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HYBRIDITY AS A DYNAMIC PROCESS OF EVOLUTION:
HYBRID TRANSITIONS IN THE BANKING SECTOR.

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Abstract: This work project explores hybridity as a dynamic process of evolution. Whilst past research has focused on hybridity as a characteristic determined upon foundation, it left underexplored the case of incumbent traditional organizations gradually incorporating a hybrid logic. Drawing on the analysis of 57 reports from 15 commercial banks, from 2017 to 2019, this work project applies a thematic trajectory analysis to assess the growing degrees of hybridity visible in the intensification of the social logic, and its convergence with the economic logic in terms of relative importance. The study concludes that hybrid evolution is detectable across different dimensions, thus, advancing scholarship to better reflect the reality of organizations going through a process of ideological transformation.

Keywords: Hybrid Organizing · Evolutionary Process · Trajectory Thematic Analysis · Banking

Table of Contents

1. Introduction.....	1
2. Literature review	2
3. Methodology.....	7
4. Presentation of Findings	14
5. Discussion and Implications for Hybrid Theory.....	21
6. Conclusion	24
7. Directions for Future Research	25
8. Bibliography	26
9. Appendix.....	33

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1. Introduction

The world's search for growth and prosperity has produced great outputs but not always great outcomes (Rangan 2018). The logic of capitalism that underpins constant economic growth is often held accountable for environmental degradation and social imbalances. Thus, as important agents of change, businesses are being challenged to rethink their approach towards society (Porter and Kramer 2006; Hart 2010; Hahn, Kolk, and Winn 2010).

Originally rooted in a profit-maximizing rationale (Friedman 1970; Business Roundtable 1997), companies are responding to push and pull factors by transitioning towards the duality of economic performance and social progress (Hahn et al. 2018; Malnight, Buche, and Dhanaraj 2019). This process is consistent with a gradual transition of social aspects from the periphery to the core of the organization, visible, for instance, in the evolution from the concept of Corporate Social Responsibility (CSR) (Howard 1953) towards the notion of Strategic CSR (Porter and Kramer 2006) and, finally, to Creating Shared Value (Porter and Kramer 2011).

At the institutional logics level (Thornton and Ocasio 2008), this shift is likely to imply a degree of complexity (Kraatz and Block 2008) as traditional organizations try to find a balance between the, often paradoxical, economic and social logics (Ozanne et al. 2016; Joseph et al. 2020). By combining elements of each, hybrid organizations stand as the epitome of such convolution (Battilana and Dorado 2010; Pache and Santos 2013). However, saving some exceptions (Haigh and Hoffman 2011; Glynn and Raffaelli 2013; Burchell and Cook 2013), there has been limited research applying the concept of hybridity to the case of traditional incumbent organizations not born with a social mission. In fact, as these organizations transform themselves and acquire elements of hybrid business models (Haigh and Hoffman 2011), they follow a process of evolution which is not addressed in depth by hybrid scholarship. Therefore, to better understand this reality, this study investigates hybridity as a dynamic process of evolution by addressing the following broad research question: *“What are the signs*

of hybrid evolution?”. To answer this, a thematic trajectory analysis followed the journey of 15 commercial banks, through their annual reports, to investigate how manifestations of a social propensity intensified from 2017 to 2019. As a result, the study suggests hybridization as an organization-wide phenomenon that progresses in the temporal horizon across different, but interdependent, dimensions. This work project, thus, expands the view over hybridity by offering a conceptual framework that addresses it from an evolutionary perspective which is applicable to the case of organizations going through a process of ideological change.

The report is organized as follows. The next section explores literature on hybridity and recent advancements that culminate in the research question. The methodology used to address this research is forwardly presented. Findings are introduced in Chapter 4, while Chapter 5 builds on them to discuss and highlight the contribution to scholarship. Finally, Chapter 6 reflects on the main conclusions, and Chapter 7 focuses on directions for future research.

2. Literature review

2.1 Hybrid Organizations: A Qualitative Type of Organization

The growing complexity of modern societies, and subsequent prevalence of pluralistic rationalities (Kraatz and Block 2008) provide different prescriptions to individuals and organizations (Thornton and Ocasio 2008). Hybrid organizations emerge from this institutional complexity (Greenwood et al. 2011) by combining multiple, and often conflicting, logics (Battilana and Dorado 2010; Pache and Santos 2013). Located at a societal level (Friedland and Alford 1991), they permeate the organizational sphere by making organizations contingent to “multiple discourses” that guide decisions and influence evolution (Kraatz and Block 2008).

The duality between the social and economic logics has been an increasing subject of research in hybrid theory. In this intersection, social enterprises emerge as the ideal representation of a hybrid organization by promoting a social mission through business ventures and, thus, combining elements of each logic (Gonin, Besharov, and Smith 2013; Pache and Santos 2013).

Although these have broadly served as “laboratory” for studying hybrid dynamics and tensions (Pache and Santos 2013; Ebrahim 2014; Battilana 2018), the economic and social duality can be found in a broader set of organizational formats.

To illustrate this, Alter (2007) introduces the concept of hybridity as a spectrum. The author positions hybrids as a blended format between Non-Profit and For-Profit organizations moved by both social and economic value creation. The spectrum, anchored by the social and economic logics in opposite sides, is divided into four categories of organizations incorporating each logic with different intensities (Appendix 1). While *Non-profits with Income Generating Activities* and *Social Enterprises* are biased towards their social mission, *Socially Responsible Businesses* and *Corporations Practicing Social Responsibility* are more driven by profit.

To shift away from the dichotomy that labels an organization as either hybrid or not, institutional literature has advanced to reflect a more nuanced perspective over hybridity. For instance, Battilana and Lee (2014) show variations in which organizations across the hybrid spectrum can combine both logics. They suggest five dimensions where “*hybrid organizing*” takes place, and where economic and social logics interact in different ways. They are: 1) Inter-organizational Relationships; 2) Culture; 3) Organizational Design; 4) Workforce Composition and 5) Organizational Activities (Appendix 2). The combination of both logics in each dimension can go from complete differentiation to complete integration, yielding different configurations of hybridity. Furthermore, the authors question whether configurations may change with time, wondering about the dynamism in hybrid organizing.

Following the same line of reasoning, Besharov and Smith (2014) offer a two-dimensional framework to show the alternative ways logics co-exist within organizations (Appendix 3). These depend on the extent to which logics conflict over means or goals, i.e. their *compatibility*, and whether both logics play a core role in organizational features, i.e. their *centrality*. This framework advances theory by going beyond the idea of social and economic logic duality as

yielding a type of organization with *low compatibility* and high *centrality*. Instead, it acknowledges the possibility that hybrids can also hold the economic logic at the core while the social one is at the periphery (*low centrality, low compatibility*), merge them in a complementary way in core activities (*high centrality, high compatibility*), or even acquire elements of a social logic to enhance economic goals (*low centrality, high compatibility*). The authors further advance that organizations can manipulate degrees of centrality and compatibility through organizational practices, such as hiring and socialization processes that increase logic compatibility and organizational sustainability (Battilana and Dorado 2010).

These studies widely address hybridity as a continuum conveying the possibility of different instantiations of the two logics within hybrid organizations. Although they add complexity to theory, better mirroring the reality of different types of hybrid organizations, they do not reflect the intensity with which organizations engage in hybridity, a gap recently highlighted by Battilana, Besharov and Mitzinneck (2017).

2.2 Hybrid Organizing: A Matter of Degree

Theory has, thus, advanced to look at hybridity in a scale, and differentiate between hybrid organizational approaches through this lens. Accordingly, while exploring the path for future research, Battilana, Besharov, and Mitzinneck (2017) suggest treating hybridity as a matter of degree, moving beyond the idea of hybrids as a qualitative type of organization (Alter 2007; Battilana and Lee 2014; Besharov and Smith 2014). As pointed by Shepherd, Williams, and Zhao (2019), an organization with a strong economic logic and peripheral social logic should not be considered as having the same level of hybridity as an organization with both strong economic and social logics, as they will not face the same hybrid dynamics and level of conflict. Building on this, the authors use the context of emerging social enterprises to propose a framework for determining degrees of hybridity. Shepherd, Williams, and Zhao (2019) defend that organizations can differ in terms of the significance provided to each logic in relation to

the other, i.e. their *relative importance*, and the vigor with which each logic is held, i.e. their *intensity*. When combined, these variables determine the level of *hybrid relativity* and *hybrid intensity* of the organization, respectively (Appendix 4). While the first refers to the extent to which both logics are balanced (e.g. if both logics are held with the same level of intensity, hybrid relativity will be high), the latter reflects the intensity provided to both (e.g. if both logics are intensively held, hybrid intensity will be high, vice-versa).

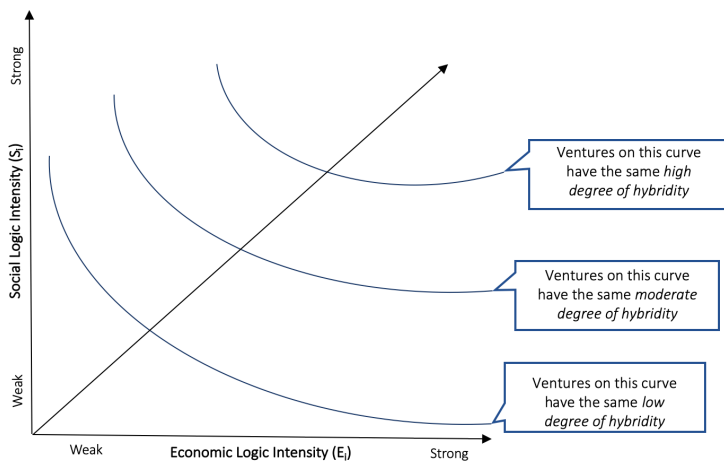


Figure 1. Hybridity Curves. Adapted from: Shepherd, Williams, and Zhao (2019).

The overall degree of hybridity of an organization depends on the combination of hybrid relativity and hybrid intensity. This relationship can be illustrated in a diagram

(Figure 1 above). Different combinations of social and economic logic's intensities, depicted in the x-axis and y-axis, respectively, result in a specific level of hybrid intensity and hybrid relativity. In turn, these yield a degree of hybridity, represented by the isoquants. When the intensity provided to both logics is higher, and organizations position themselves closer to parity in their representation (i.e. overall intensity is balanced more equally between logics), isoquants will be located closer to the upper right corner of the graph, thus, reflecting a higher degree of hybridity.

Besides offering this revised conceptualization of hybridity, the study theorizes on the dynamism of hybrid organizing to some extent. In particular, the authors argue that the engagement between entrepreneurs and broader communities could advance degrees of hybridity. This is possible given the contributions of different stakeholders to exploit opportunities to better combine social with economic value creation. This new perspective lays the ground for research about evolution in hybrid organizing. Although Shepherd, Williams

and Zhao (2019) limit the scope of research to the case of emerging social enterprises, this notion of hybridity is applicable to traditional incumbent organizations that engage in hybrid business models to different extents, or are looking to further integrate both logics.

2.3. Hybrid Organizing: A Dynamic Process of Evolution?

This leveled perspective over hybridity could be further developed to mirror the evolving nature of organizations. As the impact of businesses on society and the environment becomes an increasing matter for concern (Rangan 2018), traditional organizations, mostly dominated by the economic logic, gradually converge towards more responsible and sustainable business models. In fact, commercial companies increasingly aim to promote social and environmental change through business practices (Porter and Kramer 2011; Haigh and Hoffman 2011). This paradigm shift implies an evolutionary process at the institutional logics level (Beddoe et al. 2009) that is underexplored by hybrid scholarship at the organizational level.

Therefore, as traditional incumbent organizations adopt aspects of hybrid business models (Haigh and Hoffman 2011), a path for research on hybridity as an evolutionary process gains relevance. Following Shepherd, William, and Zhao's (2019) framework, this process of transformation towards a more hybrid approach could be compared to a transition from lower to successively higher degrees of hybridity. In fact, it implies the intensification of a social logic converging towards the economic one in terms of importance, thus, yielding a higher hybrid intensity and relativity in the process.

Studies focused on a cultural perspective have already looked at organizational hybridity as an evolution (J. Waring 2015; Brooks et al. 2018; T. M. Waring, Goff, and Smaldino 2017). However, before Shepherd, Williams and Zhao's study (2019) created this opportunity for research, the institutional logics stream widely approached the concept as a foundational and non-evolutionary organizational characteristic, albeit acknowledging the possibility of dynamism in the way logics interact (Battilana and Dorado 2010; Besharov and Smith 2014).

Besides, although authors have addressed companies with structural CSR programs from an institutional logics perspective (Glynn and Raffaelli 2013), finding them participants of a new type of hybrid discourse (Burchell and Cook 2013), hybrid scholarship widely focuses on social enterprises. It, thus, lacks a framework that considers the transformational process in traditional organizations towards an increasingly hybrid logic.

Hence, by building on top of the idea of hybridity as a matter of degree, this work project proposes exploring hybridization as a dynamic process of evolution at the institutional logics level. Focusing on the side of the hybrid spectrum anchored in the economic rationale, this study explores the hybridization of traditional commercial organizations by asking the following research question: “*What are the signs of hybrid evolution?*”. This is further separated into two sub-questions: 1) “*What are the signs of hybrid intensity evolution?*” and 2) “*What are signs of hybrid relativity evolution?*”, the two determinants of hybridity level.

3. Methodology

3.1 Research Context: The Banking Industry

To investigate hybridity as an evolutionary process, and look for answers to this question, the study follows the journey of commercial banks towards sustainability. Choosing the banking sector as landscape for research was not done randomly, but rather based on extensive reading on the nexus between banking and sustainability, and the recent developments in the sector suggesting the emergence of a social logic alongside the economic one.

As Scholtens (2006) states, “*Finance is grease to the economy*”, hence, its potential to affect the sustainability of economic development should not be underestimated. In particular, banks act as important financial intermediaries capable of nudging other industries towards a version compatible with that envisioned by the United Nations, as expressed by the Sustainable Development Goals (SDGs) and the Paris Climate Agreement (PCA) (Forcadell, Aracil, and Úbeda 2019). Recognizing this strategic position of the banking sector to drive positive impact,

micro, meso and macro level developments started to challenge the status quo of the industry (Tan, Chew, and Hamid 2017; Urban and Wójcik 2019).

Societal level pressures on capitalism and globalization are influencing clients, investors and employees to demand for more sustainable banking practices and options. On the other hand, international and non-governmental organizations are pushing financial institutions to adopt increasingly proactive stances towards societal issues (Urban and Wójcik 2019). These culminated in the launch of the Principles for Responsible Banking (PRB) in 2018, under the umbrella of the United Nations Environment Programme - Finance Initiative (UNEP FI). They aim to align banks with society's goals defined by the SDGs and the PCA and lay the basis for what it is to be a responsible bank (Ndjwili-Potele and Fischer 2019) by giving actionable guidance to the signatories in six dimensions (Appendix 5).

The banking sector is, thus, being confronted with a growing institutional complexity. Rooted in the neoclassical economic logic (Kok, Bakker, and Groenewegen 2019; Louche et al. 2019; Lydenberg 2014), the sector is facing the emergence of a new social logic (Yan, Ferraro, and Almandoz 2019) which, according to Mitić and Rakić (2017), will likely materialize and “find its place in mainstream finance”. This is opening the path for hybridization in the sector, where the logics of sustainable development and economic growth are increasingly interacting.

3.2 Research Design

The research applies Shepherd, Williams and Zhao's (2019) framework to explore the evolution of degrees of hybridity in the banking sector. The intent of the study is to capture the dynamism of the social logic's *intensity* and *relative importance* across time, assuming that economic logic intensity remains unchanged. To reach this goal, the work project relies on organizational documents, such as Annual and Sustainability Reports, as a means to track change and development, as previously done in other studies (Yin 1994; Bowen 2009).

Accordingly, the research applies a longitudinal qualitative research (Zacharias and Saldaña

2002) to assess how different manifestations of the social logic change through time. Such a temporal study requires merging two approaches used in tandem. On one hand, a *trajectory analysis* was selected, as suggested by Grossoehme and Lipstein (2016), to examine changes in the thematic flow along a specified time frame. On the other hand, this is built upon a *thematic analysis* as proposed by Braun and Clarke (2006).

3.3 Sampling Process

The sampling process was deeply connected to the research question. The condition was to study a group of banks that, *a priori*, were a good representation of institutions moving from conventional to more responsible business models, incorporating a social logic in the process.

The sampling process, thus, followed three phases (Appendix 6). The Global Systemically Important Banks, due to their size and interconnections with the real economy, were selected as the starting point as they tend to be held to high standards *vis-à-vis* sustainability matters (Barclift 2011) (Phase 1). From those, only signatories of the PRB were selected as a clear sign of the emergence of a social logic in the banks' business models. This resulted in a group of 16 banks (Phase 2). Finally, after a first cycle of reading, one bank was excluded for not having sections of the report that were important for the data analysis (Phase 3).

The final sample is composed of 15 banks as shown in Table 1.

3.4 Data Collection

The most relevant information about each bank's hybrid journey was retrieved from publicly available organizational reports accessed through each bank's websites. In order to capture the evolution of the banks and the different dynamics involved in the process of hybridization, the data collected covers three reporting periods from 2017 to 2019. The documents chosen as the most relevant were Annual Reports which were combined with Sustainability, CSR, ESG or Non-financial Reports. When available, the Integrated Report was prioritized as the only data

Phases	
Phase 1:	30 Banks
Phase 2:	16 Banks
Phase 3:	15 Banks:
1-	Barclays
2-	BNP Paribas
3-	Citi Group
4-	Crédit Agricole
5-	Credit Suisse
6-	Deutsche Bank
7-	ING
8-	Mitsubishi F.G
9-	Mizuho
10-	Santander
11-	Société Générale
12-	Standard Chartered
13-	Sumitomo
14-	UBS
15-	UniCredit

Table 1. Phases of Analysis

source. All reports shared a common structure and addressed similar topics, not compromising the identity and comparability of sources across the sample. On total, 57 reports were collected for analysis. Approximately, 1608 pages were analyzed, representing, on average, 107,2 pages analyzed per bank across the three years (see Bibliography's section 2 for detailed information on reports and pages used for analysis).

3.5 Data analysis: Thematic Trajectory Analysis

“What increases and emerges through time?” is the main question that frames the data analysis presented in this section, as suggested by Saldaña (2003). Following Grosseohme and Lipstein’s (2016) trajectory analysis framework to provide this question with an answer, the

Phase of Data Analysis	Description
1-Familiarization with the data	Skimming through the reports to get familiar with the data (Braun and Clarke, 2006);
2-Coding data	Creating a deductive coding key from scholarship literature (Grosseohme and Lipstein, 2016; Braun and Clarke, 2006); Build on top of initial coding key with inductive codes from dataset (Braun and Clarke, 2006);
3- Searching for themes and Constant Refining	Aggregating codes as themes associated with the theoretical approach through thematic analysis (Braun and Clarke, 2006); Constant reviewing of themes (Braun and Clarke, 2006);
4- Thematic trajectory analysis	Looking for changes in codes and associated themes according to theoretical framework; Building of time-ordered matrices for each unit of analysis (Grosseohme and Lipstein, 2016);
5- Final Longitudinal analysis	Building of longitudinal matrix for collective case analysis (Grosseohme and Lipstein, 2016);

Table 2. Data Analysis Process.

work project follows each bank’s individual journey in relation to social logic’s intensity and relative importance, through a thorough and iterative thematic analysis of their reports (Table 2).

Getting familiar with the data. Prior to the analysis, a first round of examination allowed to get familiar with the dataset and have an idea about what information was available and what was interesting about it (Braun and Clarke 2006). It was concluded that the reports shared a common structure and that analysis should focus on the sections where manifestations of the social logic, and its interactions with the economic one, predominated. The first section under examination was the message or interview from the CEO and/or the Chairman, and, whenever possible, an interview of the person responsible for sustainability in the bank. The second part was the one where sustainability or CSR matters were present. These could go from sections about the strategy of the bank, approach to sustainability, stakeholder engagement, governance and compensation.

Coding data Described as the “critical link” between data collection and their explanation of meaning (Charmaz and Belgrave 2012), coding took a central part of this analysis as a method to capture insights from the reports and to make sure data is structured in a manner consistent with the research plan (Grossoehme and Lipstein 2016). Codes were obtained through both deductive and inductive approaches and assigned to data extracts (Saldaña 2013) to help determine whenever changes occurred in the level of social logic intensity and relative importance during the three years under analysis (Grossoehme and Lipstein 2016).

Deductive codes. The first cycle of coding constituted deduction from scholarship literature. A thorough reading of literature on banking was conducted to find how different levels of hybridity could be defined in this context, and how variations in those could be determined. Drawing on the points of intersection of Jeucken (2010), Weber (2018) and Zimmerman’s (2019) studies (Appendix 7), there can be found four types of approaches to sustainability in banking, consistent with a gradual intensification of the social logic. These were merged and labeled as: *business as usual case* (BAU); *responsible/business case* (RC); *strategic case* (SC) or *sustainable case* (STC). They depend either on the extent to which sustainability is integrated into the core business practices and the motives behind it (Zimmermann 2019) or on concepts such as the attitude of the bank, its ambition *vis-à-vis* sustainability (Jeucken 2010), or the way it positions itself in relation to societal challenges (Weber and Feltmate 2016; Weber 2018). These descriptions further suggest each approach as a transitory stage of a journey towards sustainable banking, giving a sense of dynamism and evolution aiming at the full integration of a social rationale, at par with the economic one. Accordingly, the four approaches were linked to relative levels of hybrid intensity and relativity, and ranked against each other in terms of hybridity levels, thus, forming a hybrid spectrum of evolution, the basis for the upcoming analysis. A set of codes was then developed for each stage in order to label each manifestation of the social logic with a degree of hybridity. The hybrid spectrum of evolution and associated

color coding are illustrated in Table 3 (below).

While the *sustainable case* is compatible with a higher degree of hybridity, as it is associated with a balanced approach to both logics with a high intensity each, the *business as usual* encompasses the lowest hybridity, as it is intensively and disproportionately dominated by the economic logic. The *responsible case* and the *strategic case* illustrate the transition from lower to higher levels of hybridity, where social logic gradually gains intensity and importance relative to the economic one, although the latter still partially dominates (Appendix 8).

Hybrid Stage (By: Author)	Jeucken (2010)	Weber (2018)	Zimmerman (2019)	Degree of hybridity
1. Business as usual (BAU)	Defensive	-	Narrow (no integration)	Degree of Hybridity 1
2. Responsible/Business Case (RC)	Preventive	Business case for sustainability	Peripheral (no integration)	Degree of Hybridity 2
3. Strategic Case (SC)	Offensive	Business case for sustainability	Balanced (intermediate integration)	Degree of Hybridity 3
4. Sustainable Case (STC)	Sustainable	Sustainable case for banking	Integrative (strict integration)	Degree of Hybridity 4

Table 3. Parallelism between different approaches to sustainability in banking and degrees of hybridity.

Inductive codes. On top of deductive codes, more codes emerged from

reading the reports, constituting a second cycle of coding (Saldaña 2013). Each of these inductive codes was interpreted and linked to one of the approaches and respective degrees of hybridity. Provided that document analysis is an iterative and cyclic process (Bowen 2009), whenever a new code emerged in a report, all the reports were run through again and this would only cease when no new codes surfaced. In the end, drawing on literary descriptions and report analysis, the final set of codes for each stage of hybridity in banking is presented in Appendix 9, allowing to link each manifestation of the social logic to a degree of hybridity.

Interpreting codes as determinants of intensity or relative importance. Codes were further interpreted as either reflecting the relative importance or intensity of the social logic, the variables of analysis. Whenever the code referred to the social logic from a perspective that has been previously dominated by the economic logic and was now integrating the social one (or not), or whenever these were presented in relation to each other, the code would be determined as reflecting relative importance, as it signaled the balance between both logics. Exemplars of

such codes are those mentioning measures of progress or motivations which are originally anchored in the economic logic. On the other hand, when codes referred solely to the social logic and to the magnitude and rigor with which it was integrated in the core aspects of the bank (or not), they would be labelled as intensity factors. For instance, whenever the bank recognized the social logic in its *raison d'être* or applied it into product design and innovation, the code would be interpreted as intensity. On total, codes amount to 155 where 96 are attributed to manifestations of intensity, and the remaining 59 to relative importance (Appendix 9).

Theme building and refining. In a posterior phase, codes were clustered into sub-themes and main overarching themes using a thematic map (Appendix 10), based on whether they referred to a common aspect of the theoretical framework. Themes were identified at two levels of analysis: a semantic (explicit) or a latent (interpretative) level. While in the first level, the purpose was not to look for anything beyond what was written, following a descriptive approach, the second was based on identifying underlying ideologies and messages through an interpretative approach (Braun and Clarke 2006).

Trajectory analysis. Throughout the research, a trajectory analysis was applied within thematic groupings (Grossoehme and Lipstein 2016). Homologous sections of the reports were compared across the three years as to look for variations in lines of argumentation and, in this way, assess changes in social logic's intensity and relative importance across the hybrid spectrums (Appendix 11). Data was organized into a matrix for each unit of analysis, i.e. for each of the 15 banks, yielding a total of 15 matrices (Appendix 12). Each matrix was built with the two determinants of degrees of hybridity, and associated themes, along the vertical axis, and a time variable along the horizontal axis.

Alterations in codes through time either reflected increases in hybrid intensity or hybrid relativity, or the emergence of new themes (Saldaña 2003). To facilitate the visualization of these evolutions, a color coding, as defined in Table 2, was applied to each matrix. Furthermore,

data absences in the matrices do not necessarily indicate a deficit in coding, but are often a sign of variation over time (Grossoehme and Lipstein 2016).

Longitudinal analysis. As suggested by Grossoehme and Lipstein (2016), a longitudinal matrix was developed to get a better overview of the evolution of degrees of hybridity across the sample (Appendix 13). While in this new matrix the vertical axis still depicts the determinants of hybridity, and corresponding thematic groupings, the horizontal axis now depicts the units of analysis, in other words, each column now corresponds to a bank. This matrix focuses on the element of change and, thus, a new coding key was developed (Appendix 14) to indicate whether the thematic flow altered, and by which magnitude, or remained stable in terms of degrees of hybridity. During longitudinal analysis, attention was provided not only to how a specific argument developed and whether it changed throughout the three reporting periods, but also to the omissions and gaps (Rapley 2007).

Limitations of Analysis. Methodological limitations arise from the subjectivity inherent to the interpretation of qualitative data. These can be further linked to a confirmation bias since analysis is backed by the predefined conception of hybridity as an evolutionary process. Besides, data sources may also hold biases due to the banks' potential efforts to build a reputation and meet the expectations of the readers who, in most cases, are shareholders. Limitations were mitigated by being considered *a priori*, resulting in a more rigorous analysis.

4. Presentation of Findings

The analysis performed allowed to explore the signs of hybrid evolution in the sample. Given that economic logic intensity is expected to remain high in the banking sector, it is possible to interpret the intensification of a social logic, the focus of analysis, as the evolution of a hybrid logic, *ceteris paribus*. Thus, social logic's intensity and relative importance were translated into hybrid intensity and hybrid relativity, respectively.

The data showed an evolution in both determinants of hybridity which is visible in the

progression of eight themes, as explored below. Findings will demonstrate how their thematic flow evolves along the hybrid spectrum, from lower to higher degrees of hybridity (Appendix 12). This is both seen in the way the line of argumentation regarding the social logic gains strength and relevance through time, a result from interpretative analysis, and in the growing appearance of social and environmentally related aspects, documented semantically.

4.1 Hybrid Intensity Hybrid intensity is reflected in the vigor with which the social logic is held within the organization. The report suggests that, throughout the three periods, banks reflect increasing intensity both in the way they refer to the social logic, and in how this is incorporated in organizational features. This is visible in the progressive evolution of three themes and in the emergence of two other themes consistent with the intensification of the social logic, as illustrated in the paragraphs below.

The signs of growing social logic intensity are visible in the way banks view *social matters from a core business perspective*, progressively embedding them in external activities (lending or investment) in a more integrated way (thematic evolution in Appendix 11.1). For example, banks change from “prohibiting credit which may cause problems for society” and focusing on “provisions regarding environmental and social risks” (Sumitomo 2017), a responsible approach with an underlying economic logic, to “making investment decisions with not only financial information but also ESG factors” (Sumitomo 2019). A growing willingness to promote social good through the core business supports this evolution and is seen in the way banks start advocating for “corporate social responsibility as contributing to the overall sustainable development of society via business activities” (Sumitomo 2019).

