 22 shows, less than half of the surveyed banks (**seven**, representing 41% of our sample) state they have noticed an improvement of performance in RARE policy fields, **five** banks (representing 29% of out sample) in two policy fields and **two** banks (12%) in one (mitigating climate change). **Three** banks (18%) were not able to demonstrate any improvement.

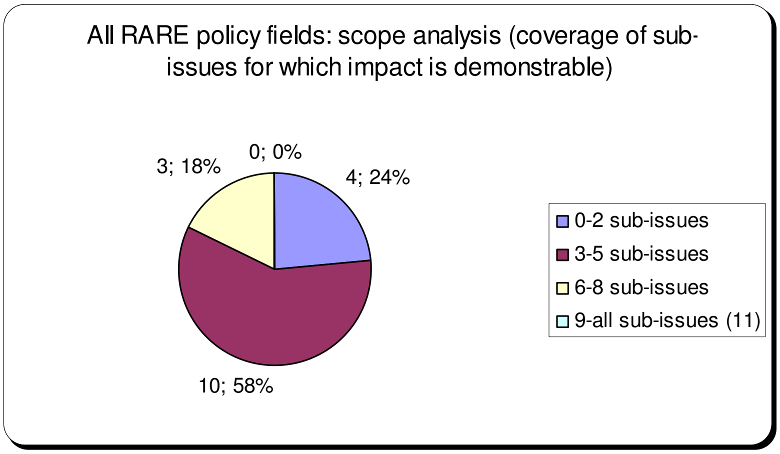
Figure 22: Scope analysis according to the RARE policy fields



Source: RARE Project.

At this stage the finding could be judged as quite positive. If we aggregate the result, we can state that 70% of companies improved their performance in at least two policy fields. But if we go in depth, applying the scope analysis to the eleven sub-issues encompassed within the three policy fields, we discover that the majority of banks are not able to cover a high number of sub-issues. Figure 23 illustrates the data clustered into four classes: the majority of frequencies is collected within the second class (58% of banks can demonstrate improvements in a range of sub-issues which vary from 3 to 5).

Figure 23: Scope analysis on the sub-issues



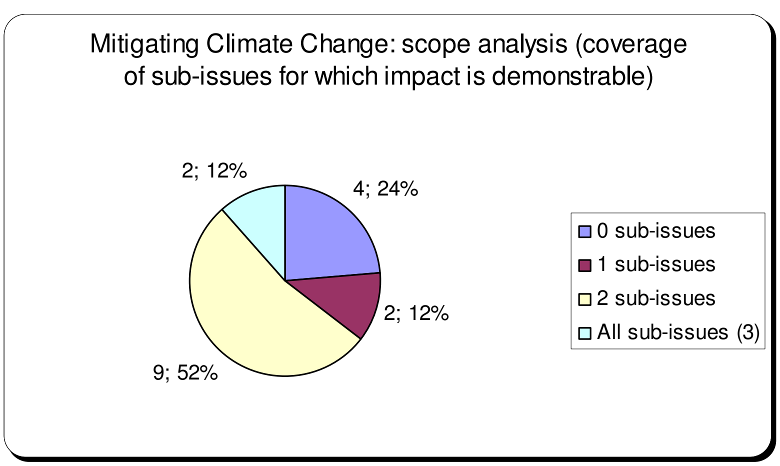
Source: RARE Project.

The following paragraph will explore the scope and the depth of impacts in each single policy field, thus providing an insight on how companies are managing the single sub-issues and the question of their direct or indirect responsibility.

3.1.1 Mitigating climate change

As shown in figure 24 an improvement of performances within all the sub-issues areas can be demonstrated by only two banks (representing 12% of our sample). The majority of banks (**9,** representing 52% of our sample) reported that they have noticed an improvement of performance in two policy fields, **two** banks (12%) in only one and **four** banks (24%) are not able to demonstrate any improvement.

Figure 24: Scope analysis on mitigating climate change sub-issues



Source: RARE Project.

Among the sub-issues, "Accounting for climate change in lending and investment policies" (see the Annex) registered a remarkable lack of frequencies, being an indirect aspect banks should deal with, while "Reducing Greenhouse Gas Emissions" and "Changing to renewable energy sources" sub-issues, representing the activities related to 'direct impacts', score better: twelve and ten banks (respectively 71% and 59% of our sample) can demonstrate an improvement of performance.

In the mitigating climate change policy field we are chiefly interested in indirect impact as although the banking sector is relatively clean compared with other sectors (e.g. oil and gas, transportations etc.), it has great power to influence the behaviour of clients. Access to credit is indeed one of the major drivers for other companies' strategies and actions, therefore the investment destination of given credit represents an interesting external aspect to investigate.

