



World's Most Socially Responsible Banks 2022

Methodology

July, 2022

Newsweek

statista 

The “World’s Most Socially Responsible Banks 2022” focuses on the three dimensions of ESG

Overview

The ranking focuses on a **holistic view** of corporate responsibility that considers **all three pillars of ESG: Environment, Social and Corporate Governance**. In total, 175 banks have been identified as one of the "World's Most Socially Responsible Banks."

The analysis is based on two metrics:

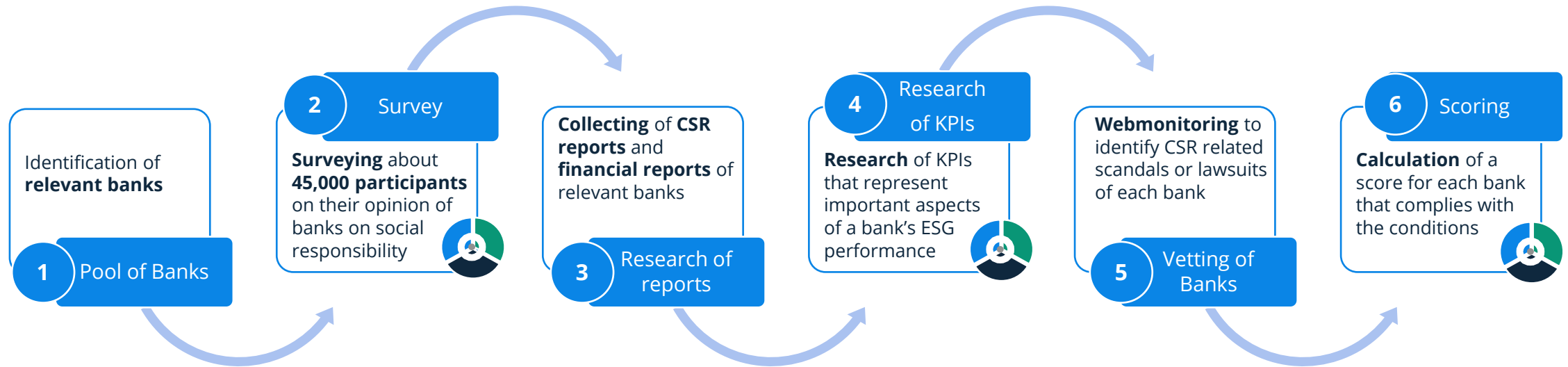
- Objective Data from **KPI research** (about 30 KPIs from the three pillars of ESG) including KPIs specific to the banking sector
- ESG Reputation of a bank from an extensive **Consumer Survey**

The approach does not focus on sustainable investments and social banking.



The analysis follows a 6-step process to create the ranking

Process of the analysis



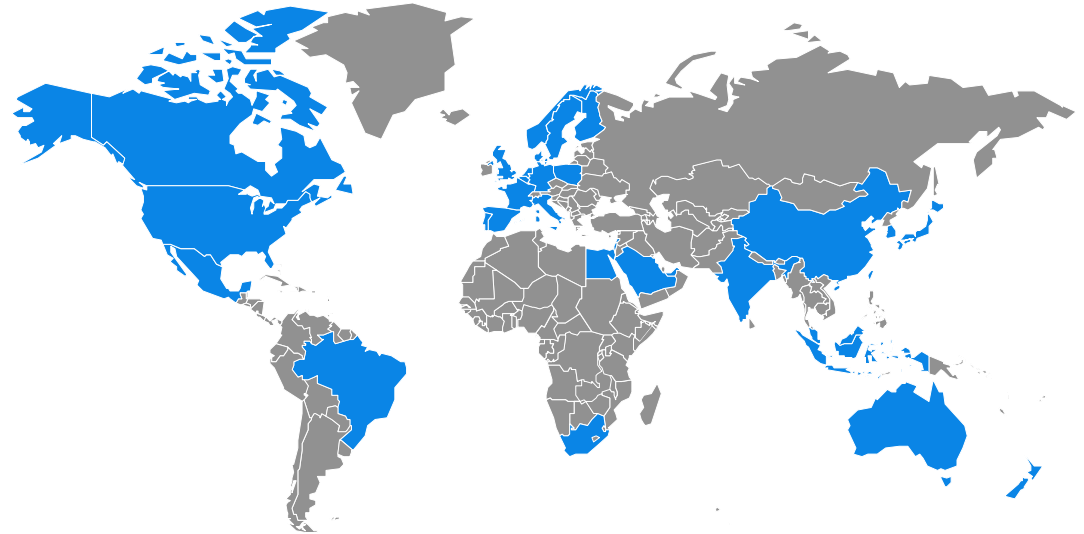
750 banks have been selected for further analysis