Initially following a strategic approach that focuses on business opportunities and addresses ESG factors if they contribute to the financial bottom line, some banks also started sending signals of an escalating social mindset by giving up higher margins to promote social change. For example, Citi transitions from mostly “delivering solutions in areas including renewable

energy, water and low carbon technologies” (Citi 2017), fast-growing sectors, to committing to “tie its interest rate to the achievement of sustainability goals” (Citi 2018).

The progression of a social logic within banks is also perceivable in the emergence of extra efforts to advance social good, thus, enhancing the role of *the bank as a catalyzer for change* (thematic evolution in Appendix 11.2). For illustration, reports show how banks start designing financial products and services that aim to “help homeowners make their houses more sustainable” or “help clients transition to the low-carbon economy of the future” (ING 2019). Furthermore, certain banks start “conducting research on the advancement of environmental management” and “developing a wide-ranging network to advance open innovation” (Mizuho 2019). Besides, a sense of advocacy in institutional and regulatory matters emerges in some cases, transforming banks into stewards of a sectoral shift as “success requires setting public policy priorities and building the industry” (Citi 2019) in line with a more socially minded banking system. Overall, these extra efforts add to the previous theme to emphasize the transition from a reactive towards a more proactive approach in relation to society.

As Jeucken (2010) states: “*The matter of how the bank wants to position itself in the world is essential to sustainable banking*”. The data reflects this *positioning in society* and highlights how banks gradually seem to be returning to the social sphere (thematic evolution in Appendix 11.3). For instance, banks change from standing at the margin of society and strategically addressing social challenges only as they “pose significant social, environmental and economic risks, but also opportunities” (Santander 2017) to standing as “part of the fabric of society” (Mitsubishi 2019) or taking the role of active “problem solvers” (Citi 2019).

This new positioning culminates in a more intertwined relationship with society. To illustrate this, banks start using the word “partnerships” (UBS 2019; Barclays 2019) to describe their relationships with clients, an expression that only emerges in later reports. Interestingly, the social economy also becomes more relevant as banks commit to “build partnerships with non-

profit organizations and social enterprises” (UBS 2019) and take efforts to “better understand the challenges and dispel the myths surrounding these important businesses” (Barclays 2019). Nevertheless, social-minded connections are not only visible in relationships between banks and clients, but also in relationships within the banking sector itself. For example, ING and Standard Chartered transition from a competitive mindset by “noting the Group’s position and how this compares with peers” in terms of sustainability efforts (Standard Chartered 2017), to establishing interbank alliances and creating open-source methodologies to “inspire other banks to follow” (ING 2018), hence, taking a more cooperative approach.

The new vision regarding the role of banks also changes their value proposition. Indeed, they stop defining themselves from a pure neoclassical perspective as a “financial intermediary, bringing together borrowers and lenders” (Credit Suisse 2017), and start recognizing the “transformative role to play in the transition to a more sustainable world” (Credit Suisse 2019). Another example is how, for instance, banks change their line of argumentation from stating that “clients, shareholders and employees are the primary stakeholders (they) create value for”, limiting contribution to society to “facilitating investment and credit”, “employing over 60,000 people, consuming products and paying taxes” (UBS 2017) to recognizing their wider “leading role in shaping a positive future for all” (UBS 2019).

A social purpose is widely acknowledged as a sign of an organization’s social propensity. Thus, the emergence of *social good as a deeper purpose* adds as a sign of the intensification of hybrid logic (thematic analysis in Appendix 11.4). This is particularly evident in 2019, with banks revealing for the first time their aspirations to be a “purpose-driven organization” (Barclays 2019) or elevating social intervention from the periphery to their “corporate purpose (...) the expression of a strong conviction about the specific and differentiating way in which (they) wish to exercise the banking profession” (Société Générale 2019). Furthermore, Mitsubishi and Crédit Agricole raise social contribution “almost to the status of *raison d’être*” (Mitsubishi

2019) that “expresses the true meaning of (their) activities” (Crédit Agricole 2019).

Finally, the growing willingness to build a *pro-social common identity* demonstrates the improved intensity with which the social logic is felt inside institutions (thematic evolution in Appendix 11.5). Initially, most banks limit their efforts to providing “training to credit risk managers on environmental and social risk assessments” as to build awareness (Barclays 2017, 2018). Attempts to create a deeper culture around the recently born social purpose are intensified in later years, going beyond the promotion of a holistic perspective over risk management. This is seen in the way the banks start, for instance, “delivering colleague training to help support customers when they are in vulnerable financial situations” (Barclays 2019), this way promoting a culture of responsible lending inside the bank.

Other banks make efforts to align people with their purpose and make them clear about how it contributes to the bank’s wider objectives. For example, Sumitomo went from showing no evidence of an ambition to create a common social identity to recognizing that “ensuring sustainability will require the cultivation of human resources who can support society”. This implied teaching staff to “factor social and environmental issues into their business proposals” and “making effort to encourage every employee to understand the SDGs correctly and take ownership of such activities” through, for instance, the institution of “SDG Awards to recognize outstanding activities that contribute to achieving the SDGs” (Sumitomo 2019).

4.2 Hybrid Relativity Hybrid relativity also showed an upward trend visible across banks. This is seen in the way social logic is increasingly positioned at the same level of importance as the economic one, a direct consequence of its intensification. This is visible in the evolution of the three thematic groupings explored below, where there is a clear progression towards the balance between the social and economic logic.

The first aspect increasingly balancing the social logic with the economic one is the *socioeconomic strategic thinking* communicated in reports (thematic evolution in Appendix

11.6). An interesting discovery is that banks, in more recent disclosures, start developing a purpose-driven strategy, built around the main societal challenges, whereas before it was mostly built around financial ambitions. In fact, most banks lay forward their commitment to combine “economic efficiency with the pursuit of the common good” (BNP Paribas 2019), a balance seen as “an artful science” (Mitsubishi 2019). They also set their intention to “step up sustainability-oriented management by reorganizing business priorities through the lens of environmental and social concerns” (Mitsubishi 2019). This highlights how sustainability and business are synthesized at a strategic level, suggesting a balanced approach to both logics.

In this line of reasoning, most banks also stop looking at success from a purely financial perspective. They transition from only referring to the fact that “performance is fully on track with better risk profile and an improved dividend payout” (UniCredit 2017), to acknowledging that “the way (they) achieve results is just as important as the results themselves” (UniCredit 2019). Accordingly, banks start advocating that “corporate value can, and must, be expressed in more dimensions than one in order to be deeply meaningful” (Mitsubishi 2019), an idea that was previously anchored in economic targets.

Another sign of greater importance provided to a social rationale is the *top-down approach to a pro-social business model* (thematic evolution in Appendix 11.7). This is becoming more centralized and professionalized, signaling an equilibrium between both logics at the Corporate level. For example, from 2017 to 2019, Citi transitioned the responsibilities of CSR initiatives from the “President of the Foundation who provides progress reports to the Nomination, Governance and Public Affairs Committee” (Citi 2017), a peripheral position, to a newly created “Sustainability and ESG team, led by the Chief Sustainability Officer” (Citi 2019), a corporate level position. Santander, on the other hand, gives increasing relevance to the social logic from a governance perspective through time, culminating with the expression of “responsible banking as a cornerstone of corporate governance”, backed by visible support from

the Chairman who advocates for “Profit with Purpose” (Santander 2019).

Driving decisions on sustainability at the corporate level are the underlying *motivations behind the pro-social approach*. It is interesting to note how these drivers changed from economic-based incentives to intrinsic motivations (thematic evolution in Appendix 11.8). In addition to the business motives that incentivize the integration of ESG, either deriving from push factors (expectations and customer demand) or pull factors (risk management and business opportunities), banks start to be moved by their intrinsic motivations and an ambition to play a different role in society. For example, banks stop solely emphasizing the idea that “investors are showing an increasing interest in environmental, social and governance ” (Mizuho 2017), adding the fact that “these expectations are in line with those (they) already hold (themselves) to, as outlined in the Corporate Philosophy” (Mizuho 2018). This indicates that economic drivers do not disappear but start co-existing with socially rooted internal motivations.

4.2 Hybrid Evolution Overall, findings can be summarized in a diagram that synthesizes the main signs of a hybrid evolution within the banks under analysis (Figure 2).

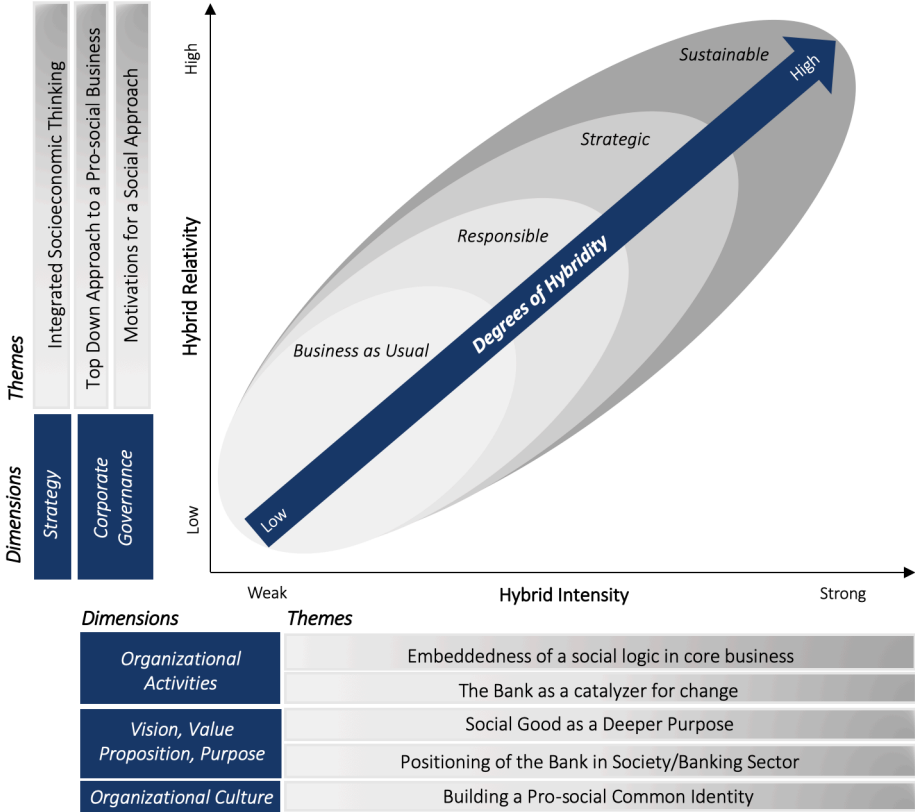


Figure 2. Framework for Hybrid Evolution: The Dynamic Hybrid Spectrum. (By:

On one hand, hybrid intensity evolution (x-axis) was observable in: 1) the extent to which social matters were addressed from a core business perspective, 2) the intensity with which the bank acted as a catalyzer for social change, 3) the emergence of a social sense of purpose, 4) the vision of the bank in terms of how it positions itself in society and 5) the efforts to build a social mindset deeply embedded in the culture of the bank. On the other hand, hybrid relativity evolution (y-axis) was mostly reflected in: 1) the way banks transition to a balanced socioeconomic line of reasoning in their strategic endeavors, 2) the centralization and professionalization of the top-down approach to a pro-social business, cascading both an economic and social rationale through the organization and 3) the change in the motivations of the bank, which stop being anchored only in an economic rationale, and start also being driven by an apparent sense of purpose and duty.

Themes were further categorized in organizational dimensions. While increasing hybrid intensity is visible across banks' *Organizational Activities, Vision, Value Proposition and Purpose, and Organizational Culture*, evolution in terms of hybrid relativity is mostly reflected in the banks' *Strategy and Corporate Governance*. This suggests hybrid evolution as an organization-wide phenomenon as will be further discussed in the next section.

5. Discussion and Implications for Hybrid Theory

The analysis explored the main signs of hybrid evolution in an economically rooted sector by investigating the stages followed towards a more hybrid logic. The results support the conceptualization of hybrid organizing as an escalating phenomenon, contributing this way to the stream of research on hybridity as a matter of degree (Battilana, Besharov, and Mitzinneck 2017; Shepherd, Williams, and Zhao 2019) by adding an evolutionary perspective to it. Besides, instead of conceptualizing companies with CSR programs as hybrids (Alter 2007; Glynn and Raffaelli 2013; Burchell and Cook 2013), this research focuses on this underexplored reality in a more grounded way. Indeed, data adds depth to theory by providing a clearer understanding

of how traditional organizations increasingly engage in hybridity, as discussed below.

After exploring the signs of hybrid intensity and hybrid relativity evolution, detectable across the eight themes presented above, one can draw conclusions about overall hybrid evolution. Although each bank has shown some level of consolidation of a hybrid logic, not all have done so with the same intensity across all themes, resulting in different transitions along the hybrid spectrum. A longitudinal matrix (Table 4 below) was, thus, created to provide a more nuanced perspective on how change occurred across thematic groupings and institutions. Evolution was divided into three categories: 1) full transition, 2) partial transition and 3) no transition. Separating a full transition from a partial one is the existence of evidence that links the thematic grouping to the highest level of hybridity (*sustainable case*), and the significance of such evidence (coding key in Appendix 14). Furthermore, the color code in the table indicates the degree of hybridity reached in the last reporting period.

		Themes	Barclays	BNP Paribas	Citi	Crédit Agricole	Credit Suisse	Deutsche Bank	ING	Mitsubishi	Mizuho	Santander	Société Générale	Standard Chartered	Sumitomo	UBS	UniCredit		
Hybrid Intensity	Organizational Activities	Embeddedness of social logic in core business (<i>evolution</i>)	↗	↗	No change (4)	No change (4)	No change (3)	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	
		Bank as catalyzer for change (<i>emergence</i>)	↗	No change (4)	↗	↗	↗	↗	↗	↗	↗	↗	↗	No change (4)	↗	↗	↗	↗	No change (4)
	Vision, Value Proposition and Purpose	Deeper Sense of Social Purpose (<i>emergence</i>)	↗	↗	↗	↗	No evidence	↗	No evidence	↗	No evidence	↗	↗	↗	↗	↗	No evidence	No evidence	
		Positioning of the bank in society (<i>evolution</i>)	↗	No change (4)	↗	↗	↗	↗	↗	No change (4)	No change (4)	↗	↗	↗	↗	↗	No change (4)	↗	↗
	Organizational Culture	Building a Common Social Identity (<i>evolution</i>)	↗	↗	No change (2)	No change (2)	No change (2)	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗
Hybrid Relativity	Strategy	Socioeconomic Integrated Thinking (<i>evolution</i>)	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗
	Corporate Governance	Motivations behind a social approach (<i>evolution</i>)	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	↗	No change (3)
		Top-down approach to a pro-social business (<i>evolution</i>)	↗	↗	↗	No change (3)	No change (3)	↗	↗	↗	↗	↗	↗	↗	↗	↗	No change (4)	↗	↗

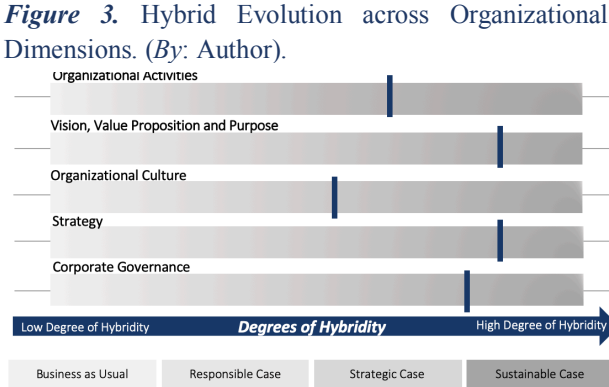
Table 4. Longitudinal Matrix. Key: ↗ Full transition (Sustainable) ↘ Partial transition (Strategic) □ No evidence.

Although components of hybridity are presented separately, the two are interconnected since an evolution in hybrid intensity is linked to an evolution in hybrid relativity. In fact, there is no case where hybrid intensity evolves without being accompanied by a growing hybrid relativity, which can be justified by the fact that dimensions are interdependent. Findings are, thus,

consistent with Shepherd, Williams and Zhao’s framework, where an increase in social logic intensity directly implies a higher hybrid relativity, in cases where economic logic intensity is high and fixed. Indeed, as social logic intensity converges towards economic logic intensity, it directly positions the organization closer to balance in the representation of both rationales.

Following a within-case analysis, i.e. focusing on each bank’s journey, it is possible to observe that evolution of a hybrid logic typically occurs in all themes, and organizational dimensions, saving some exceptions where data did not allow to find points of divergence across time. Longitudinal analysis acknowledges that this evolution does not necessarily happen with the same intensity across all thematic groups. While the thematic flow may evolve more for certain groups that reach the *sustainable case*, others may lag in the *strategic* or *responsible/business case* (no evidence of any theme standing at the *business as usual case* by 2019). Accordingly, in specific moments in time, organizational dimensions may reflect different degrees of hybridity, as can be seen in more detail in the banks’ trajectory matrices (Appendix 12).

Following a cross-case analysis, i.e. comparing evolution across the sample, it is possible to find a slight pattern in terms of hybrid evolution across dimensions (Figure 3 above). By 2019, *Vision, Value Proposition and Purpose* and *Strategy* were the



dimensions that reflected a hybrid logic the strongest, whereas *Organizational Activities* and *Corporate Governance* had a more moderate transition showing space for deeper integration of a social logic in some banks. These findings are in line with Haigh and Hoffman’s (2011) view on the evolution of sustainability-driven business models. They argue that an ideological transformation, visible in the strategy and vision of the organization, occurs first as the “foundational” start of the transition process, followed by more effective changes in the activities and processes. Finally, *efforts to build a common identity* seem to lag regarding the

embeddedness of a hybrid logic, suggesting that this dimension may require greater effort to fully develop into a more hybrid approach or is given less priority at this stage of evolution.

The idea that hybrid evolution occurs in different dimensions is consistent with literature stating that hybridity is at play across different areas of the “organizational life” (Battilana and Lee, 2014). Accordingly, in each area, logics can be more or less integrated, thus, yielding different configurations of hybrid organizing. The present matrix, however, provides a new insight by showing that these configurations are dynamic through time, as initially wondered by Battilana and Lee (2014), by following an evolutionary process. Particularly, the study suggests that each dimension goes through its own process of consolidation of a more hybrid logic (Figure 3).

Overall, to illustrate how evolution across thematic groupings affects overall degrees of hybridity, a dynamic version of Shepherd, Williams and Zhao’s diagram is depicted (Figure 4).

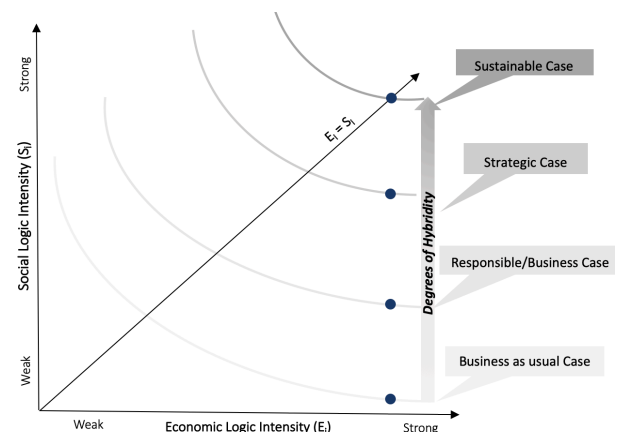
The amplitude of the shift depends on the aggregated intensification of the social logic across the themes, and respective organizational dimensions. Organizations that evolve less in aggregated terms will see their degrees of hybridity increase by less (smaller shift of the curve), compared to those that have gone through a full transition across all categories (more significant shift of the curve). It is important to remember that, although all dimensions and

themes are considered, some may have a more preponderant role in determining the magnitude of the hybrid transition, a possibility of research that was left out of the scope of the study.

6. Conclusion

By answering the research question in the beginning of the study, this work project explores the signs of a hybrid logic evolution within the organizational sphere. For a sector rooted in the economic logic, such progression is visible in the intensification and growing valorization of

Figure 4. Hybrid transitions in an economically rooted sector. (By: Author)



the social logic, at par with the economic one, across five dimensions: *Organizational Activities, Vision, Value Proposition and Purpose, Organizational Culture, Strategy* and *Corporate Governance*. Additionally, the study typifies the four stages for such evolution in an evolutionary hybrid spectrum, and further advances that progress may not follow the same pace, and intensity, across different dimensions. Therefore, the study suggests hybrid evolution as an organization-wide phenomenon with possibly different rhythms of change.

Although requiring further investigation, this work project contributes to the efforts to advance hybrid theory towards a more nuanced approach. It does so by building on top of the recent conceptualization of hybridity as a matter of degree, and developing it in line with the journey towards a more consolidated hybrid logic. Correspondingly, the concept of hybridity is reinvigorated for a better suitability in the context of transitions towards sustainability-driven business models, opening the path for research on what could be called “hybrid transitions”.

7. Directions for Future Research

The present study lays the ground for several possibilities of research. In this study, banks were not assigned with an overall level of hybridity as analysis was performed at the thematic group level. It would be relevant to advance a more complete framework that positions organizations at distinct stages of the hybrid spectrum. Since organizational features may engage in hybridity to different extents, and evolve at different speeds, it would be necessary to determine the relative weight of each dimension in driving hybridity upwards. It would also be interesting to further explore the reasons behind differences in the pace of change across organizational dimensions and the main barriers to a more hybrid approach. Thus, one could study the tensions arising at each stage of evolution, from a paradox theory perspective, and hypothesize about ways to bring organizations into a more hybrid position. Finally, research could investigate the applicability of this framework to social ventures going through the opposite transformation towards a more resilient model by integrating a business sense (see Appendix 15).

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8.1 Annual Reports under Analysis

8.1.1 Reports from 2017.

Bank	Report 2017	Pages	Accessed:
#1 Barclays	Barclays PLC Annual Report 2017	p. 2-5;10-22; 45-50; 93-116	https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/annual-reports/2017/Barclays-PLC-Annual-Report-2017.pdf
	Barclays PLC Environmental, Social and Governance Report 2017	p.2-13; 20-29	https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/annual-reports/2017/Barclays-PLC-ESG-Report-2017.pdf
#2 BNP Paribas	BNP Paribas Report on Activity and Corporate Responsibility 2017	p.4-11;14-19;26-29-33; 38-57	https://group.bnpparibas/uploads/file/05_06_bnpp_rar2017_gb.pdf
#3 Citi Group	Citi Group Annual Report 2017	p. 2- 5; 16-19	https://www.citigroup.com/citi/investor/quarterly/2018/ar17_en.pdf
	Citi Group Citizenship Report 2017	p.2-14;40-42; 54-67; 78-86;88-93;105	https://www.citigroup.com/citi/about/esg/download/2017/2017_citi_global_citizenship_report.pdf?ieNocache=756
#4 Crédit Agricole	Crédit Agricole Integrated Report 2017-2018	p.1-3; 6-24	https://ddd.uab.cat/pub/infanu/29486/iaCREAGRa2017-2018ieng.pdf
#5 Credit Suisse	Credit Suisse Corporate Responsibility Report 2017	p.4-10; 13-60; 62-68	https://www.credit-suisse.com/about-us/en/reports-research/corporate-responsibility-report.html
#6 Deutsche Bank	Deutsche Bank Annual Report 2017	p.3-4;11-12;15;18;164-172; 182	https://www.db.com/ir/en/download/DB_Annual_Report_2017.pdf
	Deutsche Bank Non-financial Report 2017	p.3-5; 9-13; 27-32; 39; 45-50; 54-70;72	https://www.db.com/ir/en/download/Deutsche_Bank_Non-Financial_Report_2017.pdf
#7 ING	ING Annual Report 2017	p.5-11; 14-16; 28-37; 61-67; 70; 88-90	https://www.ing.com/About-us/Annual-reporting-suite/Annual-Report/2017-Annual-Report-Empowering-people.htm
#8 Mitsubishi	Mitsubishi Financial Group Integrated Report 2017	p.10- 23; 33-37; 53-67; 70-77	https://www.mufg.jp/en/ir2017/pdf/all.pdf
#9 Mizuho	Mizuho Integrated Report 2017-2018	p.17-26;37-42;71-81; 91-98	https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/investors/financial-information/annual/data1803_all.pdf
#10 Santander	Santander Integrated Report 2017	p. 11-15; 18-23; 36-45; 48-51;85-89;	https://www.santander.com/content/dam/santander-com/en/documentos/informe-anual/2017/IA-2017-Annual%20report%202017-20-en.pdf
#11 Société Générale	Société Générale Integrated Report 2017-2018	p.2-3;6-9; 12-19;24-29;46-51	https://www.societegenerale.com/sites/default/files/documents/Rapport-integre/integrated-report-societe-generale-2017-2018.pdf
#12 Standard Chartered	Standard Chartered Integrated Report 2017	p.1-8; 12-16; 36-41; 83-89;	https://av.sc.com/corp-en/content/docs/Standard-Chartered-PLC-2017-Annual-Report.pdf
#13 Sumitomo	Sumitomo Integrated Report 2017	p.12-19; 44-50; 52-53; 58-63;78-79;	https://www.smfg.co.jp/english/investor/library/annual/h3003annu_pdf/h3003_e_00.pdf
	Sumitomo CSR Report 2017	p.4-10; 22-26; 61;63;165-168	https://www.smfg.co.jp/english/responsibility/common/pdf/SMFG_csr17e_all.pdf
#14 UBS	UBS GRI Document 2017*	p.3-8; 10-14; 18; 20; 26; 34; 38-40; 42-45;	https://www.ubs.com/global/en/ubs-society/our-documents.html
#15 UniCredit	UniCredit Integrated Report 2017	p.4-5;10-19; 24-25; 28; 47-59; 63	https://www.unicreditgroup.eu/content/dam/unicreditgroup.eu/documents/en/sustainability/sustainabilityreports/2017/UC_IR_ENG2017_Dinamico_Link_ENG.pdf

*Contains excerpts of the Annual Report.