Data show that the large majority of banks (13/17) are not measuring performance related to indirect aspects (via customers and financial products) but it is also relevant to stress that four banks (representing the reminder of our sample) report to have noticed a rather high **depth of impact** (the average impact is **2.50** within a scale from 1 to 3), see table 12).

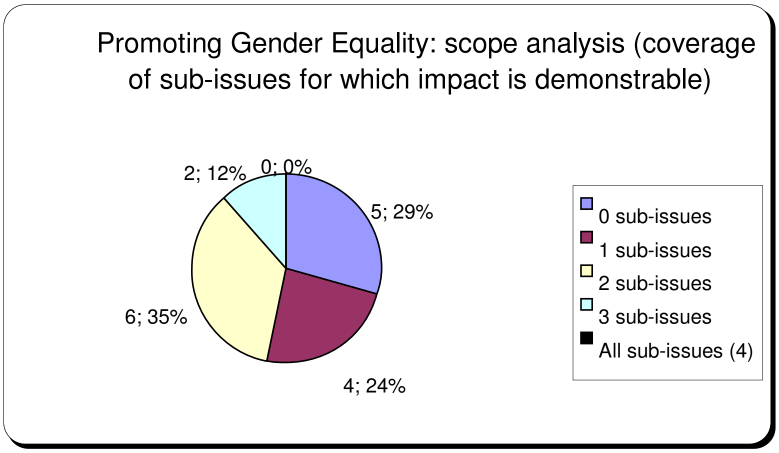
Remembering that banks are carrying out a certain number of CSR activities in this sub-issue area (in table 9 the level of activities was estimated as 'medium') there is a need for further effort in identifying specific indicators for the indirect impacts. Indirect impacts are highly relevant with regard to society and the environment, as shown by the banks who are already measuring them.

3.1.2 Promoting gender equality

Figure 25 shows that **no** banks cover all the four sub-issues area (so this is a low scope) and **two** banks only (representing 12% of out sample) report improvements in three sub-issues areas: these findings are mainly influenced by the strong lack of frequencies collected within two sub-issues areas ("Ensuring anti-discrimination with respect to sexual harassment" and "Gender equality/diversity and equal treatment in the access to and supply of banking services"[39].

[39] See the Annex.

Figure 25: Scope analysis on promoting gender equality sub-issues



Source: RARE Project.

"Promoting gender equal opportunities of women and men and equal pay" and "Promoting work-life balance" sub-issues areas score better: twelve and seven banks (representing 71% and 41% of our sample) can demonstrate an improvement of their performance.

These two first sub-issues areas score positively also in relation with the estimated **depth of impact**; in the first case 11 banks out of 12 can demonstrate a 'medium'/'rather high' impact (**2.25** in average), in the second one 5 companies out of 7 (**2.14** in average)[40].

As regards the third and the fourth sub-issues areas ("Ensuring anti-discrimination with respect to sexual harassment" and "Gender equality/diversity and equal treatment in the access to and supply of banking services") significant frequencies were not collected (respectively two and one banks). Banks seem to be unable to measure performance in these sub-issues areas and this finding can be traced back to the relative low coverage of CSR activities for each sub-issues (respectively 38% and 28% of CSR activities stated by the RARE questionnaire).

3.1.3 Countering bribery

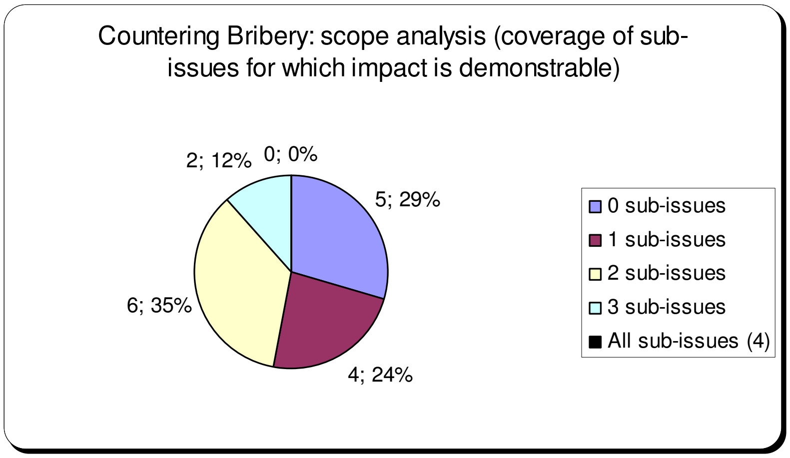
As shown in figure 26 an improvement of performance without all the sub-issues areas cannot be demonstrated by **any** bank. This negative finding is due to the complete lack of frequencies collected within the specific sub-issue area "Transparency in resource-backed lending"[41].