Identification of relevant banks

1 Pool of Banks

750 banks which form the basis of the analysis are selected by:

- **headquarter in one of 35 target countries:**
 - Americas: Brazil, Canada, Mexico, USA
 - Europe: Austria, Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, UK
 - Africa and Middle East: Egypt, Israel, Saudi Arabia, South Africa, United Arab Emirates
 - Asia-Pacific: Australia, China, Japan, Hong Kong, India, Indonesia, Malaysia, New Zealand, Singapore, South Korea, Taiwan
- **size** (assets in 2020)
- **recognition** (well-known by consumers)



Survey to evaluate Corporate Social Responsibility reputation of banks completed by 45,000 consumers

Extensive Survey

2

Survey

- More than **45.000 consumers** have been surveyed in the 35 target countries using an **online access panel**. The survey was conducted between November 2021 and January 2022.
- Consumers have been surveyed on their perception of banks' CSR-activities within the country they live in.
- Structural differences in the response behavior of respondents from different countries have been harmonized.
- Survey structure:
 - 1) Selection of banks that the respondent is familiar with in the respective country
 - 2) Surveying participants' perception of the banks' general engagement in the area of corporate social responsibility as well as specific aspects of ESG (see questions on the right)

Questions



General

- In general, the bank does a good job in terms of CSR.

Environment

- The bank uses resources responsibly.
- The bank invests in sustainable projects.
- The bank is engaged in initiatives to protect the environment.
- The bank offers a wide range of options for financing sustainable projects.

Social

- The bank is engaged in social initiatives.
- The bank is a popular employer.
- The bank advises clients responsibly.
- The bank's services are accessible to a diverse set of customers.

Corporate Governance

- The bank is transparent with its public disclosures.
- The bank's terms of conditions for customers are fair.
- The bank handles sensitive data with care.
- The bank works against all forms of corruption.

Only banks that publish a CSR report are considered for further research of KPIs

Limitation of banks considered for further analysis

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Research of reports

- Research was conducted to identify which of the banks publish a CSR report or something similar. Only banks that publish such a report could be considered for the following research of KPIs.
- Furthermore, the researched reports must include ESG data for 2020 to ensure comparability.

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Research of KPIs¹⁾

- About 30 KPIs (Key Performance Indicators) across the three areas of ESG have been researched per bank. The KPIs are defined and stipulated in a way that they can be applied and compared across banks regardless of headquarter and size.
- The ESG data is researched mainly from CSR reports or similar as well as other public sources (e.g. CDP, Science Based Targets initiative). For financial metrics data is collected from financial reports and The Banker Database.
- In addition to the research an email was sent to all banks in scope to give the opportunity to validate the researched KPIs.



The extensive research includes data points of the three pillars of ESG

Research of KPIs

Overview of researched data points

- Researched data** is either binary or numerical. In all cases where banks cannot provide data in a field that is researched and relevant for ESG, they are scored **0** for the relevant KPIs (**non-disclosure** or **non-activity** failure).
- The following KPIs are researched for each bank in the three pillars:

Environment

Dimension	KPI	Unit
Emissions	Emissions intensity (scope 1 & 2)	GHG emissions: scope 1 & 2 / revenue
	Reduction of emissions to previous year	Yes / No
	Reporting of indirect emissions (scope 3)	Yes / No
	Reports to CDP (formerly Carbon Disclosure Project)	Yes / No
	Commitment to Science Based Targets initiative (SBTI)	Committed / targets set: 2°C / well below 2°C / 1,5°C
Energy Use	Energy intensity	energy use / revenue
	Reduction of energy use to previous year	Yes / No
	Use of renewable energy	Yes / No
Sustainable Business Activities	Offer of Sustainable Funds	Yes / No
	Share of assets according to ESG guidelines	Assets according to ESG guidelines / Total assets under management
	Example of engagement in environmental initiatives in CSR report	Yes / No

Social

Dimension	KPI	Unit
Diversity & Employees	Share of women in board	# of women in board / Total # of people in board
	Average training hours	training hours / # employees
	Statement on integration programs for employees with disabilities	Yes / No
Accessibility	Digital Banking	#of customers using mobile or digital services/# of total customers
	Statement on SME-lending	Yes / No
Philanthropy & Engagement	Average volunteer hours	employee volunteer hours / # employees
	Statement on Human rights policy	Yes / No
	Charitable giving	charitable giving / revenue
	Statement on charitable giving	Yes / No
	Examples of engagement in social projects in CSR-report (e.g., Financial Literacy)	Yes / No

Corporate Governance

Dimension	KPI	Unit
Disclosure & Transparency	CSR-report follows GRI Report Guidelines	Yes / No
	Active Participation in UN Global Compact	Yes / No
	Signatory to UN Principles for Responsible Banking	Yes / No
	Compliance / anti-corruption guideline	Yes / No
	Key financial metrics	Productivity: • Revenues (Net interest income & Noninterest income) Efficiency: • Cost-to-income ratio (%) Profitability: • Return on assets Solvency: • Tier 1 capital ratio (%)
Economic Performance		

Investigation of the relevant banks for scandals

Vetting process

5 Vetting of Banks

Webmonitoring of banks to be awarded

For each bank that was to be awarded, a detailed check for scandals was carried out. Banks that had recently been involved in large ESG-relevant scandals or legal proceedings were excluded from the analysis.

Consideration of the Russia-Ukraine War

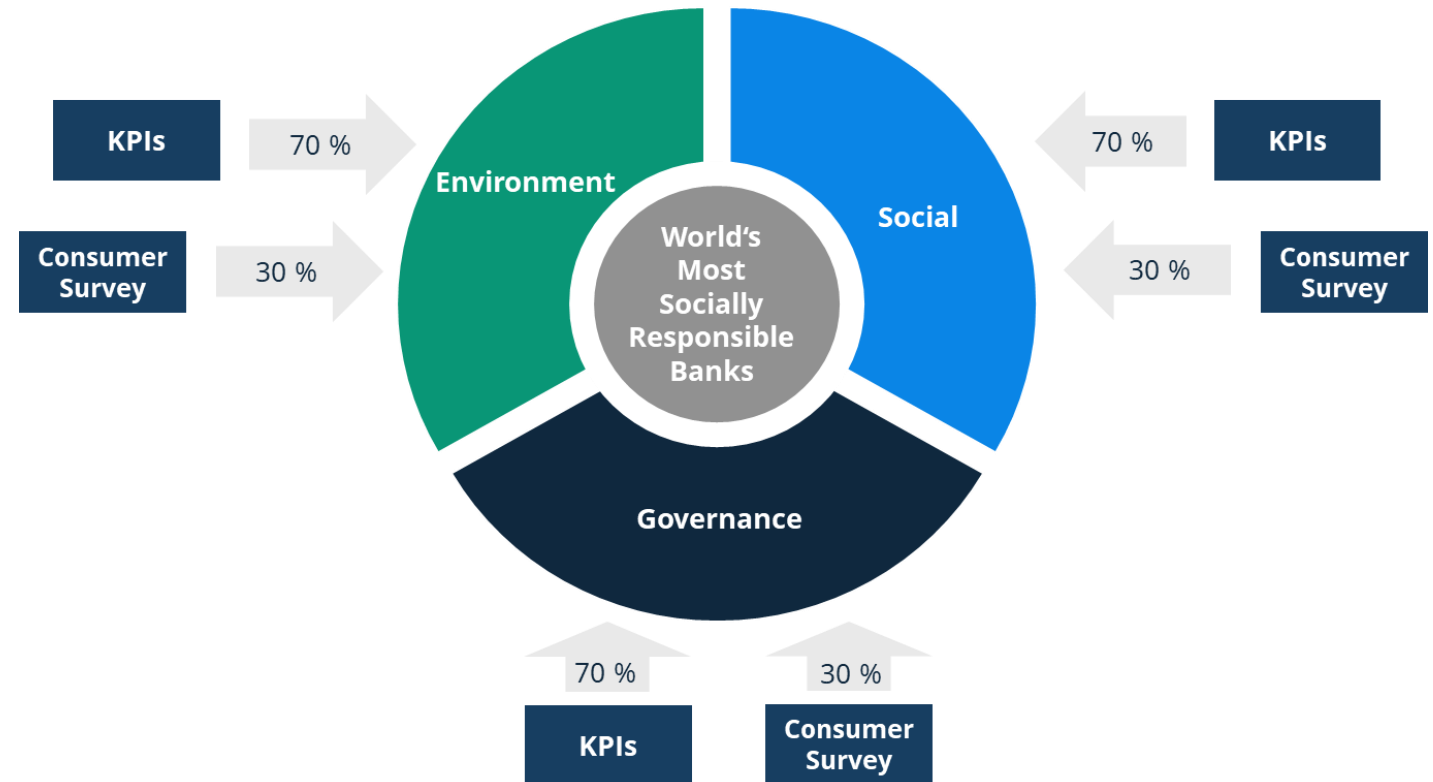
In response to the Russian invasion of Ukraine and the accompanying sanctions, all banks doing new business in Russia were excluded from the ranking. The public announcement of the banks as well as a list from the Yale School of Management¹ were considered in the selection. However, without explicit information on this issue, the bank under consideration could not be excluded from the ranking. Respectively, this screening was performed only on the basis of publicly available and verified information.