8.1.1 Reports from 2018.

Bank	Report 2018	Pages	Accessed:
#1 Barclays	Barclays PLC Annual Report 2018	p. 2-7; 8-29; 49-54;73- 76; 93-98;-; 99-110	https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/annual-reports/2018/2018-barclays-plc-annual-report.pdf
	Barclays PLC Environmental, Social and Governance Report 2018	p. 2- 17; 22-27; 40-48; 58-66	https://home.barclays/content/dam/home-barclays/documents/citizenship/ESG/Barclays-ESG-2018.pdf
#2 BNP Paribas	BNP Paribas Integrated Report 2018	p.1-6;9-17; 25-41;44-48	https://invest.bnpparibas.com/sites/default/files/documents/2018_bnp_paribas_integrated_report.pdf
#3 Citi Group	Citi Group Annual Report 2018	P.2-5; 18-21	https://www.citigroup.com/citi/investor/quarterly/2019/ar18_en.pdf
	Citi Group Citizenship Report 2018	5-10;14-18;23-28;38-39; 45-46;49-54; 59-64;119	https://www.citigroup.com/citi/about/esg/download/2018/Global-Citizenship-Report-2018.pdf?ieNocache=756
#4 Crédit Agricole	Crédit Agricole Integrated Report 2018-2019	p.2-32	https://www.banktrack.org/download/annual_integrated_report_20182019/casari20182019en_1.pdf
#5 Credit Suisse	Credit Suisse Corporate Responsibility Report 2018	p.4-9; 12-56	https://www.credit-suisse.com › about-us › csg-crr-2018-en
#6 Deutsche Bank	Deutsche Bank Annual Report 2018	p.3-5; 19-21; 32-43; 47; 165; 199	https://www.db.com/ir/en/download/Deutsche_Bank_Annual_Report_2018.pdf
	Deutsche Bank Non-financial Report 2018	p.4-5; 6-9; 11-14; 29-41; 43-48; 51-57; 59-63	https://www.db.com/southafrica/docs/Non-Financial_Report_2018.pdf
#7 ING	ING Annual Report 2018	p.8-24; 45-48; 68; 70; 88-91; 124-126	https://www.ing.com/About-us/Annual-reporting-suite/Annual-Report/2018-Annual-Report.htm
#8 Mitsubishi	Mitsubishi Financial Group Integrated Report 2018-2019	p.10-21; 65-73; 79-85; 93	https://www.mufg.jp/dam/ir/report/annual_report/pdf/ir2019_all_en.pdf
#9 Mizuho	Mizuho Integrated Report 2018-2019	p.12-20; 35-48; 65; 79-88	https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/investors/financial-information/annual/data1903/data1903_all_2.pdf
#10 Santander	Santander Integrated Report 2018	p.2-20; 74- 79; 98-128; 138-139; 168-173	https://www.santander.com/content/dam/santander-com/en/documentos/informe-anual/2018/IA-2018-Annual%20report-20-en.pdf
#11 Société Générale	Société Générale Integrated Report 2018-2019	p.2-4;8-10;16-23; 32-39; 58-64	https://www.societegenerale.com/sites/default/files/documents/Rapport-integre/2019/ri_sg_2019_eng.pdf
#12 Standard Chartered	Standard Chartered Integrated Report 2018	p.2-10; 17-19; 42-51; 63-66; 103	https://av.sc.com/corp-en/content/docs/SCB_ARA_2018_FINAL.pdf
#13 Sumitomo	Sumitomo Annual Report 2018	p.14-21;62-66; 76-79; 96	https://www.smfg.co.jp/english/investor/library/annual/fy2018e_f01_pdf/fy2018e_f01_00.pdf
	Sumitomo CSR Report 2018	p.5-11; 167	https://www.smfg.co.jp/english/sustainability/common/pdf/SMFG_csr18e/SMFG_csr18e_all.pdf
#14 UBS	UBS GRI Document 2018	p.3; 6-7;30-32; 34-37;41-45; 50-52; 59; 82-86	https://www.ubs.com › linklist › link.1670899750.file › g...
#15 UniCredit	UniCredit Integrated Report 2018	p.5-7;10-19;24-27; 36; 54-71	https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2018/IR_ENG2018_Print.pdf

8.1.1 Reports from 2019.

Bank	Report 2019	Pages	Accessed:
#1 Barclays	Barclays PLC Annual Report 2019	p. 4-19; 28-31;32-36; 44 - 47;50-53; 74-75; 86-97	https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/annual-reports/2019/Barclays%20PLC%20Annual%20Report%202019.pdf
	Barclays PLC Environmental, Social and Governance Report 2019	p.2-55;67-74;84-88	https://home.barclays/content/dam/home-barclays/documents/citizenship/ESG/Barclays-PLC-ESG-Report-2019.pdf
#2 BNP Paribas	BNP Paribas Integrated Report 2019	p.1-15;18-19;34-45; 48-51	https://group.bnpparibas/uploads/file/bnpparibas_2019_integrated_report_en.pdf
#3 Citi Group	Citi Group Annual Report 2019	p.2-5;18-21	https://www.citigroup.com/citi/investor/quarterly/2020/ar19_en.pdf
	Citi Group ESG Report 2019	p.5-6;8-13;15-19; 24-; 43-52;54-59;76-77; 114	https://www.citigroup.com/citi/about/esg/download/2019/Global-ESG-Report-2019.pdf?ieNocache=763
#4 Crédit Agricole	Crédit Agricole Integrated Report 2019-2020	p.6-45	https://www.credit-agricole.com/en/pdfPreview/180975
#5 Credit Suisse	Credit Suisse Corporate Responsibility Report 2019	p.4-8; 12-60	https://www.credit-suisse.com › about-us › csg-crr-2019-en
#6 Deutsche Bank	Deutsche Bank Annual Report 2019	p.3- 4; 6-7; 12-14; 18-23; 52; 205	https://www.db.com/ir/en/download/Deutsche_Bank_Annual_Report_2019.pdf
	Deutsche Bank Non-financial Report 2019	p.3-4; 6-10; 19-30; 58-84	https://www.db.com/ir/en/download/Deutsche_Bank_Non-Financial_Report_2019.pdf
#7 ING	ING Annual Report 2019	p.8-20; 21-25; 55-59; 67; 71; 92-95; 96-101	https://www.ing.com/About-us/Annual-reporting-suite/Annual-Report/2019-Annual-Report.htm
#8 Mitsubishi	Mitsubishi Financial Group Integrated Report 2019-2020	p. 12-19; 35-39; 55-63; 68-79; 82-83	https://www.mufg.jp/dam/ir/report/annual_report/pdf/ir2020_all.pdf
#9 Mizuho	Mizuho Integrated Report 2019-2020	p.5-12; 14-16; 31-34; 53-64;69-76; 94-97	https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/investors/financial-information/annual/data2003/data2003_all.pdf
#10 Santander	Santander Integrated Report 2019**	p.14-54; 60-85; 90-92; 105-108;149-151; 204-206	https://www.santander.com/content/dam/santander-com/en/documentos/informe-anual/2019/ia-2019-annual-report-en.pdf
#11 Société Générale	Société Générale Integrated Report 2019-2020	p.3-5;8-11;16; 28; 30-35; 38-43; 60-71	https://www.societegenerale.com/sites/default/files/documents/Rapport-integre/2020/irsg2020_eng_web.pdf
#12 Standard Chartered	Standard Chartered Integrated Report 2019	p.1-10; 14-22;37;39;43-56;75- 79;116	https://av.sc.com/corp-en/content/docs/standard-chartered-plc-full-year-2019-report.pdf
#13 Sumitomo	Sumitomo Integrated Report 2019	p.14-25; 78-93; 100-101	https://www.smfg.co.jp/english/investor/library/annual/fy2019e_f01_pdf/fy2019e_f01_00.pdf
	Sumitomo Sustainability Report 2019	p.4-7; 9-13; 15-18; 208-209	https://www.smfg.co.jp/english/sustainability/common/pdf/2019/2019SustainabilityReportEN_all.pdf
#14 UBS	UBS Sustainability Report 2019	p.3-9; 25; 31-33; 46-51; 53; 55-61; 64-65; 70-71; 76-79	https://www.ubs.com › link_1729305658.0330177141.file
#15 UniCredit	UniCredit Integrated Report 2019	p.4-15; 20-25; 36-39; 46-61; 70-93	https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2019/IR_ENG2019_LINK.pdf

**Messages from the CEO and Chairman were retrieved and analyzed from the Online Report: <https://www.santander.com/en/shareholders-and-investors/financial-and-economic-information/annual-report/2019-online-report#santander-bank-s-2019>

9. Appendix

Appendix 1 Hybridity Spectrum (Kim Alter, 2007).

Appendix 2 Hybrid Organizing Dimensions (Battilana and Lee, 2014).

Appendix 3 Types of Logic Multiplicity within Organizations. (Besharov and Smith, 2014).

Appendix 4 Hybridity as a Matter of Degree. (Shepherd, Williams and Zhao, 2019).

Appendix 5 Principles for Responsible Banking.

Appendix 6 Phases of the Sampling Process.

Appendix 7 Different Typologies of Approaches to Sustainability in Banking.

Appendix 8 Description of each stage of hybridity considered as proxy for analysis.

Appendix 9 Coding Key for Trajectory Analysis.

Appendix 10 Thematic Mapping.

Appendix 11 Hybrid Spectrums at the Thematic level.

Appendix 12 Individual Trajectory Matrices.

Appendix 13 Longitudinal Matrix.

Appendix 14 Coding Key for Longitudinal Analysis.

Appendix 15 Further Limitations and Directions for Future Research.

Appendix 1 – Hybrid Spectrum.

Source: Alter (2007)

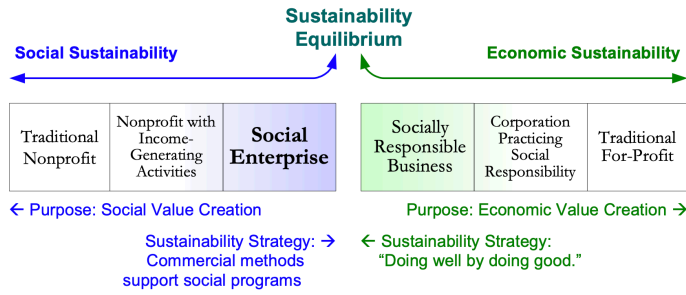


Figure A. Alter's Hybrid Spectrum.

Appendix 2 – Hybrid Organizing Dimensions.

Source: Battilana and Lee (2014)

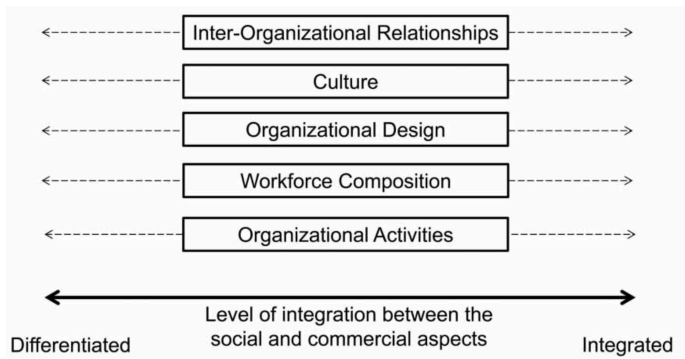


Figure B. Dimensions for Hybrid Organizing.

Appendix 3 – Types of Logic Multiplicity within Organizations.

Source: Besharov and Smith (2014)

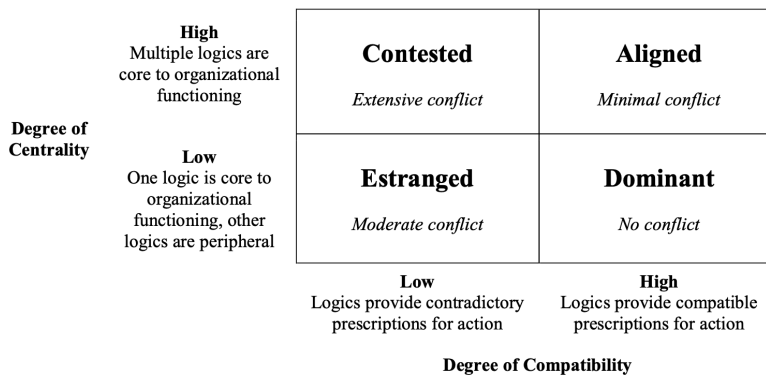


Figure C. Typology of Logic Multiplicity.

Appendix 4 – Hybridity as a Matter of Degree.

Adapted from: Shepherd, Williams, and Zhao (2019)

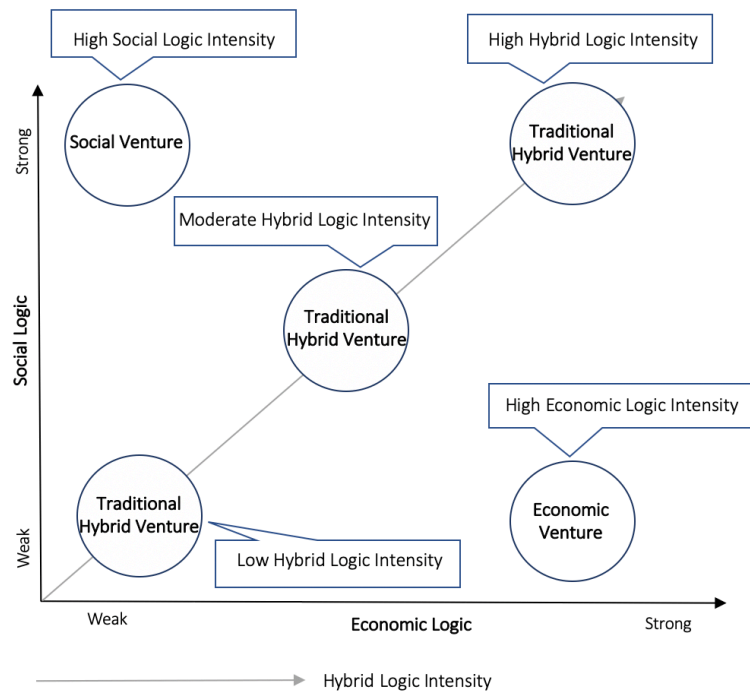


Figure D. *Conceptualization of Hybrid Intensity.*

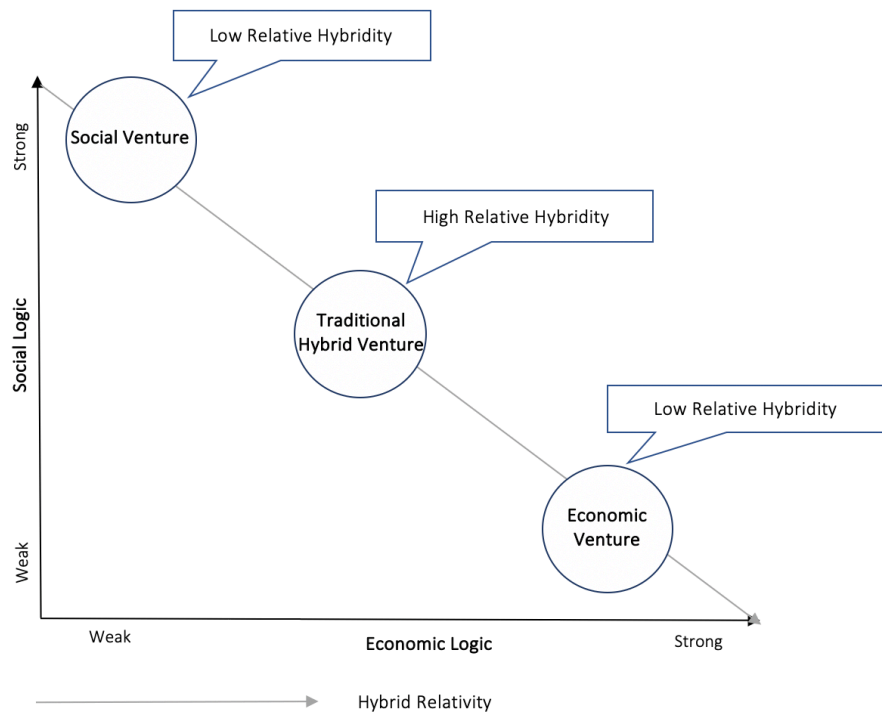


Figure E. *Conceptualization of Hybrid Relativity.*

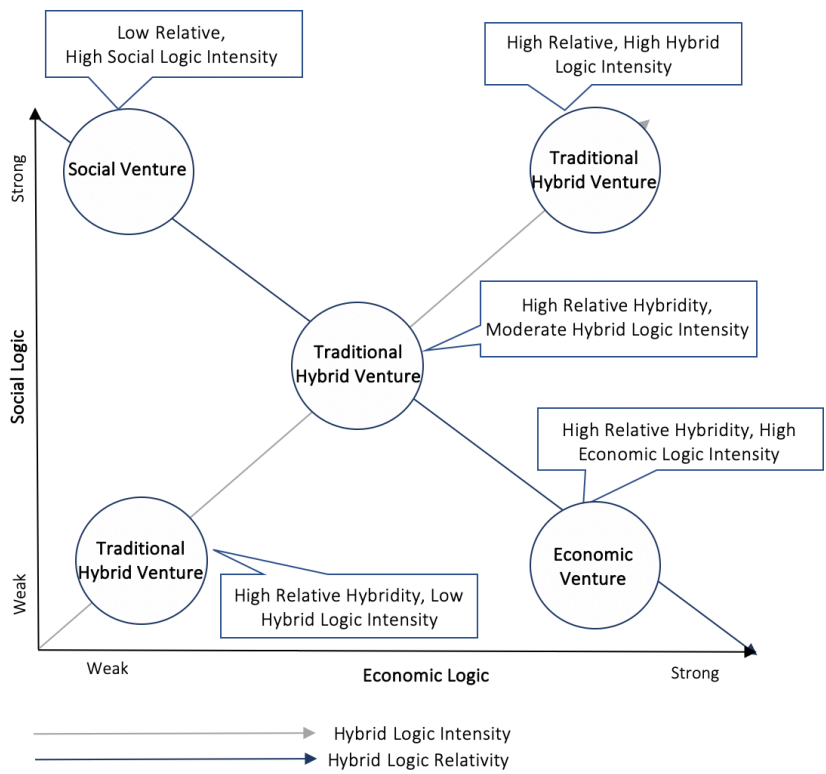


Figure F. Conceptualization of Degree of Hybridity.

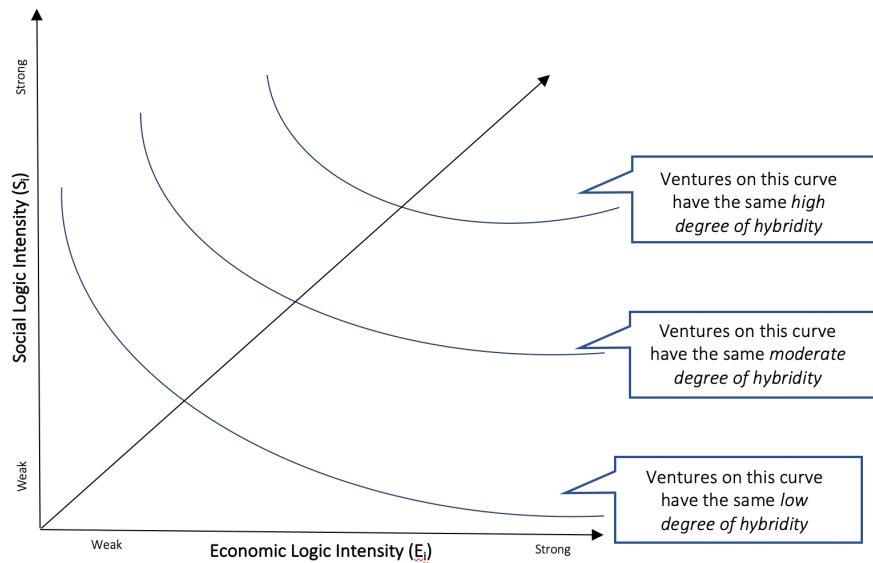


Figure G. Degree of Hybridity Curves.

The images above explain the concept of degrees of hybridity (figure F) by decomposing it in its two main determinants: hybrid intensity (figure D) and hybrid relativity (figure E).

Figure D depicts the conceptualization of hybrid intensity. It provides an example of an organization with high social logic intensity (a social venture) and one with high economic logic intensity (an economic venture). The combination of a social and economic logic gives

origin to a hybrid logic. This hybrid logic has an intensity which is illustrated by the diagonal $Y=X$. It can vary from weak, when both logics are weakly held (lower left corner) to strong, when both logics are strongly held (upper right corner) within the organization.

Figure E shows the component of hybrid relativity, which varies along the diagonal $Y=-X$. Examples of organizations in both extremes (social and economic ventures) exhibit the lowest hybrid relativity as intensity is fully centered in one logic. When intensity is divided more homogeneously between the two logics, hybrid relativity becomes higher. Graphically, this is illustrated by a transition to the center of the graph, more specifically to the diagonal $Y=X$.

Figure F joins both graphs to build the conceptual framework for degrees of hybridity. Degrees vary depending on the intensity and relativity of the organizations' hybrid logic. A typical hybrid venture, depicted in $Y=X$, follows a hybrid logic by combining elements of both logics equally (high hybrid relativity). Its level of intensity can vary from weak (low social and economic logic intensity), to moderate (moderate social and economic logic intensity) and strong (high social and economic logic intensity). As hybrid intensity increases, and remains equally balanced between logics, degrees of hybridity will increase.

Equal degrees of hybridity are represented by the curves in Figure G. Each curve holds different combinations of social and economic logic intensity that yield the same level of hybridity. Higher degrees of hybridity are depicted in the upper right corner of the graph, as both intensities increase as well as the balance between both logics.

Appendix 5 - Principles for Responsible Banking

Source: Principles for Responsible Banking-Guidance Document (2018).

The Principles for Responsible Banking provide actionable guidance to banks in the following six dimensions:

Principle 1: Alignment

Principle We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Description Strategic alignment means gearing a bank's business strategy towards being consistent with, and contributing to, the Sustainable Development Goals (SDGs), the Paris Climate Agreement and other relevant national, regional or international frameworks, such as the UN Guiding Principles on Business and Human Rights, where a bank is best positioned to do so through its business. These frameworks articulate globally agreed goals and challenges for building a more sustainable future. By aligning its strategy with society's goals, the bank shows that its business, and the products and services it provides, can support a sustainable future while achieving long-term business benefits. It signals that the bank accepts its shared responsibility for shaping and securing our future.

Principle 2: Impact and Target Setting

Principle We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Description In the Preamble to these Principles, banks have defined their purpose as helping to develop sustainable economies and to empower people to build better futures. To put this purpose into practice, banks need to identify, assess and improve the impact on people and environment resulting from their activities, products and services. For the banks to continuously increase positive impact while reducing negative impact on people and environment, they need to incorporate assessment of risks and impacts on all three dimensions of sustainability (environmental, social and economic) into business decision-making at strategic, port- folio and transaction levels. Setting targets is an essential component to scaling up banks' contributions to society's goals.

Principle 3: Clients & Customers

Principle *We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations*

Description Banks are vital economic intermediaries and as such can make their most significant contributions to society's goals by creating synergies with customers and clients, encouraging sustainable practices and accompanying their customers and clients in their transition towards more sustainable business models, technologies and lifestyles. In addition to contributing towards shared prosperity for current and future generations, enabling sustainable economic activities in this way presents a clear business case for banks: clients that are shifting to sustainable business models and technologies are better prepared for emerging regulations, and better positioned to succeed in our changing economy and society. Accompanying their clients in their own journeys to contribute to society's goals enables stronger relationships with customers and clients; and positions the bank as the partner of choice. Further, getting to know the bank's customers and clients better drives business growth and supports improved risk management. A strong relationship between the banks and its client and customers—built on trust - is crucial for any bank's success. Responsible conduct is the foundation of trust.

Principle 4: Stakeholders

Principle *We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.*

Description The scale of change necessary to meet the objectives of the SDGs, the Paris Climate Agreement and other relevant national, regional or international frameworks requires collective action and partnerships. Banks are a crucial part of our economic and social system and can contribute to these important societal goals. By partnering with relevant stakeholders (notably peers, investors, clients, customers, regulators, employees, policy-makers, suppliers, scientists, academia, civil society, trade unions and communities), banks can significantly increase the impact of their actions and support action at the scale of change that is required. Proactively consulting stakeholders ensures your bank benefits from their knowledge and subject-matter expertise and enables the correct/legitimate definition of society's goals; it drives legitimacy and capacity to identify positive and negative impacts. Proactively engaging stakeholders early on ensures that all relevant interests are taken into account and a bank will not encounter challenges down the line.

Principle 5: Governance & Culture

Principle We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Description To be able to respond with the speed and scale necessary to address global challenges requires leadership, buy-in and active support of the Board of Directors, the CEO, and senior and middle management. It requires establishing a daily business culture and practice in which all employees understand their role in delivering the bank's purpose and integrate sustainability in their work and their decision-making. To deliver on its commitments under these Principles, a bank needs to put in place effective governance procedures pertaining to sustainability, including assigning clear roles and responsibilities, setting up effective management systems and allocating adequate resources.

Principle 6: Transparency & Accountability

Principle We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

Description Banks are accountable to their employees, investors and society as a whole. Public disclosure is critical because it enables internal and external stakeholders to assess your banks' contribution to society, and the progress it is making. This, in turn, helps build confidence in your bank's sustainability-related commitments and helps to distinguish your bank from its competitors. Making targets public and reporting progress significantly increases the potential for success in achieving them. Progress reports are key to ensuring the effectiveness of your approach, to motivating employees, competing with peers, driving innovation, and strengthening reputation and trust.

Appendix 7 - Different typologies of banking and sustainability.

Adapted from: Jeucken (2001); Weber (2018); Zimmerman (2019).

Banks follow different approaches to sustainability depending on the extent to which sustainable practices are integrated in their core business (Jeucken, 2001; Weber, 2018; Zimmerman, 2019).

Jeucken (2001) believes the road towards sustainable banking involves organizational change. The author distinguishes between four stages through which banks tend to go in their transitory journey towards a fully-fledged sustainable business model. These are: the defensive approach, the preventive approach, the offensive approach and, finally, sustainable banking.

In ***Defensive Banking***, the bank is a follower and fights all regulations with respect to the environment and sustainable development, as these go against its self-interest. Furthermore, the bank does not consider possible cost savings from reducing its internal environmental footprint, and believes these only add up to the cost structure. Although in high-income countries there are no banks following this mindset, there are still certain employees or factions of people that adopt a defensive approach and ignore sustainability matters in the context of banking.

In ***Preventive Banking***, the bank starts to care for potential cost savings associated to environmental and social issues, namely in terms of internal operations. Environmental risks are also increasingly acknowledged from a management perspective.

In ***Offensive Banking***, the bank addresses sustainability from a proactive and innovative manner and is focused on the profitable, environmentally sound opportunities in the market which compete with alternative investment and lending opportunities. Efforts are only taken in regards to sustainable development in win-win situations and when these have a pay-off period inside the required time-frame and level of risk.

In ***Sustainable Banking***, the bank lays down preconditions to be sustainable in all activities. What distinguishes the offensive and sustainable approaches is the vision and the ambition of the bank regarding the role it wants to play in society. The bank takes the social issues as the starting point, and not regulations or market demand. Sustainable banking is a modus operandi and all external activities, such as lending and investment, are designed to add value and stimulate sustainability in the society.

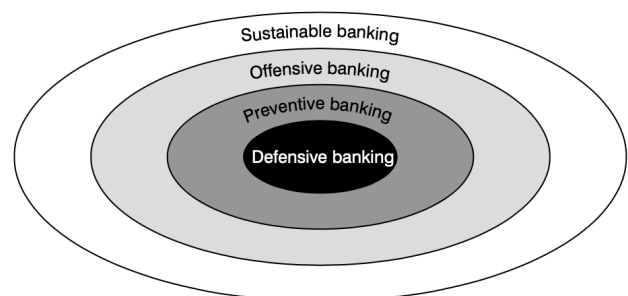


Figure 1. Jeucken's Phases of Sustainability in Banking.

Zimmerman (2019) studied the German banking industry to distinguish between different types of strategies to sustainability adopted by banks. Four ways to integrate sustainability matters were found and labeled as: the narrow, the peripheral, the balanced and the integrative approach. They differ from each other based on two factors: the extent to which sustainability matters are incorporated into core business activities, and the motives behind such integration. In the *Narrow Strategy*, the bank implements sustainable practices in a limited manner and these are not located in core business. These issues are not perceived as economically relevant. The bank largely donates to social organizations but does this for business motives. Not only reputation and differentiation are drivers of action under this strategy, but mainly the potential to reduce costs.

In the *Peripheral Strategy*, the bank is also driven by business motives such as cost savings and market demand, such that sustainability related issues are centered in a marketing department. It focuses on the implementation of sustainability initiatives in a marginal way without imposing any exclusion criteria on investment or lending decisions. Banks engage in donation and philanthropy in a systematic way, through a foundation. Also, they start caring for their internal environmental footprint and apply energy efficiency practices.

In the *Balanced Strategy*, there is a growing integration of social and environmental criteria into core business practices, particularly for risk management purposes. Additionally, clients can see their interest rates reduced if they meet certain sustainability criteria. They also forego the infusion of capital into harmful industries. In this strategy, business motivations predominate.

In the *Integrative Strategy*, the bank emphasizes social issues in core business activities and aims to add social value. Financial products are designed with social, environmental and exclusion criteria in mind.

Microcredit becomes mainstream and social economy gains relevance to the bank. These banks are driven by the aim to promote social justice and cohesion. Besides, social and environmental motives, risk mitigation and business opportunities remain relevant.

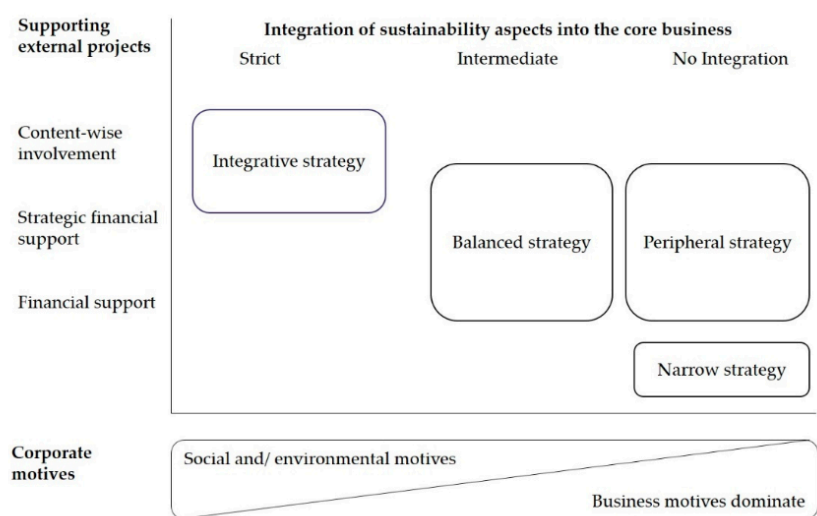


Figure J. Zimmerman’s Strategic approaches to Sustainability in Banking.

Finally, and somehow aligned with Jeucken’s view on sustainable banking, **Weber and Feltmate (2016)** reflect on the separation between the “*business case for sustainability*” and the “*sustainable case for banking*”. They assert that, under the “*business case for sustainability*”, banks only address environmental and social risks and opportunities if they contribute to the financial bottom-line, through cost reduction or financial returns. Instead, the authors suggest that, to be truly sustainable, banks should adopt the “*sustainable case for banking*”, in which they position themselves back in the social sphere and part from the main societal issues to develop products and services (Weber, 2018). Furtherly, Weber (2018) advocates for an SDG-based strategy as to regain the reputation and the trust of the public. Banks, thus, move from reacting to sustainability issues to following an integrated and proactive sustainability strategy that is transparent and has a positive impact on society.