The results are not positive and as the figure below shows, half of banks (representing 47% of our sample) can demonstrate an improvement of performance on more than two sub-issues areas.

[40] See table 12.

[41] See the Annex.

Figure 26: Scope analysis on countering bribery sub-issues



Source: RARE Project.

"Countering money laundering" sub-issue area scores better (7 companies representing 41% of our sample) can demonstrate an improvement of performance; "Countering bribery" (4 banks, representing 24% of our sample) and "Countering bribery in asset management, lending operations and SR funds (including project financing)" (3, 18%) follow.

Comparing the policy fields, the rather low coverage of countering bribery performance compared with mitigating climate change and gender equality becomes evident. Despite the fact that banks are carrying out a certain number of CSR activities in countering bribery (in table 9 the level of activities was estimated as 'medium'), they are still not able to demonstrate a significant improvement in performance.

The second finding is the narrow margin existing among banks which can demonstrate an improvement of performance in the first sub-issue area "countering bribery" (4 companies) and the third one "countering bribery in asset management, lending operations and SR funds (including project financing)" (3 companies); these two sub-issues areas encompass the same issue at different levels of operability which refer to direct aspects/impacts and indirect ones; moreover, the three companies which can demonstrate improvements in indirect aspects can demonstrate improvements in direct aspects too.

A third relevant finding is represented by the highest coverage of "countering money laundering" within the policy field (seven banks out of seventeen). It is also relevant to notice that three banks that reported an improvement of performances affirmed that it was partly due to compliance with the law.

Finally, the **depth of impacts** represents an interesting aspect. Indeed, the depth of impacts is very high for each sub-issue area (**2.71** in average as shown by table 12). In comparison with the other two policy fields, this is the best score, despite the fact that overall countering bribery seems to have been less tackled by the surveyed companies. This could be explained noting how the few banks dealing with this policy, are implementing a high level of activities and are able to demonstrate high impacts on the same issue.

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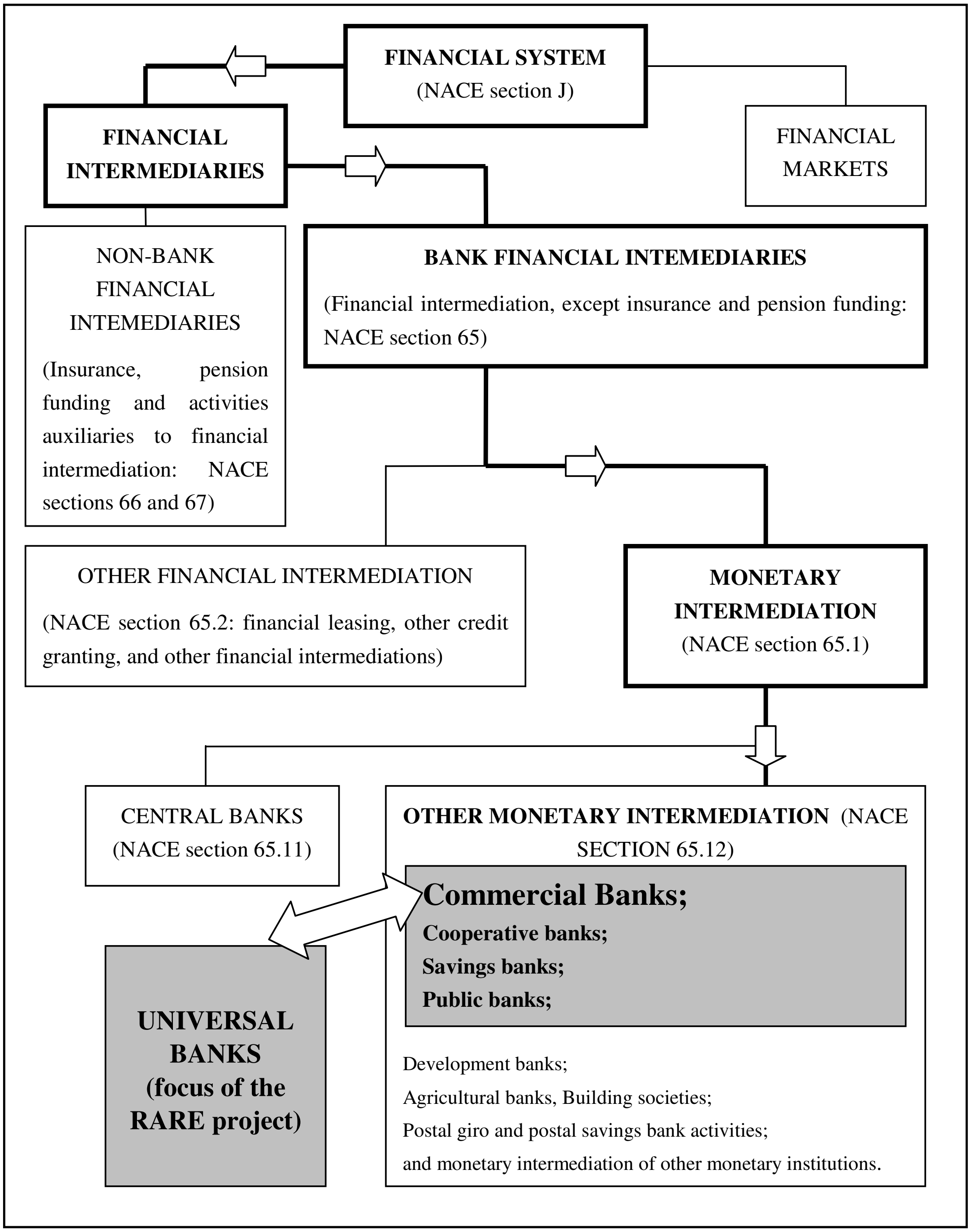
5 Annex