For every bank with a CSR report, a score is calculated based on KPI performance and a consumer survey

Scoring Model

6 Scoring

- For each bank that publishes a CSR report including data points for 2020 a final score is calculated.
- Each pillar of ESG takes one third of the final score. In each of the three pillars a score of 100 (for the best performing bank) could be achieved.
- Within each pillar of ESG the result of the KPI research is weighted 70% and the survey result is weighted 30%.
- The 175 banks with the highest overall score have been awarded as the “World’s Most Socially Responsible Banks”.



The ranking represents 175 banks from 33 countries

Number of awarded banks by country

The Americas

Country	# Banks
United States of America	15
Canada	7
Brazil	5
Mexico	1

Africa and Middle East

Country	# Banks
South Africa	7
Israel	3
United Arab Emirates	2

Europe

Country	# Banks
Italy	13
United Kingdom	9
Spain	8
Austria	7
Germany	7
Norway	7
Switzerland	7
Netherlands	6
Denmark	5
Belgium	3
Sweden	3
Finland	2
Poland	2
France	1
Portugal	1

Asia - Pacific

Country	# Banks
Taiwan	12
Korea	8
Australia	7
Indonesia	5
Japan	5
Malaysia	5
India	4
China	3
Hong Kong	2
Singapore	2
New Zealand	1

Disclaimer

The selection of the banks and the definition of the evaluation criteria were carried out according to independent journalistic criteria of Newsweek and Statista. The evaluation was carried out by the statistics and market research company Statista. Newsweek and Statista make no claim to the completeness of the banks examined.

The ranking is comprised exclusively of banks that are eligible regarding the scope described in this document. A mention in the ranking is a positive recognition based on research of publicly available data sources and an extensive consumer survey at the time. The ranking is the result of an elaborate process which, due to the interval of data-collection and analysis, is a reflection of official ESG data from 2020. Furthermore, events following the 2022-07-18 were not subject of this survey.

As such, the results of this ranking should not be used as the sole source of information for future deliberations. The information provided in this ranking should be considered in conjunction with other available information on sustainability.

The quality of companies that are not included in the ranking is not disputed.

World's Most Socially Responsible Banks Partner Network

Overview of involved parties

Newsweek

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