The approaches to sustainability in banking, as suggested by literature and explored above, were further merged to create a typology that aligns each of them with a relative degree of hybridity.

Approach to sustainability	Jeucken (2010)	Zimmerman (2019)	Weber (2018)	Hybrid intensity (social /economic logic intensity)	Hybrid relativity	Degree of hybridity
1. Business as usual (BAU)	Defensive	Narrow (no integration)	-	Low, High	Unbalanced approach	Degree of Hybridity 1
2. Responsible/Business Case (RC)	Preventive	Peripheral (no integration)	Business case for sustainability	Moderate (low), High	Unbalanced approach	Degree of Hybridity 2
3. Strategic Case (SC)	Offensive	Balanced (intermediate integration)	Business case for sustainability	Moderate (high), High	Social logic gains importance, economic logic dominates	Degree of Hybridity 3
4. Sustainable Case (STC)	Sustainable	Integrative (strict integration)	Sustainable case for banking	High, High	Balanced approach	Degree of Hybridity 4

Figure K. Parallelism between Degrees of Hybridity and Approaches to Sustainability in Banking.

Appendix 8- Description of each stage of hybridity considered as proxy for analysis.

(Source: Author).

Business as Usual

Hybrid intensity: The bank relies solely on the economic logic, not considering the social rationale. Thus, intensity provided to the economic logic is high, whereas the intensity provided to the social one is almost null. Overall, hybrid intensity is low.

Hybrid Relativity: The bank follows a purely financial line of reasoning, thus there is an unbalanced approach extremely biased towards the economic logic. Overall, hybrid relativity is low.

Responsible / Business Case

Hybrid intensity: The bank relies mostly on the economic logic, but follows a social rationale although in a peripheral manner by acting responsibly or following the business case. Thus, intensity provided to

the economic logic remains high, while the intensity provided to the social is no longer completely absent. Overall, hybrid intensity is no longer null but remains low.

Hybrid Relativity: The economic logic still predominates over the social one in terms of the important given. The approach towards hybridity is still biased towards the economic logic but hybrid relativity is relatively higher than in the previous level.

Strategic Case

Hybrid intensity: The bank is providing increasing intensity to the social logic by integrating it from a strategic perspective. This pushes hybrid intensity upwards, as the economic intensity remains high and social logic intensity increases.

Hybrid Relativity: Hybrid relativity is higher compared to the previous degree as social logic intensity converges to the level of intensity provided to the social logic. Nevertheless, the balance between both logics does not yet exist as the bank is still dominated by an economic rationale, mainly in what concerns motivations.

Sustainable Case

Hybrid intensity: The bank brings social concerns to the core of its business and addresses the social mindset with even greater intensity. This means that hybrid intensity increases, as the intensity with which this mindset is felt inside the bank converges to the same level of intensity provided to the social logic.

Hybrid Relativity: The bank finally reaches parity in the way it balances between the social and economic logics. Thus, hybrid relativity is high.

The conceptualization of different approaches to sustainability in banking as degrees of hybridity can be illustrated by the diagram (Figure L). The lowest curve is equivalent to the *business as usual case*, and the highest is illustrative of the *sustainable case*. The curves in between represent the *responsible/business case* and *strategic case*, respectively.

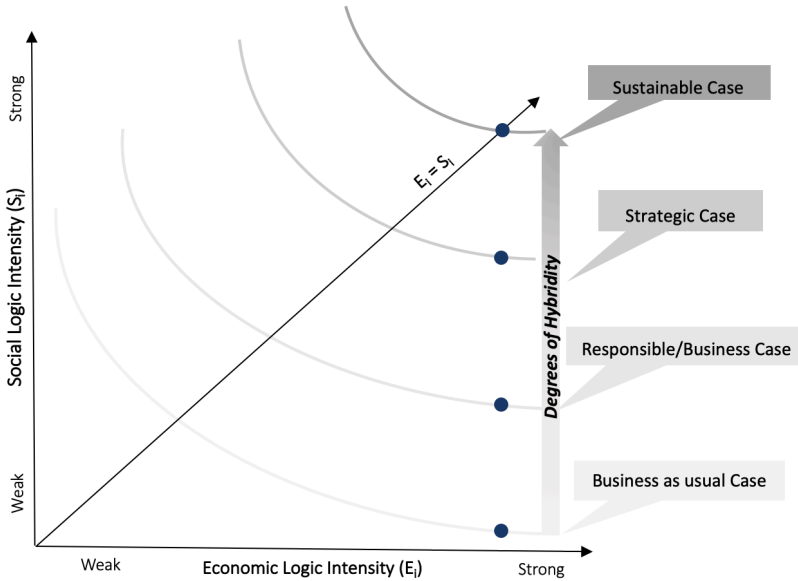


Figure L. Dynamic Degrees of Hybridity in Banking.

Appendix 9- Coding Key divided by banking approaches to sustainability and corresponding degrees of hybridity. (Source: Author).

Appendix 9.1- Coding Key related to Business as Usual Case (Degree of Hybridity 1)

	Themes	Codes	
Intensity	Embeddedness of prosocial mindset in core business practices	1. The bank does not apply any exclusion criteria on lending and investment decisions. (Deductive)	
		2. The bank allocates considerable money to charity projects, sports, culture, social organizations. (Deductive)	
		3. The bank's efforts are centered on its internal operations. (Deductive)	
		4. The bank sees financial risk exposure from climate change and other societal problems as too immaterial to warrant any management attention. (Deductive)	
	The bank as catalyzer for change inside and outside the banking sector	5. The attitude of the bank is one of resistance or indifference. (Deductive)	
		6. No evidence of extra-efforts to advance social change, besides those linked to the already developed external activities of the bank. (Inductive)	
Relative Importance	Positioning of the bank in society/ banking sector	7. The bank positions itself at the margin of society. (Deductive)	
		8. The bank refers to its role from a neoclassical perspective. (Deductive)	
		9. The bank limits its role in society and in value creation to being an employer, tax payer and contractual partners. (Inductive)	
		10. The bank creates value primarily to clients, shareholders and employees. (Inductive)	
		11. The bank does not engage with external society. (Inductive)	
		12. The bank refers to other bank from a competitive perspective. (Inductive)	
		13. The bank only refers to its fiduciary duties and its role as a financial intermediary. (Inductive)	
Relative Importance	Social Good as a Deeper Purpose	14. No evidence of a social sense of Purpose. (Inductive)	
	Building a pro-social common identity	15. The purpose of the bank is based on economic growth. (Inductive)	
		16. The bank sets economic growth as its mission. (Inductive)	
	Integrated socioeconomic strategic thinking	17. The bank aims to build a culture of financial excellence, risk and compliance. (Inductive)	
		18. Volunteerism is promoted among employees and awarded. (Deductive)	
		19. The bank recognizes shareholder returns as its primary goal. (Inductive)	
		20. The bank's strategy focused on economic growth. (Inductive)	
	Motivations behind addressing social issues	21. The bank measures performance with financial criteria. (Inductive)	
		22. The bank does not include sustainability criteria in remuneration schemes. (Inductive)	
		23. The banks does not establish any sustainability KPIs. (Inductive)	
Relative Importance	Top-down approach to a pro-social business model	24. The bank sets only financial targets. (Inductive)	
		25. The bank is driven by reputational risks. (Deductive)	
		26. The bank is driven by business motives, customer demand and potential cost-savings. (Deductive)	
	Relative Importance	Top-down approach to a pro-social business model	27. The bank uses as reference values, regulatory targets. (Deductive)
			28. The bank acts on sustainability matters via board level committees focused on the firm's conduct, values, reputation and public responsibilities. (Deductive)
			29. The personnel responsible for business social practices is part of the communications or marketing department. (Deductive)
			30. No evidence of a centralized and professionalized approach to sustainability. (Inductive)

Appendix 9.2- Coding Key related to Responsible Case (Degree of Hybridity 2)

	Themes	Codes
Intensity	Embeddedness of prosocial mindset in core business practices	1. The bank foregoes infusion of capital into certain forms of coal production. (Deductive)
		2. The bank verifies clients compliance with human rights. (Deductive)
		3. The bank has progressed to identify and measure specific financial risk from ESG albeit with their current business planning horizons of three to five years. (Inductive)
The bank as catalyzer for change inside and outside the banking sector	The bank as catalyzer for change inside and outside the banking sector	4. The bank has well established and systematic philanthropic practices with a social focus. (Deductive)
		5. The bank integrates exclusion criteria into lending decisions from a risk perspective. (Inductive)
Relative Importance	Position of the bank in society/banking sector	6. The bank selects suppliers responsibly. (Inductive)
		7. The bank focuses on being responsible and aligning financial performance to social responsibility, not following a more proactive approach. (Inductive)
		8. The bank established a group-wide framework to address social and environmental issues from a risk point of view. (Inductive)
		9. The bank only focuses on being responsible. (Inductive)
		10. The bank recognizes its role to limit negative impact on society and act responsibly. (Inductive)
Relative Importance	Position of the bank in society/banking sector	11. The bank establishes limited contact with stakeholders to understand their concerns, focusing only on the contact through operations and other social activities. (Inductive)

Relative Importance		12. The bank's approach to societal challenges is marked by risk management and compliance reasons. – Preventive rather than proactive. (Inductive)
	Social Good as a Deeper Purpose	13. No evidence of a social sense of Purpose. (Inductive)
	Building a pro-social common identity	14. The banks provides training in risk management practices. (Inductive)
		15. The bank created a statement on sustainability but focused primarily on risk management matters. (Inductive)
		16. The bank is initiating awareness building activities. (Inductive)
	Integrated socioeconomic strategic thinking	17. The bank does not implement sustainable practices without consideration for financial benefits or potential for risk reductions. (Deductive)
		18. The bank still has business motives as definitive components of decisions – economic line of argumentation remains relevant. (Deductive)
		19. The bank refers to its citizenship responsibilities from a peripheral perspective, not integrated into its strategy. (Inductive)
	Motivations behind addressing social issues	20. The bank is customer driven. (Deductive)
		21. The bank approaches sustainability issues from a risk mitigation and compliance perspective. (Deductive)
22. The bank approaches sustainability issues for a matter of reputation. (Deductive)		
23. The bank is driven by the steadily growing demand of institutional investors. (Deductive)		
Top-down approach to a pro-social business model	24. The bank is driven by regulatory pressures. (Deductive)	
	25. The bank's sustainability issues are in the hands of a group of people that report to the strategy department. (Deductive)	
	26. The bank centers sustainability issues in a risk related department or committee. (Inductive)	
	27. The bank centers sustainability issues in a CSR related department or committee (Inductive)	

Appendix 9.3- Coding Key related to Strategic Case (Degree of Hybridity 3)

Themes		Codes
Intensity	Embeddedness of prosocial mindset in core business practices	1. The bank excludes certain industries from being investment beneficiaries. (Deductive)
		2. The bank designs products that take into consideration social and environment and exclusion criteria. (Deductive)
		3. The bank is advancing the integration of sustainable criteria into core businesses as reflected in the availability of a wide range of sustainable products. (Deductive)
		4. The bank adopts a scenario analysis and forward looking data to assess the longer term risks. (Deductive)
		5. The bank is increasing lending to ESG leaders. (Inductive)
		6. The bank monitors its environmental impact. (Inductive)
	The bank as catalyzer for change inside and outside the banking sector	7. The bank takes a proactive, innovative and creative stance and is primarily focused on bank's business with customers. (Deductive)
		8. The bank actively engages with clients if clients have any social and environmentally critical issue. (Deductive)
		9. The bank occasionally involves itself in content-intensive ventures such as collaborations with universities on research and participation in roundtables discussions on different aspects of sustainability. (Deductive)
		10. The banks shows commitment to create value to society and generate positive transformation but does not address it from a problem solving perspective. (Inductive)
Position of the bank in society/banking sector	11. The bank addresses social challenges from a risk/opportunity dichotomy, only if this contributes to the financial bottom line. (Inductive)	
	12. The role of the bank is ultimately to drive economic growth while considering positive impact across stakeholders. (Inductive)	
	13. The bank actively engages with stakeholders based on their impact on the business. (Inductive)	
	14. The bank compares its progress on sustainable issues with its competitors. (Inductive)	
Social Good as a Deeper Purpose	15. No evidence of a social sense of purpose. (Inductive)	
	16. The purpose of the bank is to drive economic growth while considering positive impact across stakeholders. (Inductive)	
Building a pro-social common identity	17. The bank takes a group-wide approach to sustainability issues. (Deductive)	
	18. The bank is actively engaging with colleagues to raise awareness. (Inductive)	
	19. The bank is preparing staff from a strategic perspective focusing on societal trends. (Inductive)	
Relative Intensity	Integrated socioeconomic strategic thinking	20. The bank weights opportunities and risks on economic grounds. (Deductive)
		21. The bank has a broader view of environmental and social care to generate additional revenue. (Deductive)
		22. The bank has a broader view of environmental and social care to generate corporate value. (Deductive)
		23. The bank is looking for profitable, environmentally sound opportunities in the market. (Deductive)
		24. The bank recognizes contribution to society as a second priority, after performance. (Inductive)
25. The bank links sustainability criteria to remuneration or compensation. (Inductive)		

	26.	The bank recognizes the link between social and financial performance. <i>(Inductive)</i>
	27.	The bank recognises promotion of welfare through qualified services as its fundamental goal. <i>(Inductive)</i>
Motivations behind addressing social issues	28.	The bank is driven by strategic performance. <i>(Deductive)</i>
	29.	The bank compares its progress on sustainable issues with its competitors. <i>(Deductive)</i>
	30.	The bank's integration of sustainability issues into finance decisions is mainly driven by risks, business opportunities or cost savings. <i>(Deductive)</i>
	31.	The bank recognizes that being sustainable/responsible enhances corporate value. <i>(Inductive)</i>
	32.	The bank looks at doing good as a differentiator for the group. <i>(Inductive)</i>
Top-down approach to a pro-social business model	33.	The bank has a comprehensive strategy with board level engagement. <i>(Inductive)</i>
	34.	The bank has a team in charge exclusively of sustainability management who reports directly to the executive board. <i>(Deductive)</i>
	35.	The bank established a climate change committee. <i>(Inductive)</i>
	36.	The bank has an advisory board on sustainability issues. <i>(Inductive)</i>

Appendix 9.4- Coding Key related to Sustainable Case (Degree of Hybridity 4).

		Themes	Codes
Intensity	Embeddedness of prosocial mindset in core business practices		1. The bank is prepared to accept lower margins or higher risks to stimulate certain prosocial activities. <i>(Deductive)</i>
			2. The bank engages in microfinance. <i>(Deductive)</i>
			3. The bank is increasingly incorporating niche financial products such as Green Bonds, Sustainability Linked Loans, etc). <i>(Deductive)</i>
			4. The bank tries to design products that address social issues and can be financially attractive at the same time. <i>(Deductive)</i>
			5. The bank introduces sustainability related criteria in deposits. <i>(Inductive)</i>
			6. The bank grants money to foster sustainable development. <i>(Deductive)</i>
			7. The bank is proactively designing an impact assessment methodology to measure its impact in society. <i>(Inductive)</i>
			8. The bank is shifting lending to projects that lead to social improvements. <i>(Inductive)</i>
			9. The bank is steering its loan portfolio to meet the PCA. <i>(Inductive)</i>
			10. The bank aims to make all its activities sustainable. <i>(Inductive)</i>
			11. The bank shows greater care for vulnerability. <i>(Inductive)</i>
	The bank as catalyzer for change inside and outside the banking sector		12. The bank is actively looking for financial innovations to address a particular problem within their teams. <i>(Deductive)</i>
			13. The bank is actively looking for financial innovations to find solutions to address a particular problem within a broader network. <i>(Deductive)</i>
			14. The bank creates a fund to target financial innovation. <i>(Deductive)</i>
			15. The bank is addressing ideas and engaging in learning processes that are not viable from a purely commercial perspective at the outset- such as creative initiatives with a long-term and innovative character. <i>(Deductive)</i>
			16. The bank is actively supporting and accelerating positive change in other organizations. <i>(Inductive)</i>
			17. The bank is an advocate for change at state and societal levels. <i>(Inductive)</i>
			18. The bank sponsors initiatives and ventures that promote social innovation and change. <i>(Inductive)</i>
			19. The bank engages in Venture Capital funds to startups tackling societal problems. <i>(Inductive)</i>
			20. The bank aims to be a thought leader in the area of sustainability. <i>(Inductive)</i>
			21. The bank created a platform to foster open innovation and social innovations to tackled global challenges. <i>(Inductive)</i>
			22. The bank engages with other banks to catalyze change and drive innovation. <i>(Inductive)</i>
	Position of the bank in society/banking sector		23. The bank positions itself a steward of sustainable efforts in the industry. <i>(Inductive)</i>
			24. The bank is advancing research regarding the potential of social businesses. <i>(Inductive)</i>
			25. The bank positions itself as a problem solver, to proactively address social issues. <i>(Inductive)</i>
			26. The bank measures and monitors the impact it has on society and the environment. <i>(Inductive)</i>
			27. The bank actively engages with broader stakeholders to learn about their issues and how they can be addressed by the bank. <i>(Inductive)</i>
			28. The bank is closely connected to the social economy through partnerships and support. <i>(Inductive)</i>
			29. The bank engages with other banks to catalyze change and drive innovation. <i>(Inductive)</i>
			30. The bank aims to be a market builder and cooperates with other banks for social good. <i>(Inductive)</i>
			31. The bank refers to its relationships with clients as partnerships. <i>(Inductive)</i>
			32. The bank refers to the social contract with society. <i>(Inductive)</i>

Relative Importance	Social Good as a Deeper Purpose	33.	The bank refers to sustainability as its raison d'être. (Inductive)
		34.	The bank expresses a sense of purpose connected to its role in addressing social issues. (Inductive)
		35.	The bank refers to itself as a purpose-driven organization. (Inductive)
		36.	The bank is driven by its purpose to advance social change. (Inductive)
		37.	The bank recognizes its goal to be a force for good in society. (Inductive)
		38.	The bank refers to social progress as a main objective/mission. (Inductive)
	Building a pro-social common identity	39.	The bank aims to make finance a means to transform society and not a goal. (Inductive)
		40.	The bank offers training in sustainability/responsibility related issues to employees. (Inductive)
		41.	The bank offers training in sustainability related issues to senior executives. (Inductive)
		42.	The bank has a group of sustainability ambassadors. (Inductive)
		43.	The bank is developing a social business culture. (Inductive)
	Integrated socioeconomic strategic thinking	44.	The bank shows the ambition to embed social logic in its corporate culture of purpose. (Inductive)
		45.	The bank created an engagement manifesto to make all employees aware of its ambitions in regards to sustainability. (Inductive)
46.		The bank defines sustainability as a modus operandi. (Inductive)	
47.		The bank uses SDGs as a reference indicator for strategic endeavors. (Deductive)	
48.		The bank commits to concrete areas of impact. (Inductive)	
49.		The bank raises social and environmental issues to business targets. (Inductive)	
50.		The bank has a framework or organizational policy for its sustainability strategy delineating its ambitions and priorities. (Inductive)	
51.		The bank uses the time frame of social and environmental issues for strategic decisions. (Inductive)	
Motivations behind addressing social issues	52.	The bank measures success and performance through financial but also societal and environmental indicators or advancements in the sustainability strategy. (Inductive)	
	53.	The bank synthesizes sustainability and management. (Inductive)	
Top-down approach to a pro-social business model	54.	The bank parts from societal issues to design its purpose-driven strategy. (Deductive)	
	55.	The bank is not driven by regulations or the market but rather the vision regarding environment, organizational goals and the role that it wants to play in society. (Deductive)	
	56.	Sustainability matters are centered in a special committee dedicated to sustainability. (Inductive)	
	57.	The bank's top management show involvement and a sense of stewardship and advocacy. (Inductive)	
	58.	The management level of the bank is directly involved in sustainability matters. (Inductive)	
	59.	The bank centers sustainability matters in a specific position at the board level. (Deductive)	
	60.	The bank includes sustainability related competencies as essential to the board. (Inductive)	
61.	The CEO and Chairman act as sponsor for a social logic. (Inductive)		
62.	The bank aims to build corporate governance around sustainability ambitions. (Inductive)		
63.	The bank creates a team in charge exclusively of sustainability management who reports directly to the executive board. (Inductive)		

Appendix 10 - Thematic Mapping. (Source: Author).
(Source: Author)

Determinants of Hybridity	Organizational Dimensions	Themes	Sub-themes
Hybrid Intensity	Organizational Activities	Embeddedness of prosocial mindset in core business practices (<i>evolution</i>)	<ul style="list-style-type: none"> • Products and services embedding a social purpose • Social and environmental criteria for decision making
		Bank as catalyzer for change inside and outside the banking sector (<i>emergence</i>)	<ul style="list-style-type: none"> • Social innovation efforts; • Catalyzer and supporter for social change in companies; • Catalyzer and supporter for social change in social organizations; • Advancing knowledge through research and open source innovation: • Advocacy at the state level and market building efforts; • Bank as an educator and inspirational leader.
	Vision, Value Proposition and Purpose	Positioning of the bank in society/banking sector (<i>evolution</i>)	<ul style="list-style-type: none"> • The role of the bank in the world; • The vision about where the bank stands in society; • Nature of stakeholder engagement; • Level of connectedness with society; • Nature of relationship with clients; • Connections to the social economy; • Nature of relationship with other banks; • Perception on impact.
		Social Good as a Deeper purpose (<i>emergence</i>)	<ul style="list-style-type: none"> • Social Sense of Purpose; • Social Contribution as Raison d'être.
Organizational Culture	Building a pro-social common identity (<i>evolution</i>)	<ul style="list-style-type: none"> • Social connectedness; • Social awareness; • Social training; • Group-wide coverage of sustainability efforts. 	
Hybrid Relativity	Strategy	Strategic socioeconomic integrated thinking (<i>evolution</i>)	<ul style="list-style-type: none"> • Balance between social and economic targets; • Use of reference indicators alongside economic targets; • Synthesizing management and sustainability; • View on performance and success; • Integration of a purpose in the strategy.
		Motivations behind addressing societal challenges (<i>evolution</i>)	<ul style="list-style-type: none"> • Drivers of action; • View on performance and success.
	Corporate governance	Top-down approach to a pro-social business model (<i>evolution</i>)	<ul style="list-style-type: none"> • Centralization of pro-social efforts; • Professionalization of pro-social efforts; • Sense of sponsorship and advocacy from the board and management levels.

Appendix 11 - Spectrums of Hybrid Evolution (Source: Author).

Appendix 11.1 “Embeddedness of a pro-social mindset in core business”.

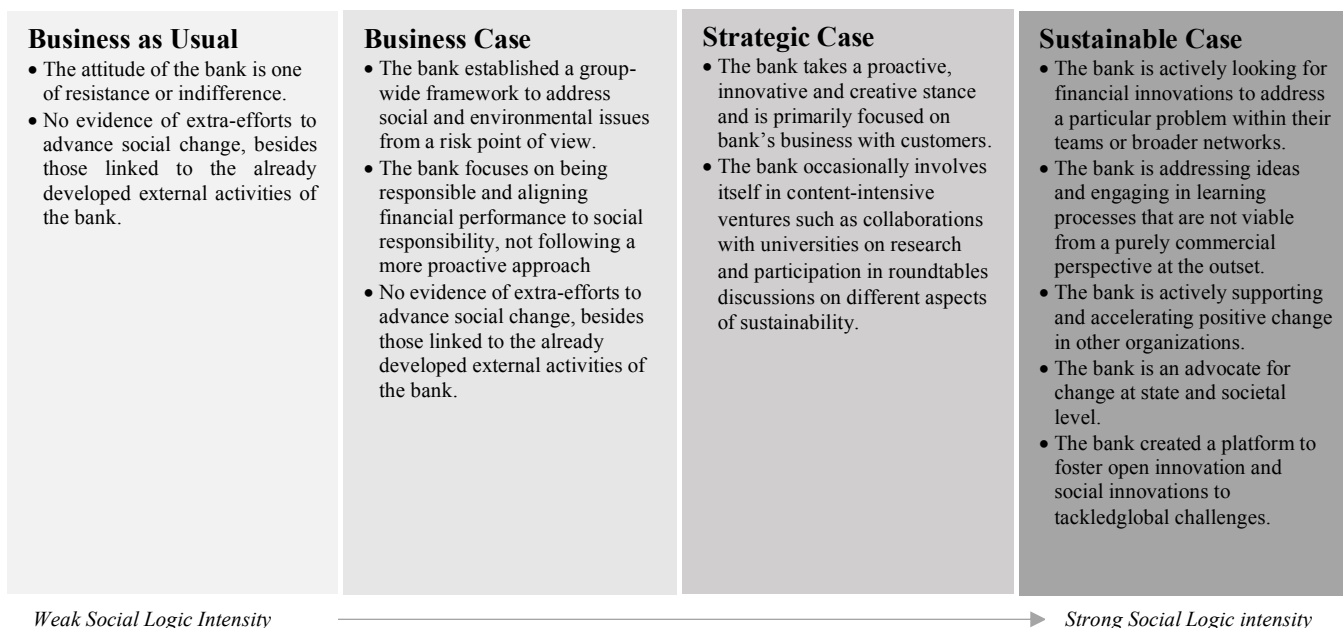
Business as Usual	Business Case	Strategic Case	Sustainable Case
<ul style="list-style-type: none"> • The bank does not apply any exclusion criteria on lending and investment. • The bank allocates considerable money to charity projects, sports, culture, social organizations. • The bank sees financial risk exposure from climate change and other societal problems as too immaterial to warrant any management attention. 	<ul style="list-style-type: none"> • The bank foregoes infusion of capital into certain forms of coal production. • The bank verifies clients compliance with human rights • The bank has well established philanthropic practices. • The bank integrates exclusion criteria from a risk perspective. • The bank progressed to measure financial risk from ESG with an horizon of 3 to 5 years. 	<ul style="list-style-type: none"> • The bank is advancing the integration sustainable criteria into core business and wide range of sustainable products. • The bank is lending to ESG leaders. • The bank adopts a scenario analysis assess the longer term risks. • The bank engages in microfinance. • The bank excludes certain industries from being investment beneficiaries. 	<ul style="list-style-type: none"> • The bank is increasingly incorporating niche financial products. • The bank tries to design products that address social issues and are financially attractive. • The bank aims to be sustainable in all its external activities. • The bank is prepared to accept lower margins or higher risks to stimulate certain prosocial activities.