The financial system and the definition of the banking sector for the RARE project. We followed the statistical classification of economic activities in the European Community (NACE Rev. 1.1).



		Banks																	N. of banks which declared to be able to demonstrate an improvement of performance in 'mitigating climate change' issue area: DEPHT OF IMPACT				
Issues areas	**Sub-issues Areas**	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	L= 'rather low' impact	M= 'medium' impact	H= 'rather high' impact	**TOTAL**	**%**
Mitigating Climate Change	1) Reducing Greenhouse Gas Emissions	M	M	**H**	M	M	_	L	_	_	**H**	**H**	M	_	M	_	**H**	**H**	1	6	5	**12**	**70.59%**
	2) Changing to renewable energy sources	**H**	M	**H**	L	_	_	M	_	M	M	**H**	_	_	**H**	_	_	M	1	5	4	**10**	**58.82%**
	3) Accounting for climate change in lending and investment policies (INDIRECT IMPACTS)	_	_	_	_	**H**	_	_	_	_	M	**H**	_	_	_	_	M	_	0	2	2	**4**	**23.53%**
	SCOPE (number of sub-issues areas for which impact is demonstrable)	2	2	2	2	2	0	2	0	1	**3**	**3**	1	0	2	0	2	2	**13**				
Promoting Gender Equality	1) Promoting equal opportunities of women and men and equal pay	**H**	M	M	M	**H**	_	M	**H**	_	_	M	**H**	_	M	_	L	M	1	7	4	**12**	**70.59%**
	2) Promoting work-life balance	_	_	**H**	M	_	_	L	**H**	_	_	M	**H**	_	L	_	_	_	2	2	3	**7**	**41.18%**
	3) Ensuring anti-discrimination with respect to sexual harassment	_	_	_	M	_	_	_	_	_	_	_	L	_	_	_	_	_	1	1	0	**2**	**11.76%**
	4) Gender equality/diversity and equal treatment in the access to and supply of banking services (INDIRECT IMPACTS)	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	M	0	1	0	**1**	**5.88%**
	SCOPE (number of sub-issues areas for which impact is demonstrable)	1	1	2	3	1	0	2	2	0	0	2	3	0	2	0	1	2	**12**				
Countering bribery	1) Countering bribery	**H**	_	_	**H**	M	_	_	**H**	_	_	_	_	_	_	_	_	_	0	1	3	**4**	**23.53%**
	2) Countering money laundering	_	_	M	**H**	M	_	_	**H**	_	_	**H**	**H**	_	_	_	_	**H**	0	2	5	**7**	**41.18%**
	3) Countering bribery in asset management. lending operations and SR funds (including project financing). (INDIRECT IMPACTS)	_	_	_	**H**	M	_	_	**H**	_	_	_	_	_	_	_	_	_	0	1	2	**3**	**17.65%**
	4) Transparency in resource-backed lending	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	0	0	0	**0**	**0.00%**
	SCOPE (number of sub-issues areas for which impact is demonstrable)	1	0	1	3	3	0	0	3	0	0	1	1	0	0	0	0	1	**8**				