Weak Social Logic Intensity

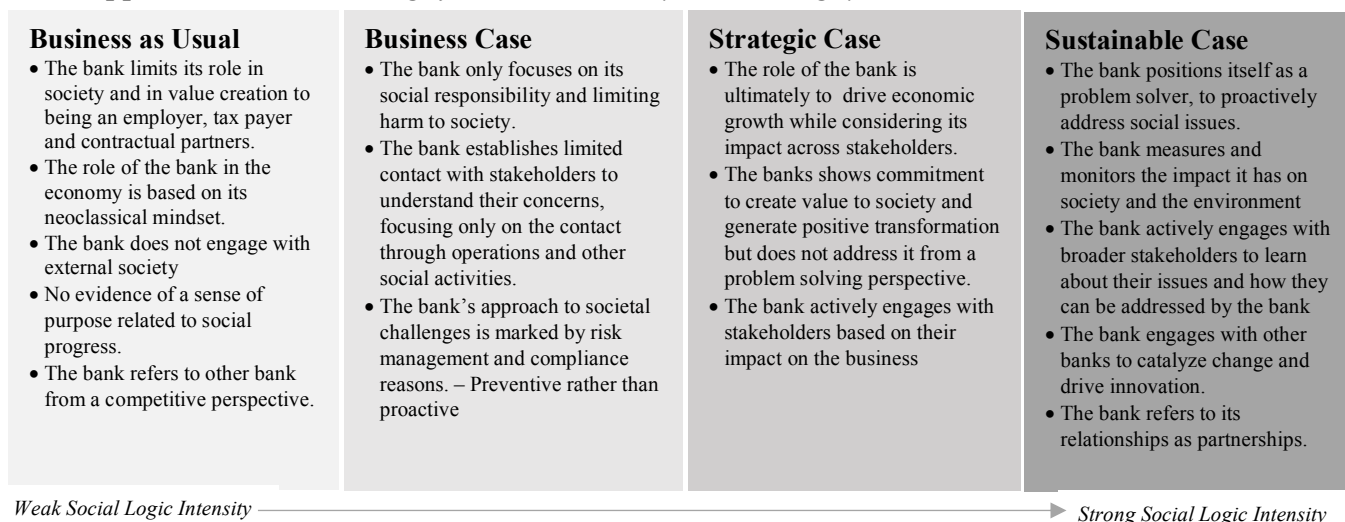


Strong Social Logic Intensity

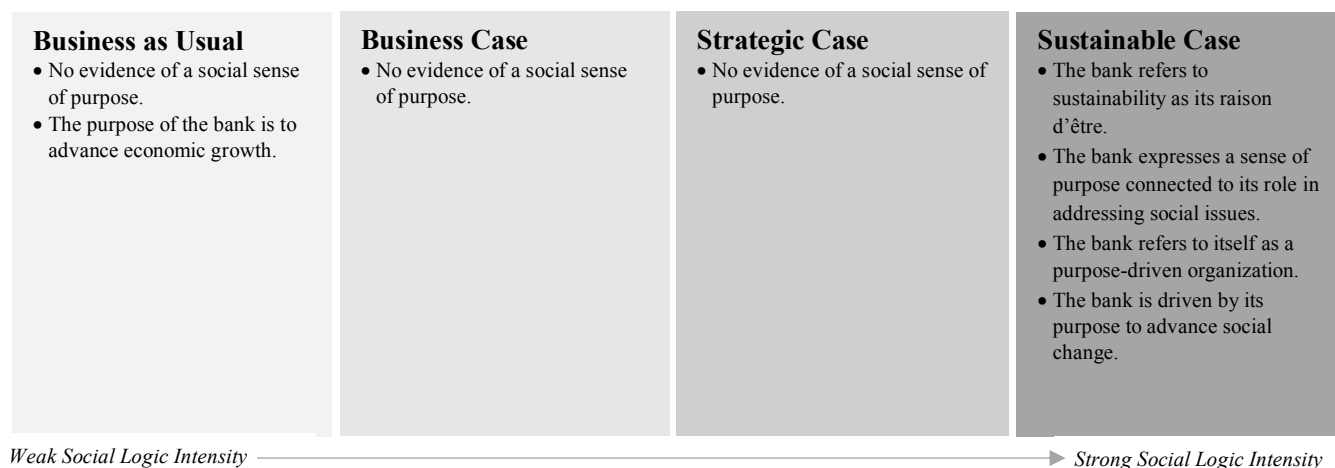
Appendix 11.2 “Banks as catalyzer for change”.



Appendix 11.3 “Positioning of the bank in society and banking system”.



Appendix 11.4 “Social Good as a Deeper Purpose”.



Appendix 11.5 “Building a pro-social common identity”.

Business as Usual	Business Case	Strategic Case	Sustainable Case
<ul style="list-style-type: none"> • The bank aims to build a culture of financial excellence, risk and compliance. • Volunteerism is promoted among employees and awarded 	<ul style="list-style-type: none"> • The banks provides training in risk management practices and in incorporating social and environmental aspects in risk decisions. • The bank has a statement on sustainability focused primarily on risk management matters. • The bank is initiating awareness building activities. 	<ul style="list-style-type: none"> • The bank takes a group-wide approach to sustainability strategy. • The bank cascades decisions to all business units in regards to sustainability. • The bank is preparing staff from a strategic perspective to focus on social trends. • The bank is actively engaging with colleagues to raise awareness. 	<ul style="list-style-type: none"> • The bank offers training in sustainability/SDG related issues to employees. • The bank offers training in sustainability/SDG related issues to senior executives. • The bank has a group of sustainability ambassadors. • The bank is developing a social business culture. • The bank shows the ambition to embed social logic in its corporate culture of purpose.

Weak Social Logic Intensity → Strong Social Logic Intensity

Appendix 11.6 “Socio-economic strategic integrated thinking”.

Business as Usual	Business Case	Strategic Case	Sustainable Case
<ul style="list-style-type: none"> • The bank recognizes shareholder returns as its primary goal. • The bank measures performance with financial criteria. • The bank does not include sustainability criteria in remuneration schemes • The banks does not establish any sustainability KPIs. • The bank sets only financial targets 	<ul style="list-style-type: none"> • The bank does not implement sustainable practices without consideration for financial benefits or potential for risk reductions. • The bank follows a CSR approach, not integrated into its strategy. • The bank still has business motives as definitive components of decisions. 	<ul style="list-style-type: none"> • The bank weights opportunities and risks on economic grounds. • The bank has a broader view of environmental and social care to generate corporate • The bank is looking for profitable, environmentally sound opportunities in the market. • The bank recognizes contribution to society as a second priority, after performance. • The bank links sustainability criteria to remuneration. • or compensation. 	<ul style="list-style-type: none"> • The bank builds its strategy around societal challenges. • The bank raises social and environmental issues to business targets. • The bank measures success through societal and environmental indicators or advancements in the sustainability strategy. • The bank defines sustainability as a modus operandi. • The bank uses SDGs as a reference indicator for strategic endeavors.

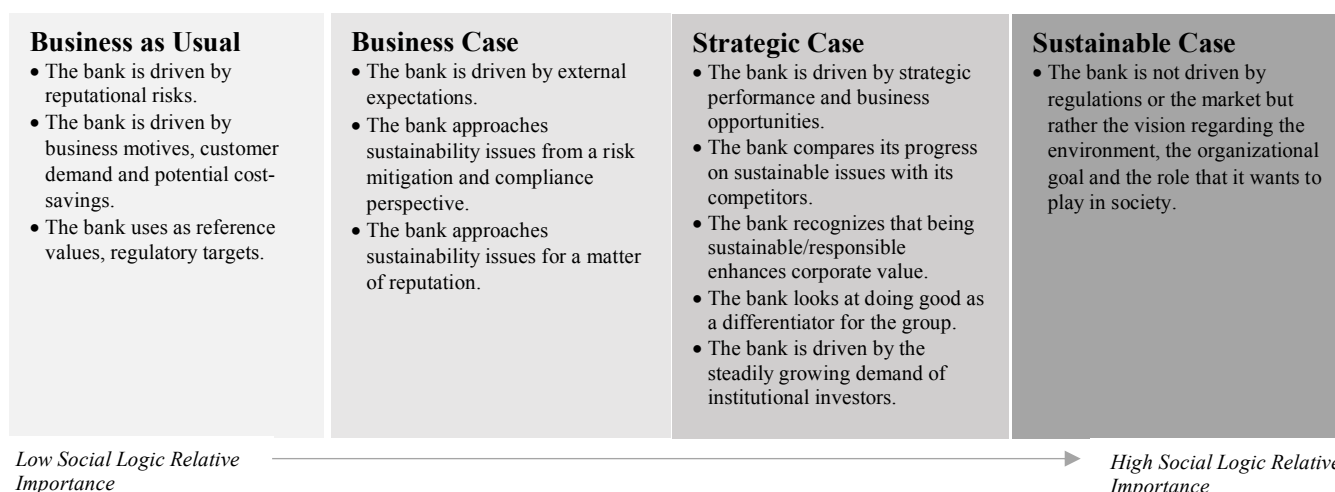
Low Social Logic Relative Importance → High Social Logic Relative Importance

Appendix 11.7 “Top-down approach to a pro-social business model”.

Business as Usual	Business Case	Strategic Case	Sustainable Case
<ul style="list-style-type: none"> • The bank acts on sustainability matters via board level committees focused on the firm’s conduct, values, reputation and public responsibilities. • The personnel responsible for business social practices is part of the communications or marketing department. • No evidence of a centralized and professionalized approach to sustainability. 	<ul style="list-style-type: none"> • The bank’s sustainability issues are in the hands of a group of people that report to the strategy department. • The bank centers sustainability issues in a risk related department or committee. 	<ul style="list-style-type: none"> • The bank has a comprehensive strategy with board level engagement. • The bank has a team in charge exclusively of sustainability management who reports directly to the executive board. • The bank established a climate change committee. • The bank has an advisory board on sustainability issues 	<ul style="list-style-type: none"> • Sustainability related matters are centered in a special committee/position at the board dedicated to sustainability. • The bank’s top management show involvement and a sense of stewardship and advocacy. • The management level of the bank is directly involved in sustainability matters. • The bank includes sustainability related competencies as essential to the board. • The bank aims to build corporate governance around sustainability ambitions

Low Social Logic Relative Importance → High Social Logic Relative Importance

Appendix 11.8“Motivations behind a pro-social approach”.



Appendix 12- Trajectory Analysis: Individual Matrices

Appendix 12.1- Trajectory Analysis: Barclays.

Themes		2017	2018	2019
Intensity	Embeddedness of prosocial mindset in business practices	<ul style="list-style-type: none"> • The bank is looking for profitable, environmentally sound opportunities: “We continued to deliver financing solutions in areas including renewable energy, water and low carbon technologies; social infrastructure; development institutions; and small business financing.” 	<ul style="list-style-type: none"> • The bank is looking for profitable, environmentally sound opportunities: “financing the growth of green and renewable energy sources and proactively supporting the development of businesses aiming to solve the world’s environmental challenges.” 	<ul style="list-style-type: none"> • The bank is looking for profitable, environmentally sound opportunities: “Increased restrictions in sensitive energy sectors Our strategy to align with the goals of the Paris Agreement will cover all of our portfolio in time.”
		<ul style="list-style-type: none"> • No evidence of incorporating niche financial products. 	<ul style="list-style-type: none"> • The bank is increasingly incorporating niche financial products: “The launch of the first Green Mortgage for retail customers by a mainstream UK institution, added Green Trade Finance to our Corporate Banking green product set, and structured several innovative transactions such as the first Sustainability-linked Revolving Credit Facility for a US borrower.” 	<ul style="list-style-type: none"> • The bank is increasingly incorporating niche financial products: “Sustainability-linked loans, which can be linked to a range of different social and environmental performance metrics... theylink the pricing mechanism to the achievement of sustainability-linked targets”; “Green Trade Loans – Supporting the green working capital needs of clients from procurement through to final sale of goods.”
		<ul style="list-style-type: none"> • No evidence of social added value as a prerequisite to lending. 	<ul style="list-style-type: none"> • The bank puts social added value as prerequisite to lending: “Additionally, the strategy targets companies that generate a portion of their revenues from positive activities that help to address at least one of the UN’s Sustainable Development Goals.” 	<ul style="list-style-type: none"> • The bank puts social added value as prerequisite to lending: “To achieve this, we may, as part of the escalation and decision process, require that environmental and social management requirements are integrated into loan documentation”
		<ul style="list-style-type: none"> • No evidence of greater care for vulnerability 	<ul style="list-style-type: none"> • No evidence of greater care for vulnerability. 	<ul style="list-style-type: none"> • The bank aims to be inclusive: “We believe that banking should work for everyone and we have a pivotal role to play in society, building relationships.”; “There is a real commitment to make finance simpler and more accessible for the vulnerable in society.”
		<ul style="list-style-type: none"> • No evidence of the willingness to have lower margins. 	<ul style="list-style-type: none"> • No evidence of the willingness to have lower margins. 	<ul style="list-style-type: none"> • The bank is willing to have lower margins to foster certain activities and industries: “they link the pricing mechanism to the achievement of sustainability-linked targets”.
		<ul style="list-style-type: none"> • No evidence of exclusion criteria. 	<ul style="list-style-type: none"> • The bank foregoes investment in certain industries: “we have launched sustainable investment strategies and portfolios that aim to generate attractive long-term capital growth through a portfolio of holdings that explicitly avoid controversial industries and companies that do not meet minimum ESG expectations” 	<ul style="list-style-type: none"> • The bank is a partner for companies making sustainable transitions: “engaging clients and mobilising the capital required for them to transition their own business models is the way to steward the most progress, both in terms of financing more ‘green’ activities and business models”; “Our Barclays Green Home Mortgage offers homebuyers lower interest rates for new build properties meeting minimum energy efficiency requirements.”
		<ul style="list-style-type: none"> • No evidence of a close relationship with suppliers. 	<ul style="list-style-type: none"> • No evidence of a close relationship with suppliers. 	<ul style="list-style-type: none"> • The bank supports suppliers transitions and encourages them to follow sustainable practices: “We encourage our suppliers to join us in similar efforts to implement Environmental Management Systems”
		<ul style="list-style-type: none"> • No evidence of the ambition to broaden sustainable products to all the operations. 	<ul style="list-style-type: none"> • No evidence of the ambition to broaden sustainable products to all the operations. 	<ul style="list-style-type: none"> • The bank aims to make all its activities sustainable: “to develop innovative new financing products, and to embed support for green and sustainable products and services across our operating model.”
	Bank as catalyser for change inside and outside the sector	<ul style="list-style-type: none"> • No evidence of state or societal level advocacy. 	<ul style="list-style-type: none"> • The bank advocates for policy changes in ESG issues: “We are serving on the Advisory Group to the UK Government on Growing a Culture of Social Impact Investment to support the growth of the industry across the UK”; “We’ve also advocated a number of 	<ul style="list-style-type: none"> • The bank aims to drive engagement around climate issues, and is not just driven by demand : “They operate in a targeted manner to drive client, employee and stakeholder engagement on environmental and climate change issues”

		<i>specific policy changes to mobilise green and social financing”.</i>	
	• No evidence of relations with high impact/ social ventures.	The bank supports high impact businesses solving social and environmental challenges: “we will support innovative business models and help to mentor over 250 high impact businesses solving social and environmental challenges”	The bank supports high impact businesses solving social and environmental challenges: “supports growth-stage entrepreneurs whose ventures have the potential to employ thousands of people worldwide while solving some of the world’s most pressing social and environmental challenges.”
	• No evidence of social innovation efforts.	The bank is actively looking for financial innovations to address a particular problem or find solutions within their teams: “And we are investing in innovation from our best asset – our colleagues – to test and scale new business opportunities that tackle social and environmental challenges”; “incubates financial products and services that will have a sustained social or environmental impact. The SIF works with ideas created by innovators within Barclays and helps to support them through the development process”.	The bank is actively looking for financial innovations to address a particular problem or find solutions within their teams: “an internal mechanism that incubates ideas for financial products and services that seek to specifically address environmental or social challenges, and continues to be one of Barclays’ most innovative mechanisms to advance socially and environmentally impactful products and services in a commercial way”.
	• No evidence of advancing research on ESG matters.	The bank is advancing research regarding investment in ESG: “We also created a new Sustainable and Thematic Research team within our Equity Research business, to lead our efforts in providing innovative research for investors with an ESG or thematic focus.”	The bank is advancing research regarding the potential of social businesses: “Therefore, in order to better understand the challenges and dispel the myths surrounding these important businesses, we partnered with the ScaleUp Institute to produce a research report entitled: Social Scaleups: High growth businesses with impact.”
Positioning of the bank in society/banking system	• The bank limits its wider impact on society to the CSR activities developed.	The bank broadens its impact on society to its business practices. The bank cares for the way it impacts society and the environment.	The bank broadens its impact on society to its business practices. The bank cares for the way it impacts society and the environment.
	• The bank engages with broader stakeholders to build trust, promote robust risk management and make decisions.	The bank actively engages with broader stakeholders to understand societal challenges which will inform strategic decisions: “We engage in a continual dialogue with non-governmental organisations and other interest groups, to improve our understanding of emerging and existing environmental and societal topics.”	The bank actively engages with broader stakeholders to understand societal challenges which will inform strategic decisions: “Delivering long-term returns for all our stakeholders depends on deep and thoughtful engagement with the numerous individuals and interest groups representing wider society.”
	• No evidence of stewardship sense in advancing social and environmental change.	The bank positions itself a steward of sustainable efforts in the industry: “Banks have an important role to play in ensuring the world’s energy needs are met while helping to limit the threat that climate change poses to people and to the natural environment.”	The bank positions itself as a market builder for sustainable finance: “In playing a market building role, we hear from across our peers that there is a disconnect between investors who have expressed an interest in impact, and those that are actually investing.”
	The bank follows a responsible approach to the social context: “Barclays has long recognised the importance of pursuing environmentally-friendly practices, and we welcome the momentum building around Green Finance.”	The bank follows a strategic approach to social context, looking for opportunities in social challenges: “And, it is only in an inclusive society, which uses its resources in a sustainable manner, that our clients and customers and, in turn, our business, can thrive.; So, strengthening our approach to Environmental, Social and Governance issues makes good business sense.”	The bank approaches social issues as a problem to be solved through banking activities. The bank as a problem solver: “Many of Barclays’ customers, clients and colleagues will be directly affected and the bank has a role to play in preventing the worst effects from becoming a reality.”
Social Good as a Deeper Purpose	• No evidence of a social sense of purpose.	The bank positions itself as a purpose-driven organization :“A bank needs to demonstrate, both internally and externally, the honest and authentic way it goes about its business, and the value it brings to its stakeholders. Purpose-driven organisations have higher levels of employee satisfaction, higher levels of business performance, and a higher level of societal impact”.	The bank positions itself as a purpose-driven organization: “As a purpose-driven organisation, we aspire to create opportunities to rise for all of our stakeholders” The bank raises societal contribution to its purpose: “Barclays now has a real purpose, a clear strategy, strong values, and improving performance.; “Our purpose is expressed in the phrase ‘creating opportunities to rise’.”
Building a pro-social common identity	The bank provides training in incorporating social and environmental criteria in risk management: “... training to a number of credit risk managers across Barclays on environmental and social risk assessments relevant to their respective markets, reinforcing awareness of when to refer specific transactions to the specialist ERM team.”	The bank provides training in incorporating social and environmental criteria in risk management: “we provided bespoke training to credit risk managers across Barclays on environmental and social risk assessments, including climate change, relevant to their respective markets, reinforcing awareness of when to refer specific transactions.”	The bank provides training in responsible lending: “training to help support customers when they are in vulnerable situations and provide the suitable tools to help”; “Selected front line staff are trained to identify signs that customers are encountering financial difficulties, and where necessary we work with customers to enable them to return to financial health.”
	The bank refers to a culture of compliance and values: “We continue to embed a positive conduct and values-based culture across the firm and work to meet our stakeholder needs and manage our societal obligations responsibly.”	The bank aims to implement a culture of purpose: “This work says much about the culture of Barclays today – driven by a deep commitment to help customers, clients, and wider society, to rise and succeed.”	The bank aims to implement a culture of purpose : “We take that duty seriously, and it shapes our view of the professional culture we want to be known for and the business we want to become.; As a purpose-driven organisation, we are working hard to create a culture where each and every colleague feels empowered to take decisions that balance all our stakeholder interests.”
	• No evidence of a group wide team of sustainability and impact.	• No evidence of a group wide team of sustainability and impact.	The bank creates a banking team dedicated to identify and support clients that are actively solving social challenges: “In response to a growing focus on sustainability and social impact by investors and corporations, Barclays created the Sustainable and Impact Banking (SIB) group that will act as a singular global banking team”
Strategic Integrated Thinking	• No evidence of remuneration linked to ESG.	• No evidence of remuneration linked to ESG.	The bank links ESG criteria to remuneration: “That means our remuneration policies reward sustainable performance that’s in line with our Purpose and Values, as well as our risk expectations.”
	The bank recognizes shareholder value as primary goal: “Nevertheless, it is our intention to prioritise the return of capital to shareholders, beginning this year.”	The bank recognizes its goal to limit harm to the climate: “It is a priority for us to contribute to society’s initiatives in limiting the impact of climate change.”	The bank recognizes its goal to be a force for good in society: “I, and my colleagues, are committed to helping Barclays be a force for good in society”
	The bank recognizes its role in sustainability and incorporates it into its values but does not show the ambition to align social and financial returns: “Consistent with the objective of delivering long-term sustainable value for our stakeholders, we continue to pursue our Shared Growth Ambition – our approach to citizenship and sustainability.”	The bank recognizes its role in sustainability and incorporates it into its values but does not show the ambition to align social and financial returns: “Consistent with the objective of delivering long-term sustainable value for our stakeholders, we continue to pursue an approach to citizenship and sustainability that is integrated with our core business.”	The bank integrates its social purpose as a bank in its strategy: “Our strategy builds on our strengths and will steer us through those challenges. We must deliver for all of our stakeholders by understanding and balancing their different expectations of our business”
	• No evidence of the aim to align financial and social returns.	• No evidence of the link between ESG and performance.	The bank shows ambition to align social and financial returns: “Our strategy has been developed to balance the needs of our customers and clients, our colleagues, our investors and wider society.” The bank recognizes the link between social and financial performance: “We believe ESG considerations

Relative importance

			capture non-financial information that could affect financial performance."
	The bank uses the SDGs as a reference indicator: "We reviewed and mapped our business activities, products and programmes against the SDGs."	The bank uses the SDGs as a reference indicator: "We magnified our operational and programmatic focus on two SDGs – Goals 8 and 13. These were identified as key areas that we can drive forward through our own business model, as well as through our community programmes and partnerships."	The bank uses the SDGs as a reference indicator: "key SDGs supported through our supranational, regional and national financing include."
	<ul style="list-style-type: none"> No evidence. 	The bank addresses the opportunities brought by societal issues: "We will continue to identify new opportunities to integrate these considerations into the work we do every day to help customers and clients,"	The bank addresses the opportunities brought by societal issues: "Our responsibilities to society, however, also extend more broadly. It is important to us that all of our stakeholders can clearly understand how we manage our business for good, and easily track our progress. This report sets out our approach in respect of not just the environment, but also our social contribution more widely, and the way we govern the organisation."
	<ul style="list-style-type: none"> No evidence of linking ESG factors to bank's success. 	The bank measures success based on strategic performance, where sustainability matters are included: "Our performance measurement framework undertakes a holistic assessment and sets out our progress towards the strategic goals of the organisation. Our framework is focused on achieving positive and sustainable outcomes for our diverse group of stakeholders."	<p>The bank refers to success as linked to the positive impact it has on society and the environment: "We know that our success over the long term is based not just on how well we run the organisation commercially, but also on how well we manage it to protect the environment, support positive social progress, and make responsible, well-governed decisions."</p> <p>The bank recognizes long-term success depends on both financial performance and social contribution: "Outside our organisation, we believe that our success over the long term is tied inextricably to the positive impact we can have on the environment and the communities where we live and work."</p>
Motivations behind addressing societal challenges	The bank is driven by business motives, customer demand and potential cost-savings: "Supporting the ambitions of customers, clients, and communities is not just the right way to act, it also makes commercial sense. When the societies where we operate succeed, Barclays succeeds."	<p>The bank is driven by reputational risks.: "We have also developed a strong values-based culture that enables us to serve our customers, to make a significant contribution to society, to reward shareholders and to protect ourselves from the reputational damage associated with poor industry conduct."</p> <p>The bank is driven by demand and strategic performance: "We recognise that the focus on the societal impact of businesses and performance on wider ESG factors has increased in recent years, with growing interest from a range of stakeholders including investors, clients, policymakers and regulator"</p> <p>The bank is driven by strategic performance: "There is increasing evidence that effective management of ESG issues is an integral part of robust governance and business strategy with a potential link to financial performance and long-term business model resiliency."</p>	The bank is not driven by regulations or the market, but rather the vision regarding the environment, the organizational goal and the role it wants to play in society: "I, and my colleagues, are committed to helping Barclays be a force for good in society; the pursuit of that goal is one of the reasons why I was so enthusiastic about assuming this new role."
	<ul style="list-style-type: none"> No evidence of board level engagement. 	<ul style="list-style-type: none"> No evidence of board level engagement. 	The bank established board level direct responsibility and oversight on sustainability issues: "Recognising the importance of our culture, reputation, the environment and social and human rights matters to all our stakeholders, the Barclays PLC Board took over responsibility for these matters from the former Board Reputation Committee during 2019".
	The bank acts on sustainability matters via board level committees focused on the firm's conducts, values, reputations and public responsibilities: "The Board Reputation Committee reviews management's recommendations on conduct and reputational risk, and the effectiveness of the processes by which the Group identifies and manages these risks. RepCo also oversees Barclays' conduct in relation to its corporate and societal obligations"	The bank acts on sustainability matters via board level committees focused on the firm's conducts, values, reputations and public responsibilities: "The Board Reputation Committee supports the Board in promoting its collective vision of Barclays' Purpose, Values, culture and behaviours. It reviews the management of conduct and reputational risk and oversees Barclays' conduct in relation to its corporate and societal obligations"	The bank acts on sustainability matters via a committee fully dedicated to it: "Demonstrating the growing strategic importance of these issues, the Group Executive Committee created the Environmental and Social Impact Committee in June 2019 to manage environmental and social matters."
Top-down approach to a pro-social business model	<ul style="list-style-type: none"> No evidence of a sense of advocacy at the CEO or chairman level. 	<ul style="list-style-type: none"> No evidence of a sense of advocacy at the CEO or chairman level. 	The bank's CEO expresses a sense of advocacy: "It may be unfashionable to talk about banks doing good, but something which has struck me as much as anything else since arriving at Barclays has been the extraordinary breadth and depth of activity undertaken by colleagues to help the communities in which we work. I also cannot but commend the 'tone from the top'."

Appendix 12.2- Trajectory Analysis: BNP Paribas.

		2017		2018		2019		
		Themes						
Embeddedness of prosocial mindset in business practices		The bank foregoes investment in certain industries: "We are reducing our financing and investment in energies that emit the most greenhouse gases, such as coal and unconventional oil and gas, and we are no longer financing Arctic oil and gas exploration or production projects."	The bank foregoes investment in certain industries: "It no longer finances new coal-fired power stations and only works with energy companies that are reducing the mix of coal in their energy sources."	The bank foregoes investment in certain industries: "In 2019 and in 2020, we committed to no longer have any client whose business relates to thermal coal."				
		The bank engages in microfinance: "Microlux, the leading microfinance institution in Luxembourg, of which BGL BNP Paribas is the majority shareholder"	The bank engages in microfinance: "offers loans to microfinance institutions so they can in turn offer micro-credits to disadvantaged populations excluded from the traditional banking system"	The bank engages in microfinance: "BNP Paribas is putting in place new solutions to foster the financial inclusion of women, young people, entrepreneurs and, in general, the underprivileged. Innovative business models such as microfinance, for example, enable BNP Paribas to contribute to more equitable economic growth."				
		• No evidence of establishing social and environmental criteria in decisions regarding external activities.	The bank uses ESG criteria in decision making: "This is evidenced, for example, by an expanding requirement to meet CSR policies at all levels of a loan decision."	The bank uses ESG criteria in decision making: "BNP Paribas Asset Management will be applying ESG criteria to all of its investment processes by 2020."				
		• No evidence of financial products to balance social and environmental returns.	The bank is increasingly introducing niche financial products: "Corporate & Institutional Banking has helped Solvay, Terna, AccorHotels and Danone launch their first sustainability-linked loans (SLL), whose interest rates are linked to achieving a number of ESG (environmental, social and governance) criteria"	The bank is increasingly introducing niche financial products: "BNP Paribas helps companies improve their Environmental, Social and Governance (ESG) performance by offering loans based on compliance with extra-financial criteria"; "Sustainability-Linked Loans (SLLs), such as the one designed for telecoms operator Masmovil, green bonds and social bonds are complementary products that enable us to support companies financially while encouraging their transition to sustainable-business models."				
Bank as catalyser for change inside and outside the sector		• No evidence of financial products to balance social and environmental returns.	• No evidence of financial products to balance social and environmental returns.	The bank creates a group wide strategy on sustainability: "2019 BNP Paribas Asset Management stepped up its commitment to deliver long-term sustainable investment returns for clients with the launch of its Global Sustainability Strategy (GSS). The strategy sets clear objectives grouped around three themes: the energy transition, environmental sustainability, and equality and inclusive growth."				
		• No evidence of social innovation efforts within the bank.	• No evidence of social innovation efforts within the bank.	The bank is actively looking for financial innovations to find solutions for societal issues within their teams: "by designing investment solutions and products that reconcile positive impact and financial performance"; "We will make every effort to harness the Group's expertise to propose innovative, sustainable and inclusive solutions"				
		• No evidence of advancing research of ESG matters.	• The bank refers to research related to climate change issues.	• No evidence of advancing research of ESG matters.				
		The bank aims to be a leader in sustainable finance: "The banking and financial sector must be at the forefront of building a low-carbon economy. As the eurozone's largest bank, BNP Paribas of course plays a leading role. ; At major events in 2017 we clearly stated our objective: to become the benchmark bank for sustainable investment and finance in the next three years."	The bank positions itself a steward of sustainable efforts in the industry: "BNP Paribas thus positions itself as a signatory or initiator of collective projects that drive the commitments of the banking industry."	The bank considers itself as a builder of a more responsible business model: "developing our contribution to society by taking part in the emergence of a more responsible economic-growth model."				
		The bank acts as a catalyser of the social economy: "increasing funding for social businesses to nearly €1 billion"	The bank acts as a catalyser of the social economy.	The bank acts as a catalyser of the social economy: "...increased our support for the solidarity-based economy.; BNP Paribas' commitment to the SEE can be seen in partnerships such as that with The Grameen Creative Lab, formed in 2019, or through programmes; To face today's social and environmental challenges, the development of positive-impact entrepreneurship is an answer. BNP Paribas has put in place an international Strategy to support social enterprises and positioned itself as a pioneer and major player in this fast-growing sector. "; "In 2019 the Group's support for associations and Social and Solidarity Economy enterprises amounted to €6.2 billion*, of which €1.9 billion was devoted to microfinance and social enterprises."				
				The bank supports positive change in its clients: "We will not only have to help our clients rebound and start again on a sound footing. We will also have to continue helping them with their own transitions, whether digital, industrial or organisational, so they can meet the economic, environmental and social challenges of our time."				
		The bank cares for and monitors the impact it has on society through % of financing to SDGs: "We track the share of our financing that contributes to the United Nations' 17 Sustainable Development Goals."	The bank monitors its environmental impact: "which led to measuring and monitoring the climate impact of its loan portfolio, in accordance with the goals of the Paris Agreement"	The bank is proactively designing an impact assessment methodology to measure its impact in society: "We are developing the tools to measure our environmental and social impact and we are focusing on actions that involve all employees"				
Positioning of the bank in society/banking system		• No evidence of the bank as a problem solver.	The bank positions itself as a problem solver in regard to social issues: "Now we must not only face important economic, digital, societal and environmental challenges, but also demonstrate collectively —alongside our clients, shareholders, public authorities and civil society—a real determination to be able to overcome those challenges"	• No evidence of the bank as a problem solver.				
		• No evidence of the bank as an opportunity seeker.	The bank address sustainability efforts as opportunities: "Changes in the economy, the development of digital technologies, collective recognition of our responsibilities with regard to climate change and rising inequality are all changes that present major challenges. They also represent opportunities for the future."	• No evidence of the bank as an opportunity seeker.				

	<p>The bank actively engages with broader stakeholders to understand societal challenges which will inform strategic decisions: “Of course, we don’t have any ready-made solutions to tomorrow’s major challenges. These can only be built in partnership with the stakeholders working every day to solve the problems of our time: NGOs, public authorities, research organisations and, of course, the world of social entrepreneurship”</p> <p>“BNP Paribas engages in dialogue on a daily basis with a number of other stakeholders, including: partners and suppliers, public authorities, civil-society organisations.”</p>	<p>The bank actively engages with broader stakeholders to understand societal challenges which will inform strategic decisions: “Working alongside public authorities, institutional investors, businesses, NGOs and other stakeholders in civil society, banks have an essential role to play”</p> <p>“It also shows how the Group is creating short-, medium- and long-term value through collaboration with stakeholders; Working alongside public authorities, institutional investors, businesses, NGOs and other stakeholders in civil society, banks have an essential role to play”</p>	<p>The bank actively engages with broader stakeholders to understand societal challenges which will inform strategic decisions: “It is above all by working with public authorities, NGOs, businesses and civil society that we will be able to undertake the necessary transition to more responsible growth”</p>
	<p>The bank recognizes its wider role in society to make it more sustainable and fairer: “We are aware that a new deal must be constructed together: one in which the bank can play a major role and which is more balanced, fairer and more sustainable”.: “As the economy improves there is more than ever a need to remain mindful of inequalities in society and to ensure that the benefits of rising prosperity accrue to all.”</p>	<p>The bank recognizes its wider role in society to make it more sustainable and fairer: In an ever-changing world, BNP Paribas, a key international banking player and a leading bank in the eurozone, has a decisive role to play in creating the conditions for more balanced economic growth and contributing to the emergence of a new model of value creation that is more sustainable and equitable.; “The bank recognizes its wider role in society to make it more sustainable and fairer.”</p> <p>The bank is rethinking its raison d’être, from a social perspective: “These profound changes are forcing us to rethink some of our models and indeed the role of banks.”</p>	<p>The bank recognizes its wider role in society to make it more sustainable and fairer: “The banking industry is in a position to play a major role in creating an economy that is more respectful of the environment and more inclusive by choosing how to target its financing and by designing investment solutions and products that reconcile positive impact and financial performance”.: “As a result, we will collectively play an active role in driving more inclusive and environmentally-friendly growth.”</p>
Social Good as a Deeper Purpose	<ul style="list-style-type: none"> No evidence of social contribution as a major goal of the bank. 	<p>The bank recognizes social contribution as a major goal.</p>	<p>The bank recognizes social contribution as a major goal: “As part of our long-term vision, our Company Purpose underpins our desire to contribute to responsible and sustainable growth by financing the economy and advising customers in an ethical manner, and by allocating the resources required to have a positive impact on the world around us.”</p>
	<ul style="list-style-type: none"> No evidence of a social sense of purpose. 	<p>The bank raises societal contribution to its purpose: “Now we must not only face important economic, digital, societal and environmental challenges, but also demonstrate collectively —alongside our clients, shareholders, public authorities and civil society—a real determination to be able to overcome those challenges. These profound changes are forcing us to rethink some of our models and indeed the role of banks.”</p>	<p>The bank raises societal contribution to its purpose: “This same philosophy inspires BNP Paribas’ Company Purpose, which sets out our collective intent: “We are at the service of our customers and the world in which we live.”</p>
	<ul style="list-style-type: none"> No evidence of finance as a means to transform society. 	<ul style="list-style-type: none"> No evidence of finance as a means to transform society. 	<p>The bank aims to make finance a means to transform society and not a goal: “We have one goal: make finance a means to transform society”.</p>
Building a pro-social common identity	<ul style="list-style-type: none"> No evidence of socialization and training processes with a social goal. 	<ul style="list-style-type: none"> No evidence of socialization and training processes with a social goal. 	<p>The bank is providing training to employees in social business and in building positive impacts: “These include raising employee awareness regarding social business, training staff to enable them to build “positive impacts” into their businesses, and encourage their engagement through pro bono legal advice for the Grameen Creative Lab teams and social businesses; sustainable-development training”;</p> <p>The bank provides training in sustainable development to senior executives: “In partnership with the University of Cambridge, BNP Paribas created in 2019 a sustainable-development training programme for the Group’s senior executives, risk managers and bankers working with major clients. The aim of the programme is to train our clients’ key relationship teams so they can factor social and environmental issues into their business proposal”</p>
	<ul style="list-style-type: none"> No evidence of social intrapreneurship. 	<p>The banks fosters social intrapreneurship in the bank: “BNP Paribas offers employees, who contribute every day to the bank’s transformation, the chance to be entrepreneurs inside the company thanks to intrapreneur programmes such as People’s Lab 4 Good in France, TIZ in Luxembourg and LEAP at Bank of the West in the USA”</p>	<ul style="list-style-type: none"> No evidence of social intrapreneurship.
			<p>The bank aims to build a pro-social business culture: “DEVELOPING A SOCIAL BUSINESS CULTURE WITH THE GRAMEEN CREATIVE LAB; NP Paribas’ commitment to the SEE can be seen in partnerships such as that with The Grameen Creative Lab, formed in 2019, or through programmes such as “Act for Impact” which has been rolled out in various business lines.”</p>
	<p>The bank created an engagement manifesto to make all employees aware of its ambitions in regards to sustainability : “In 2017 the Group decided to go further in promoting social and environmental awareness at all stages of its operational decisions. It created a Company Engagement Department to coordinate and strengthen social and environmental initiatives taken by its various business lines; BNP Paribas has also published a Company Engagement manifesto that helps employees understand the context and scope of the Group’s ambitions in this area and reflect on the impact of their own actions on society.”</p>	<p>The bank created an engagement manifesto to make all employees aware of its ambitions in regards to sustainability: “Two years ago, the Group adopted a 2020 Engagement Manifesto, managed by the Head of Company Engagement who sits on the Group’s Executive Committee and takes part in the assessment of environmental and social issues at all stages of operational decisions.”</p>	<p>The bank created an engagement manifesto to make all employees aware of its ambitions in regards to sustainability: “Summarising the following documents created with the inputs of hundreds of employees : Our Vision and Missin (2015), Code of Conduct (2016) and Engagement Manifesto (2018)”.</p>
		<p>The bank has a group wide framework to sustainability: “In all its business lines, BNP Paribas seeks to develop new models that allow it to combine economic performance with a positive impact on society and to mobilise the financial resources of the bank and its clients for a greater contribution to the common good”</p>	

Relative importance	Strategic Integrated Thinking	The bank recognizes social contribution as a major goal: “For these reasons, our strategy is built around three strong ambitions: promoting an innovation approach that responds to the new needs and behaviour of our clients, encouraging sustainable growth that benefits all economic actors, and developing our positive contribution to society.”	The bank recognizes social contribution as a major goal: “These pillars translate into concrete goals: promoting useful innovation for our clients, encouraging sustainable growth for our economy, and actively developing our contribution to society. Through these activities, BNP Paribas aims to help its clients and partners move toward sustainable solutions and have a genuine positive impact on its stakeholders and society as a whole.”	The bank strategy is built around social issues: “We intend to continue a transformation built on digitalisation and sustainable development”
		The bank refers to its contribution to society as peripheral: “BNP Paribas has a direct influence on the economy through its business activities. Aware of this responsibility, the bank offers financing and investments that help eradicate poverty, protect the planet and ensure prosperity for all by 2030 and in line with three key challenges of the United Nations Sustainable Development Goals.”	The bank shows ambition to align social and financial returns: “We combine business performance with sustainable value creation for all our stakeholders—shareholders and investors, clients, employees, partners, suppliers and of course the society in which we are fully engage”	The bank shows ambition to align social and financial returns: “By offering customers products that have a positive impact, BNP Paribas combines economic efficiency with pursuit of the common good, a position that is also in line with stakeholder expectations.”
		The bank parts from societal issues to design its strategy: For these reasons, our strategy is built around three strong ambitions: promoting an innovation approach that responds to the new needs and behaviour of our clients, encouraging sustainable growth that benefits all economic actors, and developing our positive contribution to society.	The bank parts from societal issues to design its strategy: “For these reasons, our strategy is built around three strong ambitions: promoting an innovation approach that responds to the new needs and behaviour of our clients, encouraging sustainable growth that benefits all economic actors, and developing our positive contribution to society.”	
		• No evidence of linking ESG criteria to remuneration.	The bank links ESG criteria to remuneration: “In addition, its compensation policy promotes a responsible culture by integrating nine CSR indicators in the remuneration package of 6,750 key employees”	The bank links ESG criteria to remuneration: “integration of extra-financial assessment criteria, notably by taking the CSR dimension into account in the qualitative criteria contributing to the determination of remuneration”
		The bank uses ESG criteria to measure performance: N/A	The bank uses ESG criteria to measure performance: N/A	The bank uses ESG criteria to measure performance: N/A
		The bank uses SDGs as a reference indicator: “It is on this basis that we will strengthen our commitment to society, notably in line with the United Nations’ 17 Sustainable Development Goals.”	The bank uses SDGs as a reference indicator: “It means looking at ways to serve the public interest and playing our part in achieving the 17 UN Sustainable Development Goals and building a better future.”	The bank uses SDGs as a reference indicator: “Through the bank’s services, financing activity and advisory solutions., the Group is pursuing a CSR strategy in line with the 17 UN Sustainable Development Goals. The aim: contribute to more inclusive, equitable growth.”
	Motivations behind addressing societal challenges	The bank’s approach to sustainable products is mostly driven by the steadily growing demand particularly from institutional investors: “Awareness of our ecosystem’s fragility has changed expectations for all stakeholders. For institutional investors, this awareness of risk has become a criterion when making an investment. For businesses, it is both a new constraint and an opportunity to distinguish themselves by strengthening ties with society. For individuals, it is a major component of the trust they place in companies and brands. In short, citizens, employees and investors now expect large companies to engage with society and help solve the problems of our time”	The bank’s approach to sustainable products is mostly driven by the steadily growing demand particularly from institutional investors: #We are living at a time when many fundamental issues for the future are being revealed. We are seeing new expectations emerge in society, notably an expectation that businesses play a more active role in seeking and developing more ethical and socially-inclusive solutions. This is why we are firmly committed to seeing the world differently, and we have made company engagement the third axis of our development plan”	The bank is not driven by market demand or regulations but rather the vision about the environment, the organization goal and the role it wants to play in society: “Our overall objective, which is based on the conviction that no one really wins in a world that loses, is to combine financial performance with a positive impact on society. ... Each text deals with fundamental subjects: our mission, our ethics, and our commitment to civil society. Our Company Purpose is therefore deeply rooted in what we do. Our ambition to contribute to sustainable growth is built on a deeply transformational process”.
		The bank’s approach to sustainable efforts is driven by external expectations: “Society’s expectations of the private sector continue to evolve and it is in this context that BNP Paribas strives to engage with all stakeholders and to conduct business in ways that create a positive social impact”	The bank’s approach to sustainable efforts is driven by external expectations: “In addition, society expects companies to shoulder their responsibility in seeking solutions to climate change as well as to issues of social inclusion and the development of communities”	The bank’s approach to sustainable efforts is driven by external expectations: “Civil society these days expects large companies to play an active role in researching and designing eco-friendly and inclusive solutions”
	Top-down approach to a pro-social business model	The bank centers sustainability issues in a CSR related department or committee: “CORPORATE GOVERNANCE, ETHICS, NOMINATIONS AND CSR COMMITTEE: Monitoring CSR issues (Group’s contribution to economic and sustainable development)”	The bank centers sustainability issues in a CSR related department or committee: “Corporate Governance, Ethics, Appointments and CSR Committee The Committee is tasked with monitoring corporate governance issues. Its role is to help the Board of Directors to adapt corporate governance practices within BNP Paribas and to assess its functioning. It also examines all questions related to CSR policy and professional ethics”	The bank centers sustainability issues in a CSR related department or committee: “Corporate governance, ethics, Appointments and CSR Committee The Committee is tasked with monitoring corporate governance issues. Its role is to help the Board of Directors to adapt corporate governance practices within BNP Paribas and to assess its functioning. It also examines all questions related to CSR policy and professional ethics.”
		The board is directly involved in sustainability matters: “The Board of Directors is resolved to enshrine this engagement in the Group’s decision-making, and examples in 2017 included increasing funding for social businesses.”	The board is directly involved in sustainability matters: “guarantor of the Group’s vision, the BNP Paribas Board of Directors determines its strategic direction and oversees its implementation by Executive Management. It seeks to promote long-term value creation by BNP Paribas in the framework of the social and environmental challenges facing the Group.”	The board is directly involved in sustainability matters: “The Board of Directors and Executive Management are the main governing bodies of BNP Paribas. In a profoundly changing environment, they direct the Group’s strategy towards a goal of sustainable growth. It seeks to promote long-term value creation by BNP Paribas in the framework of the social and environmental challenges facing the Group.”
		No evidence of inclusion of sustainability related competencies as core.	The bank recognizes sustainability as a core competency in corporate governance: “Its 14 members, who have a variety of profiles and experience, bring to the Group their expertise in banking and financial matters, digital transformation and CSR (corporate social responsibility) policy, in addition to an international vision.”	The bank recognizes sustainability as a core competency in corporate governance: “The Board’s members, whose profiles and experience are varied, bring their expertise in banking and finance, risk management, digital transformation and CSR (Corporate Social Responsibility)”

Appendix 12.3- Trajectory Analysis: Citi Group.

Themes		2017	2018	2019
Embeddedness of prosocial mindset in business practices		The bank foregoes the infusion of capital in certain forms of coal production and verifies clients' compliance with the human rights: "Coal mining is one industry affected by the shift away from fossil fuels and toward low-carbon solutions. In 2016, we updated our Coal Mining Standard to include additional due diligence, and implementing this policy remained a focus"	The bank foregoes the infusion of capital in certain forms of coal production and verifies clients' compliance with the human rights: "We also formalized a policy commitment restricting financing for the construction or expansion of coal-fired power plants"	The bank foregoes the infusion of capital in certain forms of coal production and verifies clients' compliance with the human rights: "Integrating climate risk further into Citi's risk management approach; reviewing and updating our ESRM Policy, including Sector Standards, to ensure that our engagements with client sectors are guided by specific requirements for higher-risk sector"
		The bank engages in microfinance: "Leveraging cross-sector partnerships and innovative approaches, Citi invests in microfinance and technology solutions that focus on reaching underserved markets around the world"	The bank engages in microfinance: "By leveraging cross-sector partnerships and innovative approaches, Citi invests in microfinance and technology solutions in underserved markets around the world."	The bank engages in microfinance: "Citi has also partnered with the U.S. International Development Finance Corporation to expand microfinance loans to women in emerging markets around the world"
		The bank is increasingly incorporating niche financial products: "Thematic bonds — such as green, social and sustainability bonds — provide a way for investors to see yields, while also contributing to positive social and environmental solutions. Thematic bonds continue to evolve to address new needs and issues, and Citi is working closely with clients and partners on new products."	The bank is increasingly incorporating niche financial products: Many investors are looking for returns beyond profit, and Citi offers products that deliver on this intent. Thematic bonds — such as green, social and sustain-ability bonds — provide a way for investors to see yields	The bank is increasingly incorporating niche financial products: "In 2019, the Italian utility Enel, a leader in the renewable energy space with an ambitious decarbonization strategy, launched the world's first general purpose bond linked to the Sustainable Development Goals. This transaction is significant as the first general corporate purposes bond to be linked to sustainability performance indicators."
		The bank's approach is centered in responsible financing and risk management: At Citi, the financing decisions we make, and our assessment and management of environmental and social risks, are integral to acting responsibly as we enable growth and economic progress.	The bank is actively promoting growth and progress through its core business: Our core businesses, and the financial innovation that is inspired by our drive to serve clients and solve society's greatest challenges,	The bank is actively promoting growth and progress through its core business: Citi is committed to developing financial solutions that are safe, transparent and accessible — ones that provide real economic value, including for those whose financial needs are currently unmet; we also use philanthropy and the time and talent of our employees to catalyze innovations for customers and communities in a way that can be brought to scale.; The bank is prepared to accept lower margins or higher risks to stimulate certain prosocial activities: "What if a company could tie its interest rate to achievement of its sustainability goals, directly connecting financial success to positive environ-mental and social performance?"
Bank as catalyser for change inside and outside the sector		• No evidence of social innovation within the bank.	The bank is actively looking for financial innovations to address social problems or find solutions within its teams: "Our core businesses, and the financial innovation that is inspired by our drive to serve clients and solve society's greatest challenges, is fundamental to our mission to enable growth and progress."	The bank is actively looking for financial innovations to address social problems or find solutions within its teams: "Citi is committed to developing financial solutions that are safe, transparent and accessible — ones that provide real economic value, including for those whose financial needs are currently unmet; we also use philanthropy and the time and talent of our employees to catalyze innovations for customers and communities in a way that can be brought to scale."
		• No evidence of social innovation efforts within broader networks.	• No evidence of social innovation efforts within broader networks.	The bank is actively looking for financial innovations to address social problems or find solutions within broader networks: "In 2019, Citi joined with the UN and other business leaders to create the Global Investors for Sustainable Development (GISD) Alliance, which promises to do more to address the multitrillion-dollar shortfall in funding for the UN's goals. The 30 members have committed to scale up our collective efforts to align our businesses with the goals and to remove barriers to finance. The GISD Alliance will operate on a two-year timeline, from October 2019 through October 2021, focusing on solutions related to long-term SDG investment, particularly in developing countries."
		The bank has a platform to foster open innovation and social innovations to tackle global challenges: "The Citi Foundation and the United Nations Development Programme (UNDP) have partnered to launch Youth Co:Lab, which empowers young people to lead through entrepreneur-ship and social innovation. Youth Co:Lab includes a series of National Dialogues and Social Innovation Challenges across the Asia-Pacific region."	The bank has a platform to foster open innovation and social innovations to tackle global challenges: "Citi and the Citi Foundation support a variety of philanthropic causes and, wherever possible, develop partnerships with community organizations that allow us to catalyze change through innovative and efficient solutions; In late 2017, the Citi Foundation partnered with the UN Development Programme to launch Youth Co:Lab, which harnesses youth leadership, entrepreneurship and innovation to tackle social challenges and unemployment in Asia, where about half of the world's unemployed young people live.; To meet these needs, we help our clients achieve their sustainability goals while supporting an overall stronger and more sustainable global economy."	The bank has a platform to foster open innovation and social innovations to tackle global challenges: "The bank has a platform to foster open innovation and social innovations to tackle global challenges: "The bank has a platform to foster open innovation and social innovations to tackle global challenges: "The Citi Foundation and the United Nations Development Programme (UNDP) have partnered to launch Youth Co:Lab, which empowers young people to lead through entrepreneur-ship and social innovation. Youth Co:Lab includes a series of National Dialogues and Social Innovation Challenges across the Asia-Pacific region."
		• No evidence of learning process regarding sustainability.	• No evidence of learning process regarding sustainability.	The bank is addressing ideas and engaging in learning processes that are not viable from a purely commercial perspective at the outset: "This area of work proved to be an ongoing education for us. where we learned as we went and consistently challenged ourselves to dig deeper."
		• No evidence of the ambition to be a thought leader.	• No evidence of the ambition to be a thought leader.	The bank aims to be a thought leader in sustainability : "Citi GPS, our premiere thought leadership product designed to help navigate the economy's most demanding challenges, uses the SDGs among other global reference points to inform strategic insight on topics such as single-use plastics and the transition to more responsible production and consumption of plastics and other packaging materials"
		• No evidence of a sense of advocacy.	• No evidence of a sense of advocacy.	The bank positions itself as an advocate for change at state level: "Success also requires setting public policy priorities and building the industry"
		• No sense of a sense of stewardship.	• No sense of a sense of stewardship.	The bank positions itself as steward of social change in the banking sector: "using our corporate voice to engage in dialogue around the most pressing issues and reporting transparently about our own progress. ; We have worked to move not only Citi, but the whole financial sector, forward."
		• The bank actively engages with broader stakeholders to meet their expectations.	The bank actively engages with broader stakeholders to understand their societal challenges: "To successfully meet the expectations of	The bank actively engages with broader stakeholders to understand their societal challenges: "We are committed to improving not only our reporting efforts but also the way

Intensity

Relative importance	society/banking system		our stakeholders, especially as the scope and pace of disclosure evolves, we need to both communicate what we are doing and engage in dialogue to understand what more can be done. We are committed to improving not only our reporting efforts but also the way in which we engage stakeholders in all of our activities. By doing so, we increase our involvement in creating solutions to some of the world's most complex and pressing challenges."	in which we engage stakeholders in all of our activities. By doing so, we increase our involvement in creating solutions to some of the world's most complex and pressing challenges"
		The bank recognizes its strategic role in society: "SDGs are on the order of \$5 trillion to \$7 trillion per year. Because access to financing will be key, we recognize that Citi has an important role to play in helping to finance the SDGs."	The bank recognizes its strategic role in society: "Given our global footprint and our role in financing economies around the world, Citi has an important role to play in helping to finance the UN Sustainable Development Goals (SDGs)"	The bank recognizes its strategic role in society: "Citi has the scale and capabilities to finance and support the institutions — governments, corporations, nonprofits and aid organizations — that can contribute to the future that we want and the future that our communities deserve."
		• No evidence of the bank as a problema solver.	The bank positions itself as a problem solver: "Through our corporate citizenship efforts, we aim to be engaged community problem solvers working to address some of society's greatest challenges, an imperative stated in our mission"	The bank positions itself as a problem solver: "Through our business, we address some of society's greatest challenges — an imperative stated in our mission and an idea that shapes our decisions every day."
		• No evidence of interbank cooperation.	• No evidence of interbank cooperation.	The bank establishes collaborations with other banks to accelerate change: "We seek out innovative partnerships with financial institutions, telecommunications and fintech providers, government agencies, consumer goods companies and others that have close relationships with the unbanked and the underserved segments of society."
		• No evidence of the bank caring or monitoring the impact of business on society.	• No evidence of the bank caring or monitoring the impact of business on society.	The bank cares and monitors the impact it has on society: "When we first developed our goal, we felt it was important to try to measure and understand the impact — for our clients and the communities where we do business."
	Social Good as a Deeper Purpose	• No evidence of a social sense of purpose.	• No evidence of a social sense of purpose.	The bank raises social contribution to its purpose: "The Mission and Value Proposition at the front of this report describes not just what we do but how and why we do it."
	Building a pro-social common identity	The bank provides training in incorporating social and environmental criteria in risk management: "Each year, we train key risk and banking personnel on our ESRM Policy, including in-depth discussions on environmental and social risks relevant to certain regions and sectors, Equator Principles implementation and Citi Sector Standards. The training also includes emerging risks and guidance to help employees recognize environmental and social risk in transactions — ranging from climate change risks to human rights risks to labor concerns and more."	The bank provides training in incorporating social and environmental criteria in risk management: "Each year, we train key risk and banking personnel on our ESRM Policy, including in-depth discussions on environmental and social risks relevant to certain regions and sectors, Equator Principles implementation and Citi Sector Standards. The training also includes emerging risks and guidance to help employees recognize environmental and social risk in transactions — ranging from climate change risks to human rights risks to labor concerns and more."	The bank offers training in responsible lending: "Important regional insights that improve our ability to make responsible lending decisions."
				The bank provides training in incorporating social and environmental criteria in risk management: Each year, we train key risk and banking personnel on our ESRM Policy. Topics include environmental and social risks relevant to certain regions and sectors, EP implementation and Citi's Sector Standard
	Strategic Integrated Thinking	• No evidence of any social indicators.	The bank uses the SDGs as a reference indicator : "We have also taken the UN Sustainable Development Goals as guideposts and inspirations to continue to do more — as much as we can. We believe we have a role to play across all 17 goals, but can drive the greatest impact on seven: Gender Equality; Affordable and Clean Energy; Decent Work and Economic Growth; Industry Innovation and Infrastructure; Sustainable Cities and Communities; Climate Action and last but not least, Partnerships for the Goals"	The bank uses the SDGs as a reference indicator "Citi GPS, our premiere thought leadership product designed to help navigate the economy's most demanding challenges, uses the SDGs among other global reference points to inform strategic insight on topics such as single-use plastics and the transition to more responsible production and consumption of plastics and other packaging materials"
		The bank measures success in financial aspects: "Our overriding goal is to combine the positive impact of an improving macroeconomic environment with even stronger business performance to consistently deliver higher returns on capital and increased return of capital to our shareholders through 2020 and beyond."	The bank measures success in financial aspects: "2018 was a year of steady and meaningful progress for Citi toward the overarching goal we laid out at our Investor Day in 2017: to improve the returns we generate on shareholders' capital through 2020 and beyond"	The bank measures success in financial and social aspects in equal terms: "I have never felt better about our financial strength and competitive position, as measured by all the relevant metrics: revenues, returns, income and capital. I have also never felt better or more confident about who we are, what we stand for, and the lasting value of the many things we do for our clients, our communities, our shareholders, our people and all of our stakeholders worldwide."
Social impact and contribution is seen as a peripheral aspect not embedded into the strategy: "A firm of our size and scale achieves great and big things when we put our mind to it — but my colleagues also positively impact the lives of many in small but meaningful ways each day."		The bank's strategy is built around social issues: "Through our corporate citizenship efforts, we aim to be engaged community problem solvers working to address some of society's greatest challenges, an imperative stated in our mission."	The bank's strategy is built around social issues: "Through our business, we address some of society's greatest challenges — an imperative stated in our mission and an idea that shapes our decisions every day" The bank shows intention to align social and financial returns: "The financial results we reported and the positive economic and social impact that we and our model have on our clients and communities have never been more closely connected"	
The bank takes into account financial and non-financial criteria, such as social contributions, in measuring success: "And it is going to come from being seen as an indisputably strong and stable company that takes as much justifiable pride in the positive impacts we have on society as in our financial achievements."		The bank takes into account financial and non-financial criteria, such as social contributions, in measuring success: "We recognize that the real-world impacts of these investments are a crucial measure of success — for Citi, our clients and our communities."	The bank takes into account financial and non-financial criteria, such as social contributions, in measuring success: "We recognize that the real-world impacts of our financing and lending activities are a crucial measure of success; I have never felt better about our financial strength and competitive position, as measured by all the relevant metrics: revenues, returns, income and capital. I have also never felt better or more confident about."	
Motivations behind addressing societal challenges	The bank is driven by strategic performance: "Responsible business practices are not only the backbone of our company's success, they are also imperative to protecting the broader financial system and the communities in which we live and work. ;our goal is always to earn our customers' trust through responsible, ethical activities and outcomes"	• No evidence of the bank's motivations.	The bank takes into account financial and non-financial criteria, such as social contributions, in measuring success: "We are guided by a commitment to drive positive social and environmental impact through our products and services and our work with clients."	
Top-down approach to a pro-social business model	Sustainability matters are managed by the responsible for the bank's foundation: "At the senior executive level, corporate citizenship at Citi is led by the Director of Corporate Citizenship and President of the Citi Foundation	Sustainability matters are managed by the responsible for the bank's foundation: "At the senior executive level, corporate citizenship at Citi is led by the Head of Corporate Citizenship and President of the Citi Foundation, who provides progress reports to the Nomination, Governance and Public Affairs Committee at least annually on issues, trends and	The bank created a CSO position: "Citi's Sustainability & ESG team, led by our Chief Sustainability Officer (CSO), works in partnership with our businesses to lead and implement our ambitious sustainability efforts globally, as well"	

		results pertaining to some of the company's most important citizenship and sustainability issues"	
	The bank has an advisory board on sustainability matters: "Citi has an Environmental and Social Advisory Council that provides guidance on environmental and social issues related to global business activities, including advising on the Sustainable Progress Strategy. The council is chaired by senior executives in our Institutional Clients Group and includes executives from Banking, Risk, Public Affairs, Operations, Corporate Sustainability, and Environmental and Social Risk Management (ESRM)"	The bank has an advisory board on sustainability matters: "Citi has an Environmental and Social Advisory Council that provides guidance on environmental and social issues related to global business activities, including advising on the Sustainable Progress Strategy"	The bank has an advisory board on sustainability matters: "Our Global Sustainability Steering Committee provides guidance on environmental and social issues related to global business activities. The committee is chaired by the CSO and a senior executive in our Institutional Clients Group and includes executives from Banking, Risk, Public Affairs, Operations and Technology, and ESRM"
	The bank acts on sustainability matters via board level committees focused on the firm's conduct, values, reputation and public responsibilities: "As noted on the previous page, the Nomination, Governance and Public Affairs Committee of the Board of Directors oversees our citizenship activities."	The bank acts on sustainability matters via board level committees focused on the firm's conduct, values, reputation and public responsibilities: "As noted previously, the Nomination, Governance and Public Affairs Committee of the Board of Directors oversees our citizenship activities. This committee's responsibilities include reviewing our policies and programs for sustainability, climate change, human rights and other material citizenship issues, as well as advising on engagement with external stakeholders".	The bank creates a team in charge exclusively of sustainability management who reports directly to the executive board: "Citi's Sustainability & ESG team, led by our Chief Sustainability Officer (CSO), works in partnership with our businesses to lead and implement our ambitious sustainability efforts globally, as well as our work to ensure that the human rights of our employees, suppliers and those affected by the projects we finance are respected. Our Global Sustainability Steering Committee provides guidance on environmental and social issues related to global business activities. The committee is chaired by the CSO and a senior executive in our Institutional Clients Group and includes executives from Banking, Risk, Public Affairs, Operations and Technology, and ESRM".

Appendix 12.4- Trajectory Analysis: Crédit Agricole.

Themes		2017	2018	2019
Intensity	Embeddedness of prosocial mindset in business practices	<ul style="list-style-type: none"> No evidence of social and environmentally based exclusion criteria. 	<ul style="list-style-type: none"> No evidence of social and environmentally based exclusion criteria. 	<p>The bank foregoes the infusion of capital into certain forms of coal production and verifies client's compliance with the human rights: "Crédit Agricole was the world's first commercial bank to announce the exit from thermal coal financing in 2030 in the EU and the OECD and in 2040 in the rest of the world."</p>
		<p>The bank recognizes the business and financial risks associated to climate change and wider societal problems: "Incorporating ESG risk in the economic analysis of corporate financing"</p>	<p>The bank recognizes the business and financial risks associated to climate change and wider societal problems: "In addition to ESG risks, the Group has been gradually integrating risks more specifically related to the effects of climate change since 2016."</p>	<p>The bank adopts a scenario analysis and forward looking data to assess the longer term risks: "sensitivity to climate risks is assessed through four scenarios".</p>
		<p>The bank is increasingly incorporating niche financial products: "also a leader in socially responsible investing, a pioneer in low carbon investing and a world leader in green bonds"</p>	<p>The bank is increasingly incorporating niche financial products: "World's leading bookrunner for green bond issues Green bonds"</p>	<p>The bank is increasingly incorporating niche financial products: "In 2019, CACIB structured €42.9bn of Green bonds and innovated by participating in the issuance of the very first Sustainability Linked Bond for Enel."</p> <ul style="list-style-type: none"> The bank puts social added value as prerequisite to banking activities.
		<ul style="list-style-type: none"> No evidence of greater care for vulnerable cases. 	<p>The bank shows greater care for vulnerability: "A loyal bank that believes in transparency and straightforward explanations and that promotes financial inclusion by offering the products and services that people need at an affordable cost; It is also designed to offer customers in fragile situations entry-level products, solutions tailored to their needs and assistance in planning for unexpected setbacks; help build a more inclusive society"</p>	<p>The bank shows greater care for vulnerability: "The Group wishes to strengthen its cooperative footprint by consolidating the "living together" aspect of the regions and promoting solidarity and inclusive actions"</p>
		<ul style="list-style-type: none"> No evidence of the ambition to be sustainable across all activities. 	<ul style="list-style-type: none"> No evidence of the ambition to be sustainable across all activities. 	<p>The bank aims to make all its activities sustainable: "Crédit Agricole Group, with the will to inscribe its societal utility natively in all of its activities."</p>
Intensity	Bank as catalyser for change inside and outside the sector	<p>The bank is actively looking for financial innovations to find solutions for specific problems within a broad network.</p> <p>The bank focuses on acting responsibly: "CSR sector policies, for instance, provide a tangible example of our responsible and practical approach"</p>	<ul style="list-style-type: none"> No evidence of social innovation. <p>The bank as a partner for sustainability transitions: "we want to support the environmental transitions needed to fight against climate change; we will continue to support all our customers in transitioning to a low-carbon economy aligned with the Paris Agreement's goal of keeping global warming below 2°C"</p>	<ul style="list-style-type: none"> No evidence of social innovation. <p>The bank as a partner for sustainability transitions: "Accompanying the energy transition and monitoring the impacts of our financing combine corporate and environmental interest"</p> <p>The bank as a promoter of an impact-based economy : "Developing new forms of social and environmental impact companies"</p>
		<ul style="list-style-type: none"> No evidence of group-wide coordination on social issues. 	<ul style="list-style-type: none"> No evidence of group-wide coordination on social issues. 	<p>The bank created a group-wide climate change strategy: "In order to strengthen its action and commitments to the energy transition, in 2019 Crédit Agricole adopted a proactive Group climate strategy, aligned with the Paris Agreement, applied by all its entities, which allows for a gradual reallocation of its financing, investment and managed assets portfolios for the benefit of the energy transition."</p>
		<ul style="list-style-type: none"> No evidence of the bank as an advocate for change. 	<ul style="list-style-type: none"> No evidence of the bank as an advocate for change. 	<p>The bank is an advocate for change at state and societal levels: "Promoting green and responsible investment policies"</p>
		<ul style="list-style-type: none"> No evidence of viewing relationship with society as social contract. 	<p>The bank refers to the social contract with society : "Our values .. call on us to support the social contract that unites us all"</p>	<p>The bank refers to the social contract with society: "This crisis is a warning, we must draw the consequences of it, collectively"</p>
Intensity	Positioning of the bank in society/banking system	<p>The bank actively engages with broader stakeholders to understand societal challenges : "A CSR survey is conducted among stakeholders each year to re-evaluate these challenges"</p>	<p>The bank actively engages with broader stakeholders to understand societal challenges: "A CSR survey is conducted among stakeholders each year to re-evaluate these challenges"</p>	<p>The bank actively engages with broader stakeholders to understand societal challenges: "Through regular dialogue and at all levels with stakeholders, Crédit Agricole listens to their expectations to provide value-creating responses.; A CSR survey is conducted among stakeholders each year to re-evaluate these challenges"</p>
		<p>The bank approaches the societal/sustainable issues through a risk/opportunity lens: "Environmental and social factors and shared value have been an integral part of the Group's strategic vision since 2010. This focus was reconfirmed in the Strategic Ambition 2020 Plan"</p>	<p>The bank approaches the societal/sustainable issues through a risk/opportunity lens: "Given its role in customers' daily lives and projects, Crédit Agricole is mindful of its responsibility towards them, as well as towards society as a whole. For this reason, it ensures that the value created is shared in a fair and sustainable manner with customers, mutual shareholders, shareholders, employees and partners. The Group's unwavering commitment to Corporate Social Responsibility (CSR) informs its strategic vision."</p>	<p>The bank aims to foster positive societal impact and advance change in all business lines and activities motivated by its ambition and sense of responsibility: "All of our business lines and activities must foster positive evolutions on the societal front, and contribute to improve the environment. Responsibility is no longer added but incorporated into the business lines; An ambitious new joint project based on three pillars of development. Our ambition is to be useful to all, which is why we put human responsibility, commitment to society, and excellence in customer relations at the heart of our model"</p>

Relative Importance		<ul style="list-style-type: none"> The bank focuses on the impact on financial risks and not the impact of the bank in society and environment 	<ul style="list-style-type: none"> The bank focuses on the impact on financial risks and not the impact of the bank in society and environment 	<p>The bank recognizes monitoring the impact it has on society and not just the impact of changes in financial risk: "Accompanying the energy transition and monitoring the impacts of our financing combine corporate and environmental interest."</p>
	Social Good as a Deeper Purpose	<ul style="list-style-type: none"> No evidence of a social sense of purpose. 	<p>The bank expresses a sense of purpose connected to its role in addressing social challenges: "We want to give real meaning to our activities and to the way we define our usefulness to society in our relationships with all our stakeholders."</p>	<p>The bank expresses a sense of purpose connected to its role in addressing social challenges: Among the highlights of Crédit Agricole Group in 2019, one exceeds the others by its strength and scope: it is the expression of a Raison d'Être, not statutory, but that commits us both internally and with respect to our stakeholders.</p> <p>The bank raises societal contribution to its raison d'être: Much more than a roadmap, our Raison d'Être, unveiled last June, expresses the true meaning of our activities.</p>
	Building a pro-social common identity	<p>The bank refers to building a corporate culture around risk and compliance: "Crédit Agricole is the leading financial partner to the French economy, supporting all customers in their personal and professional projects. Guided by a culture of prudence, the Group has developed a comprehensive framework for managing the risks related to its business activities."</p>	<p>The bank follows a culture of compliance and risk management: "Crédit Agricole is the leading financial partner to the French economy, supporting all customers in their personal and professional projects. Guided by a culture of prudence, the Group has developed a comprehensive framework for managing the risks related to its business activities."</p>	<p>The bank follows a culture of compliance and risk management: "Crédit Agricole is the number one provider of financing in the French economy. It supports all of its customers in their personal and professional projects. Guided by a culture of prudence, the Group has developed a comprehensive framework for managing the risks related to its business activities."</p>
	Strategic Integrated Thinking	<ul style="list-style-type: none"> No evidence of the ambition to align social and financial returns. 	<ul style="list-style-type: none"> No evidence of the ambition to align social and financial returns. 	<ul style="list-style-type: none"> The bank aims to align financial and social returns.
		<ul style="list-style-type: none"> No evidence of a purpose or social issues driven strategy. 	<ul style="list-style-type: none"> The bank's strategy is built based on broader stakeholder's concerns on societal issues. 	<p>The bank's strategy is built based on broader stakeholder's concerns on societal issues: "Our ambition is to be useful to all, which is why we put human responsibility, commitment to society, and excellence in customer relations at the heart of our model"; "All of these changes challenge the trajectories of the banking industry and lead us to respond to new challenges."</p>
		<ul style="list-style-type: none"> No evidence of using a strategic time frame adjusted to main societal commitments. 	<ul style="list-style-type: none"> No evidence of using a strategic time frame adjusted to main societal commitments. 	<p>The bank uses the time frame of social and environmental commitments as guidance for strategic decision: "Although the Group Project does not fit into a defined timetable, we can nevertheless assess its relevance at different times: in the assessment that will be carried out for the 2022 Medium-Term Plan, and later at more distant times, in 2030, in particular, which is the time frame of many environmental and societal commitments made at national and international levels."</p>
		<ul style="list-style-type: none"> No evidence of integrated responsibility. 	<ul style="list-style-type: none"> No evidence of integrated responsibility. 	<ul style="list-style-type: none"> The bank recognizes the challenge to move from added to integrated responsibility: "Responsibility, is no longer added but incorporated into the business lines"
		<p>The bank refers to the SDGs: "The findings, along with the UN Sustainable Development Goals (SDG) roadmap, are used to adjust the Group's CSR strategy and priorities on a regular basis."</p>	<p>The bank refers to the SDGs: "The findings, along with the UN Sustainable Development Goals (SDG) roadmap, are used to adjust the Group's CSR strategy and priorities on a regular basis."</p>	<p>The bank refers to the SDGs: "The findings, along with the UN Sustainable Development Goals (SDG) roadmap, are used to adjust the Group's CSR strategy and priorities on a regular basis."</p>
		<p>The bank does not include sustainability criteria in remuneration schemes.</p>	<p>The bank's performance conditions for deferred variable compensation include criteria related to societal and responsible performance: "Part of the individual variable compensation awarded to the Chief Executive Officer and Deputy Chief Executive Officer is deferred. This portion will vest subject to the fulfilment of performance conditions and to the executive's continued presence within the Group."</p>	<p>The bank's performance conditions for deferred variable compensation include criteria related to societal and responsible performance: "Crédit Agricole S.A. has defined a responsible reward policy that promotes the Group's values and is based on fair and consistent treatment of all employees. It is at the service of its Raison d'Être, the Group Project and the 2022 Medium-Term Plan, and in particular its Human-centric Project.; Variable compensation is directly related to the annual performance and implementation of the three pillars of the 2022 MTP: Customer, Human-centric and Societal Projects."</p>
		<p>The bank raises sustainability matters to business targets: n/a</p>	<p>The bank raises sustainability matters to business targets: n/a</p>	<p>The bank raises sustainability matters to business targets: n/a</p>
Motivations behind addressing societal challenges	<p>The bank is by strategic performance: "As you noted, we are operating in an ever more competitive environment shaped by higher and higher expectations from society as a whole. We are working to understand all of the changes occurring today to develop our strategy and make Crédit Agricole a useful bank.;Being a trusted third party is a real strength in this situation that will help us retain existing customers and win new ones."</p>	<p>The bank is not driven by regulations or the market but rather the vision regarding the environment, the organizational goal and the role it wants to play in society: "We want to give real meaning to our activities and to the way we define our usefulness to society in our relationships with all our stakeholder."</p>	<p>The bank is not driven by regulations or the market but rather the vision regarding the environment, the organizational goal and the role it wants to play in society: "Our ambition is to be useful to all, which is why we put human responsibility, commitment to society, and excellence in customer relations at the heart of our model."</p>	
Top-down approach to a pro-social business model	<p>The bank integrates CSR into the strategy committee: "STRATEGY AND CSR COMMITTEE enhances the Group's strategic thinking on growth, investments and CSR. Issues opinions on proposed strategic acquisitions or investments."</p>	<p>The bank integrates CSR into the strategy committee: "The decision to include CSR in the scope of the Board of Directors' Strategy and CSR Committee, reflecting Crédit Agricole S.A.'s determination to meet the new shared value challenges of its universal banking business and its Board's direct involvement in this issue."</p>	<p>The bank integrates CSR into the strategy committee: "STRATEGY AND CSR COMMITTEE Enhances the Group's strategic thinking on growth, investments and CSR."</p> <p>The bank created a committee dedicated to social matters: "the Group has established a Societal Project Committee consisting of 12 senior executives from all the entities of Crédit Agricole Group and two operational committees to guide its recommendations"</p>	
	<p>The bank has a comprehensive strategy with board level engagement: "The Board of Directors is increasingly involved in this aspect, notably through its Strategy and CSR Committee."</p>	<p>The bank has a comprehensive strategy with board level engagement: "The Board of Directors, through the Strategy and CSR Committee, has been involved in preparing the integrated report and working on the issue of integrated strategy for many years."</p>	<p>The bank has a comprehensive strategy with board level engagement: "The Board of Directors is involved in the implementation of this integrated strategy, including through the work of the Strategy and CSR Committee."</p>	
	<p>The bank recognizes sustainability as a core competency in corporate governance: "Through its collective intelligence, Crédit Agricole S.A.'s Board of Directors brings together...recognised experts in governance and social responsibility issues."</p>	<p>The bank recognizes sustainability as a core competency in corporate governance: "Through its collective intelligence, Crédit Agricole S.A.'s Board of Directors brings together...recognised experts in governance and social responsibility issues."</p>	<p>The bank recognizes sustainability as a core competency in corporate governance: "Through its collective intelligence, Crédit Agricole S.A.'s Board of Directors brings together...recognised experts in governance and social responsibility issues."</p>	

Appendix 12.5- Trajectory Analysis: Credit Suisse.

Themes		2017	2018	2019
Embeddedness of prosocial mindset in business practices	The bank does not apply any substantial and objective exclusion criteria to lending and investment policies.	The bank foregoes the infusion of capital into certain forms of coal production and verifies client's compliance with the human rights: "Our policies and guidelines also describe business areas and operational processes that Credit Suisse will not finance."	The bank foregoes the infusion of capital into certain forms of coal production and verifies client's compliance with the human rights: "Our policies and guidelines also describe business areas and operational processes that Credit Suisse will not finance."	The bank foregoes the infusion of capital into certain forms of coal production and verifies client's compliance with the human rights: "We would cease to provide any form of financing specifically related to the development of new coal-fired power plants. ; Systematic avoidance of exposure to controversial business areas or unethical behavior"
	The bank's social offerings focus on impact investing opportunities: "Credit Suisse also facilitates projects and initiatives that are designed to generate a positive economic and social impact; Through impact investing, we give clients access to alternative investments that not only generate a financial return but also produce a positive social and/or environmental impact – including in the areas of financial inclusion and education."	• The bank's social offerings focus on impact investing opportunities: "Through impact investing, we give clients access to alternative investments that not only generate a financial return but also produce a positive social and/or environmental impact – including in the areas of financial inclusion and education."	• The bank's social offerings focus on impact investing opportunities: "Through impact investing, we give clients access to alternative investments that not only generate a financial return but also produce a positive social and/or environmental impact – including in the areas of financial inclusion and education."	• The bank's social offerings focus on impact investing opportunities: "Through impact investing, we give clients access to alternative investments that not only generate a financial return but also produce a positive social and/or environmental impact – including in the areas of financial inclusion and education."
	• The bank engages in microfinance: "2017 marked the 15th anniversary of microfinance and impact investing at Credit Suisse, a field in which the bank has long been a pioneer."	• The bank engages in microfinance: "Credit Suisse is a leader in the field of financial inclusion and microfinance and, at end-2018, had around USD 2.6 billion of assets under administration ¹ used for the financing of microfinance institutions."	• The bank engages in microfinance: "Credit Suisse is a leader in the field of financial inclusion and microfinance and, at end-2018, had around USD 2.6 billion of assets under administration ¹ used for the financing of microfinance institutions."	• The bank engages in microfinance: "Credit Suisse has been a leader in the field of financial inclusion and microfinance since 2004, pioneering new funds and products, as well as IPOs and bond issuances to finance microfinance institutions. In addition to capital, microfinance institutions and fintechs also need talent and know-how to be able to scale up their activities responsibly with diverse products and services."
	• The bank is looking for profitable, social and environmentally sound opportunities in the market: "...which aims to facilitate projects and initiatives that have a positive economic and social impact as well as generating a financial return."	• The bank is looking for profitable, social and environmentally sound opportunities in the market: "...facilitate investable projects and initiatives that have a positive economic and social impact while focusing primarily on generating a financial return for clients"; "Reflecting our efforts to expand sustainable investing opportunities that generate a financial return for investors"	• The bank is looking for profitable, social and environmentally sound opportunities in the market: "...facilitate investable projects and initiatives that have a positive economic and social impact while focusing primarily on generating a financial return for clients"; "Reflecting our efforts to expand sustainable investing opportunities that generate a financial return for investors"	• The bank is looking for profitable, social and environmentally sound opportunities in the market: "Its remit covers sustainable as well as SDG-oriented thematic and impact investments where the focus is on generating a financial return."; "We design solutions that aim to generate market rate or higher returns, by adding ESG factors to allow for better-informed investment decisions..."
	The bank recognizes the business and financial risks associated to climate change and wider societal problems: "We also take sustainability issues into account as an integral part of our risk review process..." • No evidence of a greater care for vulnerability.	• The bank recognizes the business and financial risks associated to climate change and wider societal problems: "We also take sustainability issues into account as an integral part of our risk review process..." • No evidence of a greater care for vulnerability.	• The bank recognizes the business and financial risks associated to climate change and wider societal problems: "We also take sustainability issues into account as an integral part of our risk review process..." • No evidence of a greater care for vulnerability.	• The bank recognizes the business and financial risks associated to climate change and wider societal problems: "We also take sustainability issues into account as an integral part of our risk review process..." • The bank shows greater care for vulnerability: "We structure investments that are designed to provide economically disadvantaged people – especially those in developing countries – with access to financial services..."
Bank as catalyser for change inside and outside the sector	• No evidence of ambition to provide broader sustainable finance instruments.	• No evidence of ambition to provide broader sustainable finance instruments.	• No evidence of ambition to provide broader sustainable finance instruments.	• The bank shows ambition to actively provide sustainable finance instruments to solve social challenges: "Second, we endeavor to focus on delivering sustainable finance solutions that help our clients achieve their goals and contribute to the realization of the UN Sustainable Development Goals (SDGs)."
	• No evidence of the bank as a supporter of sustainability transitions.	• No evidence of the bank as a supporter of sustainability transitions.	• No evidence of the bank as a supporter of sustainability transitions.	• The bank aims to support sustainability transitions of clients: "we strive to lead the way in supporting clients as they adapt their business models and join the transition to a more sustainable economic system; More broadly, Credit Suisse is focused on accelerating capital for innovation and sustainable solutions across traditional industries."
	• The bank is advancing knowledge on sustainability related matters: "Throughout 2017, we conducted sustainability-related research across our divisions."	• The bank is advancing knowledge on sustainability related matters: "Throughout 2018, we conducted sustainability-related research across our divisions."	• The bank is advancing knowledge on sustainability related matters: "Throughout 2018, we conducted sustainability-related research across our divisions."	• The bank is advancing knowledge on sustainability related matters: "Throughout 2019, we conducted sustainability-related research across our divisions; Credit Suisse also addresses ESG topics through thematic research."
	• No evidence of interbank alliances.	• No evidence of interbank alliances.	• No evidence of interbank alliances.	• The bank established interbank collaborations to advance social change: "We are also working with other banks to develop methodologies to measure the alignment of credit portfolios with the Paris Agreement."
Positioning of the bank in society/banking system	• The bank actively engages with broader stakeholders to understand their concerns: "Credit Suisse considers it important to engage in discussions with various stakeholders – from clients, employees and investors to policymakers, legislators, regulators and representatives of the business community and society – in order to understand the issues that are important to them and to help find constructive solutions to current challenges."	• The bank actively engages with broader stakeholders to understand their concerns: "Credit Suisse engages in an ongoing dialogue with a range of stakeholders on sustainability issues."	• The bank actively engages with broader stakeholders to understand their concerns: "Credit Suisse considers it important to engage in discussions with various stakeholders – from clients, employees and investors to policymakers, legislators, regulators and representatives of the business community and society – in order to understand the issues that are important to them and to help find constructive solutions to current challenges."	• The bank actively engages with broader stakeholders to understand their concerns: "Credit Suisse considers it important to engage in discussions with various stakeholders – from clients, employees and investors to policymakers, legislators, regulators and representatives of the business community and society – in order to understand the issues that are important to them and to help find constructive solutions to current challenges."
	• The bank focuses on acting responsibly and in a compliant way: "We always strive to carry out all these activities in accordance with clear principles and values – particularly our commitment to operating responsibly and with integrity in the interests of our stakeholders. ²	• The bank focuses on acting responsibly and in a compliant way: "Our primary focus as a global bank is on running our business responsibly and successfully."	• The bank focuses on acting responsibly and in a compliant way: "Our primary focus as a global bank is on running our business responsibly and successfully."	• The bank focuses on acting responsibly and in a compliant way: "Our primary focus as a global bank is on running our business responsibly and successfully." • The bank's approach to sustainability is based on a risk-opportunity dichotomy: "The changing investment landscape presents new challenges and opportunities. It also reflects the long-term social trends that Credit Suisse has identified as global "Supertrends": angry societies; infrastructure; technology at the service of humans; the silver economy; millennials' values; and climate change.; as well as integrating broader societal trends into our products and services."
	The bank limits its role in society to its normal banking operations, not considering its wider role in addressing societal challenges: "...our primary function as a global bank is to be a reliable and professional partner to our clients around the world, offering them a range of financial products and services to meet their	The bank recognizes contribution to society as a second priority, after performance: "Throughout our restructuring, we remained acutely conscious of our purpose and role as a global financial services group. Banks play an integral role in the local, regional and global economies.; As banks, we have a duty to our communities and societies as our	The bank recognizes contribution to society as a second priority, after performance: "Throughout our restructuring, we remained acutely conscious of our purpose and role as a global financial services group. Banks play an integral role in the local, regional and global economies.; As banks, we have a duty to our communities and societies as our	• The bank recognizes a more active role in society as problem solver and catalyser for change: "We want to build a business model and financial offering that preserve social and natural capital for future generations, with the aim of being a net positive impact bank."

	<p>individual needs. In this context, Credit Suisse also performs functions that are viewed as systemically relevant, including deposit-taking and lending. We play an important role as a financial intermediary, bringing together borrowers and lenders of capital globally – from companies and public sector bodies to private individuals and institutions. We supply businesses with the capital resources they need to expand their activities and finance innovation, thus helping to drive economic growth and job creation. By assuming market and credit risks, banks make an important contribution to the efficient functioning of the economic system.”</p>	<p>businesses and activities are often intertwined, even deeply rooted, in the prosperity of others.”</p> <ul style="list-style-type: none"> • The bank limits its role in society to its normal banking operations, not considering its wider role in addressing societal challenges: “Our primary function as a global bank is to be a reliable and professional partner to our clients around the world, offering them a range of financial products and services to meet their individual needs. In this context, Credit Suisse also performs functions that are viewed as systemically relevant, including deposit-taking and lending. We play an important role as a financial intermediary, bringing together borrowers and lenders of capital globally – from companies and public sector bodies to private individuals and institutions. We supply businesses with the capital resources they need to expand their activities and finance innovation, thus helping to drive economic growth and job creation. By assuming market and credit risks, banks make an important contribution to the efficient functioning of the economic system.” 	<ul style="list-style-type: none"> • The bank limits its role in society to its normal banking operations, not considering its wider role in addressing societal challenges: “Our primary function as a global bank is to be a reliable and professional partner to our clients around the world, offering them a range of financial products and services to meet their individual needs. In this context, Credit Suisse also performs functions that are viewed as systemically relevant, including deposit-taking and lending. We play an important role as a financial intermediary, bringing together borrowers and lenders of capital globally – from companies and public sector bodies to private individuals and institutions. We supply businesses with the capital resources they need to expand their activities and finance innovation, thus helping to drive economic growth and job creation. By assuming market and credit risks, banks make an important contribution to the efficient functioning of the economic system.”
Social Good as a Deeper Purpose	<ul style="list-style-type: none"> • No evidence of a social sense of purpose. 	<ul style="list-style-type: none"> • No evidence of a social sense of purpose. 	<ul style="list-style-type: none"> • No evidence of a social sense of purpose.
Building a pro-social common identity	<ul style="list-style-type: none"> • The bank follows a culture of compliance and risk management: “We strive to operate responsibly and to exercise a high degree of risk awareness in all our business activities. As part of this commitment, all our employees globally and the members of our Board of Directors are obligated to adhere to Credit Suisse’s Code of Conduct. In addition, our Conduct and Ethics Standards are designed to ensure that people throughout Credit Suisse share the same understanding and expectations in terms of our culture and conduct. Appropriate risk-taking, ensuring sustainability and acting responsibly towards society are key elements of these standards.” 	<ul style="list-style-type: none"> • The bank follows a culture of compliance and risk management: “We strive to operate responsibly and to exercise a high degree of risk awareness in all our business activities. As part of this commitment, all our employees globally and the members of our Board of Directors are obligated to adhere to Credit Suisse’s Code of Conduct. In addition, our Conduct and Ethics Standards are designed to ensure that people throughout Credit Suisse share the same understanding and expectations in terms of our culture and conduct. Appropriate risk-taking, ensuring sustainability and acting responsibly towards society are key elements of these standards.” 	<ul style="list-style-type: none"> • The bank follows a culture of compliance and risk management: “We strive to operate responsibly and to exercise a high degree of risk awareness in all our business activities. As part of this commitment, all our employees globally and the members of our Board of Directors are obligated to adhere to Credit Suisse’s Code of Conduct. In addition, our Conduct and Ethics Standards are designed to ensure that people throughout Credit Suisse share the same understanding and expectations in terms of our culture and conduct. Appropriate risk-taking, ensuring sustainability and acting responsibly towards society are key elements of these standards.”
	<p>The bank has a group-wide statement on sustainability strategy: “Our ‘Statement on Sustainability’ defines the objectives and principles underpinning our approach in this area.”</p>	<p>The bank has a group-wide statement on sustainability strategy: “Our Statement on Sustainability defines the objectives and principles underpinning our approach to environmental and social issues in our business activities.”</p>	<p>The bank has a group-wide statement on sustainability strategy: “Our Statement on Sustainability defines the objectives and principles underpinning our approach to environmental and social issues in our business activities.”</p>
	<ul style="list-style-type: none"> • No evidence of a group-wide climate change strategy. 	<ul style="list-style-type: none"> • No evidence of a group-wide climate change strategy. 	<ul style="list-style-type: none"> • The bank created a group-wide climate change strategy: “In addition to these existing commitments, we introduced a Group-wide Climate Risk Strategy program in 2019.”
	<ul style="list-style-type: none"> • The bank develops simple awareness raising activities: “We give employees the opportunity to make a personal contribution to environmental protection, and we inform them about environmental issues.” 	<ul style="list-style-type: none"> • The bank develops simple awareness raising activities: “We also take sustainability issues into account as an integral part of our risk review process...” 	<ul style="list-style-type: none"> • The bank develops simple awareness raising activities: “We also take sustainability issues into account as an integral part of our risk review process...”
	<ul style="list-style-type: none"> • Volunteerism is promoted and rewarded: “These commitments take various forms – from our collaboration with selected partner organizations to the volunteer work of Credit Suisse employees around the globe.; As part of the bank’s Human Capital Strategy, we allow each employee to devote up to four days per year to support social projects run by our partners in the communities where we live and work...” 	<ul style="list-style-type: none"> • Volunteerism is promoted and rewarded: “These commitments take various forms – from our collaboration with selected partner organizations to the volunteer work of Credit Suisse employees around the globe.; As part of the bank’s Human Capital Strategy, we allow each employee to devote up to four days per year to support social projects run by our partners in the communities where we live and work...” 	<ul style="list-style-type: none"> • Volunteerism is promoted and rewarded: “These commitments take various forms – from our collaboration with selected partner organizations to the volunteer work of Credit Suisse employees around the globe.; As part of the bank’s Human Capital Strategy, we allow each employee to devote up to four days per year to support social projects run by our partners in the communities where we live and work...”
	<ul style="list-style-type: none"> • No evidence of aligning social and financial returns. 	<ul style="list-style-type: none"> • No evidence of aligning social and financial returns. 	<ul style="list-style-type: none"> • The bank shows ambition to build a business model that aligns social and financial returns: We want to build a business model and financial offering that preserve social and natural capital for future generations, with the aim of being a net positive impact bank.
Strategic Integrated Thinking	<ul style="list-style-type: none"> • No evidence of a strategy for sustainability. 	<ul style="list-style-type: none"> • The bank’s strategy is based on financial performance and compliance. Sustainability is not embedded in the strategy: “First, we wanted to achieve sustainable, compliant and profitable growth; Second, we needed to reduce both risks and costs, as well as to strengthen our capital base.; Our third goal was to significantly upgrade our risk and compliance capabilities and improve our culture.” 	<ul style="list-style-type: none"> • The bank’s strategic approach to sustainability is mostly focused on climate risk mitigation: “Credit Suisse acknowledges that financial flows also need to be brought in line with the objectives of the Paris Agreement and is continuing to expand its own role in supporting the transition to a low-carbon and climate-resilient economy.”
	<ul style="list-style-type: none"> • The banks states it uses SDGs as a reference indicator: The UN Global Compact and the Sustainable Development Goals (SDGs) adopted by the UN in 2015 are other important points of reference in this area. 	<ul style="list-style-type: none"> • The banks states it uses SDGs as a reference indicator: The UN Global Compact and the UN Sustainable Development Goals (SDGs) are other important points of reference in this area. 	<ul style="list-style-type: none"> • The banks states it uses SDGs as a reference indicator: Constantly seeking to broaden our offering and align these solutions more closely with the applicable SDGs;. We also aim to support the realization of the UN Sustainable Development Goals (SDGs) through our sustainable and impact investing activities.
	<ul style="list-style-type: none"> • No evidence sustainability criteria linked to remuneration and compensation. 	<ul style="list-style-type: none"> • No evidence sustainability criteria linked to remuneration and compensation. 	<ul style="list-style-type: none"> • No evidence sustainability criteria linked to remuneration and compensation.
	<ul style="list-style-type: none"> • Success is seen at the financial level. 	<ul style="list-style-type: none"> • Success is seen at the financial level. 	<ul style="list-style-type: none"> • Success is seen at the financial level.
	<ul style="list-style-type: none"> • The bank’s approach to societal challenges is marked by risk management and compliance reasons: “Sustainability issues are taken into account as an integral part of our risk review process.” 	<ul style="list-style-type: none"> • The bank’s approach to sustainable challenges is driven by the steadily growing demand particularly from institutional investor: “Being responsive to the rapidly evolving needs of our clients is essential to securing their trust and maintaining a long-term relationship. For example, we recognise that investment products in the sustainable and impact investment space have grown in importance in recent years – especially for millennials and the next generation of investors.” 	<ul style="list-style-type: none"> • The bank is not driven by regulations or the market but rather the vision regarding the environment, the organizational goal and the role it wants to play in society: “Equally, we strive to make a meaningful contribution to the realization of the UN Sustainable Development Goals (SDGs), a core element of the UN Agenda 2030 for sustainable development.”
Motivations behind addressing societal challenges	<ul style="list-style-type: none"> • The bank is driven by reputation: “At the same time, we recognize that for many stakeholders, a bank’s reputation is today often as important as its performance.” 	<ul style="list-style-type: none"> • The bank is driven by strategic performance: “To achieve long-term success, it is essential that we pursue a responsible approach to business;. Companies can only achieve long-term success if they 	<ul style="list-style-type: none"> • The bank’s approach to sustainable challenges is driven by the steadily growing demand particularly from institutional investor: “Client demand for sustainable and impact investment opportunities has

Relative importance

		operate in an economically stable and socially cohesive environment; We make effective use of our social and financial capital to not only have a positive impact on society but also on employees and our core business."	grown significantly in recent years. At Credit Suisse, we strive to create and facilitate investment products and services that generate environmental and social benefits as well as financial returns."
	<ul style="list-style-type: none"> • The bank is driven by strategic performance: "Companies can only achieve long-term success if they operate in an economically stable and socially cohesive environment; We make effective use of our social and financial capital to not only have a positive impact on society but also on employees and our core business." 		<ul style="list-style-type: none"> • The bank is driven by strategic performance: "Companies can only achieve long-term success if they operate in an economically stable and socially cohesive environment; We make effective use of our social and financial capital to not only have a positive impact on society but also on employees and our core business."
Top-down approach to a pro-social business model	<ul style="list-style-type: none"> • The bank centers sustainability issues in a risk related department or committee: "In cases of particularly complex or cross-divisional transactions, the decision may be referred to the Reputational Risk Sustainability Committee (RRSC) or escalated to the Global Reputational Risk Approver." 	<ul style="list-style-type: none"> • The bank centers sustainability issues in a risk related department or committee: "In cases of particularly complex or cross-divisional transactions, the decision may be referred to the Reputational Risk Sustainability Committee (RRSC) or escalated to the Global Reputational Risk Approver. The RRSC, chaired by the Group's Chief Risk Officer, is the most senior governing body responsible for the oversight and active discussion of reputational risks and sustainability issues." 	<ul style="list-style-type: none"> • The bank centers sustainability issues in a risk related department or committee: "The PCR cycle of CARMC, chaired by the Group's Chief Risk Officer, is the most senior governing body responsible for the oversight and active discussion of reputational risks and sustainability issues (including climate change)"

Appendix 12.6- Trajectory Analysis: Deutsche Bank.

		Themes	2017	2018	2019
Intensity	Embeddedness of prosocial mindset in business practices		The bank foregoes the infusion of capital into certain forms of coal production and verifies client's compliance with the human rights: "At the same time, we are complying with our voluntary commitment on coal production financing. In 2016, we announced our intention to reduce the financing volume by 20% by 2020."	The bank foregoes the infusion of capital into certain forms of coal production and verifies client's compliance with the human rights:	The bank foregoes the infusion of capital into certain forms of coal production and verifies client's compliance with the human rights: "Sustainable finance also includes questioning our involvement in certain business areas, such as the financing of new coal-fired power plants."
			The bank is looking for profitable, environmentally sound opportunities: "we arranged projects with total financing of about € 2.2 billion to promote renewable energies that generate more than 3,800 mega-watts of capacity."	The bank is looking for profitable, environmentally sound opportunities: "In 2018, our Corporate & Investment Bank was the sole or partial arranger of around € 1.2 billion in funding allocated to renewable energy projects generating more than 2,200 megawatts in capacity."	The bank is looking for profitable, environmentally sound opportunities: "In 2019, we arranged full or partial project finance totaling around € 2.5 billion for renewable energy projects generating over 2,200 megawatts."
			<ul style="list-style-type: none"> • No evidence of including ESG criteria in decision making. 	The bank is including ESG criteria into decision processes: "We consider ESG criteria when selecting investment products for our retail clients.; This underlines our commitment to integrating ESG issues into our investment process.; The systematic integration of environmental and social (ES) aspects into our decision-making processes is not only a key component of our understanding of responsible corporate behavior..."	The bank creates funds dedicated to ESG matters: "We currently have two live funds in the ESG Space: the Princeville Climate Technology fund and the Closed Loop Leadership Fund."
			<ul style="list-style-type: none"> • No evidence of incorporating niche financial products. 	The bank aims to mainstream ESG criteria into investment strategy and product portfolio: "In doing so, we aim to continually integrate environmental, social, and governance themes (ESG) into our investment strategy and product portfolio."	The bank aims to increasingly introduce ESG criteria into investment strategy and product portfolio: "In our Asset Management (AM), we are focusing on mainstreaming ESG by integrating ESG aspects into our investment strategies, as well as the respective product portfolio and services."
			<ul style="list-style-type: none"> • No evidence of advancing ESG related research. 	The bank is actively incorporating niche financial products: "Our investment bank has arranged the issuance of green bonds worth more than € 8 billion.; We also create products and services that integrate ESG considerations more broadly, and some of our ESG-related offerings directly or indirectly contribute to the UN Sustainable Development Goals (SDGs) of the Global Agenda 2030."	The bank is actively incorporating niche financial products: "In 2019, we partnered with a number of global clients in supporting them with their ESG bond transactions and helped them to raise more than € 22 billion funding in various instruments, such as green, social, sustainability, and sustainability-linked bonds."; "In 2019, Deutsche Bank acted as coordinator for eight sustainability-linked loans."
	Bank as catalyser for change inside and outside the sector		<ul style="list-style-type: none"> • No evidence of interbank collaborations. 	The bank is advancing knowledge on sustainability related matters: "We align internal systems and processes and expand our ESG expertise by establishing dedicated key-knowledge groups across our businesses to better serve our clients, and to continually expand our ESG products and services."	The bank is advancing knowledge on sustainability related matters: "We also invest in ESG research, engage with our stakeholders, and participate in a variety of initiatives to foster sustainable finance.; We also publish ESG-related research and regularly involve our employees through communication and engagement."
			<ul style="list-style-type: none"> • No evidence of the ambition to be a thought leader. • No evidence of the ambition to be a steward for change. 	The bank establishes collaborations with other banks to accelerate change: "In 2018, Deutsche Bank and ING jointly coordinated a € 1 billion revolving credit facility for the Dutch life and material science company Royal DSM, which links the interest margin to its greenhouse gas performance targets."	The bank establishes collaborations with other banks to accelerate change: "We also provided support to Assicurazioni Generali in issuing the first green-subordinated benchmark transaction by a financial institution in Europe, to Standard Chartered in issuing their inaugural sustainability bond, and to the Republic of Indonesia in issuing their second green sukuk bond."
			<ul style="list-style-type: none"> • No evidence of the ambition to be a thought leader. 	<ul style="list-style-type: none"> • No evidence of the ambition to be a thought leader. 	The bank aims to be a thought leader: "...and we seek to be a thought leader on political and societal matters."
			<ul style="list-style-type: none"> • No evidence of the ambition to be a steward for change. 	<ul style="list-style-type: none"> • No evidence of the ambition to be a steward for change. 	The bank positions itself a steward of sustainable efforts in the industry: "Deutsche Bank also recognizes its responsibility as a convener for multi-stakeholder engagements towards sustainable financing..."
			<ul style="list-style-type: none"> • No evidence of the bank as a supporter and accelerator of positive change. 	<ul style="list-style-type: none"> • No evidence of the bank as a supporter and accelerator of positive change. 	The bank is actively supporting and accelerating positive change in other organizations: "And above all we are assisting our clients in making their own transformation to more sustainable business models – be they companies or investors..."

Relative importance	Positioning of the bank in society/banking system	<ul style="list-style-type: none"> • The bank focuses on the impact of societal challenges on the business. 	<ul style="list-style-type: none"> • The bank focuses on the impact of the business on society and environment. 	<p>The bank focuses on the impact of the business on society and environment: “We always want to consider the environmental and social impact of our actions. This is not exclusively about environmental protection and the global climate, although they are of course included.”</p>
		<ul style="list-style-type: none"> • No evidence of the bank’s role in society. 	<ul style="list-style-type: none"> • the role of the bank is limited to a neoclassical perspective. 	<p>The bank recognises its wider role in the economy to advance social change: “As a global financial intermediary, we have a role to play in facilitating the transition of economies towards sustainable and low-carbon growth.”</p>
		<ul style="list-style-type: none"> • The bank focuses on being responsible. • The bank address sustainability efforts as opportunities. 	<ul style="list-style-type: none"> • The bank focuses on being responsible. • The bank address sustainability efforts as opportunities. 	<p>The bank views itself as part of the social sphere: “All this underscores the view we have of ourselves as part of the fabric of society, and this is the basis for our actions.”</p>
		<ul style="list-style-type: none"> • No evidence of the bank as part of the social sphere. 	<ul style="list-style-type: none"> • The bank views itself as part of the social sphere. 	
	Social Good as a Deeper Purpose	<ul style="list-style-type: none"> • No evidence of social progress a major goal. 	<ul style="list-style-type: none"> • The bank refers to social progress as a main objective. 	<p>The bank refers to social progress as a main objective: “We are therefore focusing on four levers that will help us to achieve our ambitions: client centricity, entrepreneurship, technology-led, and sustainability.”</p>
		<ul style="list-style-type: none"> • No evidence of a social sense of purpose. 	<ul style="list-style-type: none"> • The bank expresses a sense of purpose connected to its role in addressing social challenges. 	<p>The bank expresses a sense of purpose connected to its role in addressing social challenges: “Our purpose is to enable economic growth and societal progress by generating a positive impact for our clients, employees, investors, and communities. This purpose serves as a guideline for all our actions”</p>
	Building a pro-social common identity	<p>The bank provides training in incorporating social and environmental criteria in risk management: “In 2017, we continued our training on this, and applications of the ES Policy Framework. This involved around 50 sessions for approximately 900 Corporate Finance employees, with topics such as human rights (incl. the UK Modern Slavery Act), protection of World Heritage Sites, and climate protection.; we trained 900 employees on human rights issues as part of our ES risk training.”</p>	<p>The bank provides training in incorporating social and environmental criteria in risk management: “Increasing risk awareness and focus by conducting training sessions for all relevant employees.”</p> <p>The bank is developing activities to raise awareness on sustainability matters: “Finally, we train our employees and invest in strengthening internal awareness of ESG”</p>	<p>The bank provides training on broader sustainability matters: “In 2019, we continued the engagement of AM investment professionals towards environmental and social issues in Active and ran mandatory internal training sessions for Acti e investment experts.”</p> <p>The bank created ambassadors for sustainability strategy: “To further develop our capabilities in Wealth Management (WM), we built up a network of ESG Ambassadors in each region to serve as first points of contact on ESG-related financial matters.”</p>
		<ul style="list-style-type: none"> • No evidence of the ambition to align social and financial returns. • No evidence of sustainability being embedded in the strategy of the bank. 	<ul style="list-style-type: none"> • No evidence of the ambition to align social and financial returns. • No evidence of sustainability being embedded in the strategy of the bank. 	<p>The bank aims to align social and financial returns: “We see no contradiction between sustainability and profitable returns.”</p> <p>Sustainability is shaping the bank’s strategy: “Our sustainability strategy is shaping our processes more and more markedly – be it risk management, our own refinancing processes, or just providing the right incentives for our business divisions.”</p> <p>The bank raises sustainability matters to business targets: “We have therefore set ourselves four non-financial objectives; Furthermore, we focused on assessing the bank’s opportunities across various business lines and initiated steps to set targets for sustainable finance, which we expect to adopt in 2020...”</p> <p>The bank establishes sustainability KPIs: “We have piloted our derived ESG Key Performance Indicators...”</p>
	Strategic Integrated Thinking	<ul style="list-style-type: none"> • No evidence of sustainability as a modus operandi. 	<p>The bank addresses sustainability efforts as a modus operandi: “ESG considerations cannot be met exclusively by individual initiatives and campaigns. They have to be the guiding principles on which our daily work is based – for the benefit of our clients, our employees, our investors, and society in equal measure...”</p>	<p>The bank addresses sustainability efforts as a modus operandi: “It is also about a fundamentally new way of working...”</p>
		<ul style="list-style-type: none"> • No evidence of the bank’s value being linked to its positive impact. 	<p>The bank’s value is linked to its positive impact: “More than ever, we need to demonstrate the value of what we do. That we are a bank whose business is productive, meaningful, and sustainable. (...) A bank that balances economic success with environmental and social responsibility. A bank that has positive impact.”</p>	<p>The bank’s value is linked to its positive impact: Good governance as well as fulfilling our responsibility for the environment and to society as a whole are essential for a global bank’s success.</p>
<ul style="list-style-type: none"> • No evidence of success being seen in social aspects. 		<ul style="list-style-type: none"> • No evidence of success being seen in social aspects. 	<p>The bank measures success and performance through financial but also societal and environmental indicators or advancements in the sustainability strategy: “We have made a very good start to this transformation, as we detail in our Annual Report, but our transformation does not just revolve around revenue, cost, and earnings targets. It is also about a fundamentally new way of working. We have therefore set ourselves four non-financial objectives”</p>	
Motivations behind addressing societal challenges	<p>The bank is driven by the steadily growing demand, namely from institutional investors: “Our clients, particularly the institutions, are increasingly basing their investment decisions not only on financial criteria, but also on how these and other projects they support might impact the environment, people’s lives, and society. We welcome this development, and we want to support our clients actively.”</p>	<p>The bank is driven by the steadily growing demand, namely from institutional investors: “In view of growing societal and regulatory shifts, as well as client demands for responsible business and sustainable finance, we have been continually working on strengthening our corporate response to these developments...”</p> <p>The bank is driven by risk management purposes: “The systematic integration of environmental and social (ES) aspects into our decision-making processes is not only a key component of our understanding of responsible corporate behavior. It also helps us to better manage risks, including those that might affect public trust in the bank.”</p> <p>The bank is driven by regulatory pressures: “Regulatory authorities worldwide are also increasingly turning their attention to non-financial topic...”.</p>	<p>The bank is driven by reputation: “Another topic that is absolutely central to building trust in our bank is sustainability.”; “Only then will we secure the necessary acceptance from the societies in which we operate...”</p> <p>The bank is driven by strategic performance: “Lasting commercial success is only possible if we do business responsibly.”; “I am convinced that making resolute progress in these areas is the only way for us to also achieve long-term financial success.”</p>	
	<p>The personnel responsible for business social practices is part of the communications or marketing department: “A centrally organized sustainability team within our Communications & Corporate Social Responsibility (CSR) function acts as an interface between internal and external stakeholders...”</p>	<ul style="list-style-type: none"> • The personnel responsible for business social practices is part of the communications or marketing department. 	<p>The bank created a committee dedicated to sustainability: “Group Sustainability (GS), is centrally responsible for developing the bank’s strategic approach to sustainability, proposing group-wide policies and guidelines, assessing upcoming topics, and engaging with stakeholders with a focus on civil society, investors, and clients in close cooperation with our business divisions and Investor Relations.”</p>	
Top-down approach to a pro-social business model				

Appendix 12.7- Trajectory Analysis: ING Bank.

Themes		2017	2018	2019
Embeddedness of prosocial mindset in business practices		The bank foregoes the infusion of capital in certain forms of coal production and verifies clients' compliance with the human rights: "ING will not only stop providing lending services to new coal-fired power plants or coal mines but will also accelerate the reduction of financing to thermal-coal power generation with the ambition of bringing this close to zero by 2025."	The bank foregoes the infusion of capital in certain forms of coal production and verifies clients' compliance with the human rights: "...we adhere to strict environmental and social risk policies, such as our coal policy, which aims to reduce funding to thermal coal-power generation to zero by 2025."	The bank foregoes the infusion of capital in certain forms of coal production and verifies clients' compliance with the human rights: "We have committed to reducing our thermal coal exposure to close to zero by 2025 and support our clients globally in the transition to a low-carbon society..."
		The bank is increasingly incorporating niche financial products: "In 2017, we collaborated on several sustainable financing firsts: the first loan linking the interest rate to the client's sustainability performance and rating (the better the company does on sustainability, the lower the interest rate); the first green hybrid bond ever, raising EUR 1 billion to fund wind energy in the Netherlands and Germany; and the UK's first green bond in the public utilities sector (water)."	The bank is increasingly incorporating niche financial products: "Deepening our commitment to responsible finance, we introduced a made-to-measure sustainability improvement loan. It links the interest rate of the loan directly to the borrower's own sustainability targets rather than to an external rating"; "Alongside the growing number of green loans and bonds, ING marked a significant first in November 2018 with Asia's first social-covered bond."	The bank is increasingly incorporating niche financial products: "We introduced another innovative product in 2019 – a sustainability improvement derivative; Added to this, we launched a sustainability improvement capital call facility for Singapore-based Quadria Capital Management, the first in the world to link the interest rate of a private equity fund to the sustainability performance of its portfolios."; "Alongside the growing number of green loans and bonds, there were a number of sustainability firsts in 2019."
		The bank increased lending to ESG leaders: "And we will double lending to environmental, social and governance (ESG) industry leaders by 2022 compared to 2017."	The bank gives up higher interest rates for higher sustainability standards.	The bank is shifting lending to projects that lead to social improvements: "So we aim to increase our social impact finance portfolio by lending to projects that lead to, for example, basic infrastructure improvements, community development or essential services." The bank is steering its loan portfolio to meet the PCA: "...and steering our entire loan book to meeting the Paris Climate Agreement's well-below two-degrees Celsius goal"
		The bank engages in microfinance: "To help people who are financially excluded, ING's activities include offering microfinance to SME clients in Turkey, education and research."	The bank engages in microfinance: "This could be financial loans, such as microfinance for SME clients in Turkey, as well as education and research."	• No evidence of microfinance initiatives.
Bank as catalyser for change inside and outside the sector		• No evidence of the bank acting as a supporter and catalyzer for positive change in other organizations.	• No evidence of the bank acting as a supporter and catalyzer for positive change in other organizations.	The bank is actively supporting and accelerating positive change in other organizations: "We support clients and transactions with a positive climate and social impact."
		The bank is actively looking for financial innovations in a broad network: It's not just technology that drives innovation. ING works closely with clients to find sustainable solutions for the challenges they face and to put our sustainability ambitions into action.	• No evidence of social innovation.	The bank is actively looking for financial innovations in a broad network: "We've developed a comprehensive suite of sustainability products and services for our Wholesale Banking clients across all sectors to help them transition to the low-carbon economy of the future."
		• No evidence of the bank aiming to make customers more responsible.	The bank is designing products to make individual customers more responsible: "To this end, we are developing retail products, tools and services to help homeowners make their houses more sustainable."	The bank is designing products to make individual customers more responsible: "To this end, we are developing retail products, tools and services to help homeowners make their houses more sustainable."
		• No evidence of open source methodologies to foster social change in the sector.	The bank is actively creating open source methodologies and financial innovations to foster broader change: "The approach is open source to inspire other banks to follow our lead..."	The bank is actively creating open source methodologies and financial innovations to foster broader change: "...our of these banks joined us in our overarching commitment to steer our loan book with what we called the Katowice Commitment in December 2018..."
Positioning of the bank in society/banking system		The bank recognises its wider role in society to drive social progress: "Banks have a major role to play in supporting the sustainable development and responsible behaviour and policies. This is something we're committed to at ING, and something I personally feel very strongly about."	The bank limits its role in society to its normal banking operations, not considering its wider role in addressing societal challenges: "As a bank, the trust of our customers and other stakeholders is our licence to operate. To earn that trust, we need to ensure that our operations meet the highest standards and that we fulfil our role as gatekeepers of the financial system."	The bank recognises its wider role in society to drive social progress: At ING we strongly believe that through our decisions in conjunction with customers about what we will or won't finance, banks can play a role in influencing the direction and pace of society's transition to a more sustainable, low-carbon economy. At the same time, our responsibility clearly goes beyond the strict confines of our business and extends to the special role we and other banks can play in the wider society, whether that be in the environmental and social area or in preventing financial economic crime.
		The bank focuses on the impact on financial risks or business and not the impact of the bank in society and environment	The bank recognizes monitoring the impact it has on society and not just the impact of changes in financial risk:	The bank recognizes monitoring the impact it has on society and not just the impact of changes in financial risk:
		The bank's purpose is to create value to customers: "At ING, our purpose is to empower people to stay a step ahead in life and in business. This guides us as we shape our own business to serve our customers and continue to excel for them in the future.; We're proud of how ING works to live up to its purpose and transform its business to serve customers better in the future."	The bank's purpose is to create value to customers: "We continued to empower customers with innovative solutions in many areas, including mobile and digital access, to make banking easier, faster and available anytime and anywhere. And we took important steps in our transformation to ensure ING provides a differentiating customer experience now and in the future."	The bank widens its purpose to creating value for broader stakeholders, society and environment: "The 'people' part of that purpose is not just customer-focused. It also recognises the important role we play in society. That societal role includes facilitating an efficient economy and the safe and secure financial system it depends on, supporting people to be financially healthy, and fighting climate change. To me, that's what responsible banking is all about.; ING is supported by a strong brand and guided by a clear purpose that it puts into practice every day."
		The bank refers to other banks as competition.	The bank has established interbank cooperation. The bank created an open source methodology to advance change in the banking sector: "We are in dialogue with other banks and stakeholders about this. In December, the banks BBVA, BNP Paribas, Société Générale and Standard Chartered joined ING in pledging to align their portfolios with global climate goals. We have a combined loan book of €2.4 trillion. ;ING believes that all banks would benefit from having an industry-wide standard. This would increase transparency and therefore our collective effectiveness in fighting climate change.; We're also working on bringing other banks on board in the belief that an industry-wide standard will increase transparency and be more effective. In December 2018, the global banks BBVA, BNP Paribas, Société Générale, and Standard Chartered joined ING in committing to align their loan portfolios with global climate goals using a similar approach"	The bank is engaging with other banks and inspiring them to change: "then personally and individually engaged with more than 40 banks interested in the work ING was doing. This led to 17 banks joining the pilot with 2 ii. Four of these banks joined us in our overarching commitment to steer our loan book with what we called the Katowice Commitment in December 2018."
		The bank's approach to sustainability is reactive: "This chapter highlights several trends that have a major impact on our own operating environment, as well as on that of our	The bank's approach to sustainability is reactive: "ING is looking to capture the opportunities and address the risks of climate change...; helping people to thrive in tomorrow's world by turning the threats of	The bank's approach to sustainability is based on a risk-opportunity dichotomy: We are continuing to advance our understanding and approach to climate risks and opportunities.

	<p>competitors. This includes the economy and current low interest-rate environment; increasing regulatory scrutiny and costs; digitalisation and changing customer behaviour; and what our stakeholders expect of us."</p>	<p>climate change and fast-changing technology into opportunities."</p> <p>The bank's approach to sustainability is based on a risk-opportunity dichotomy: "We're greatly influenced by the world around us, from the economic and regulatory environment, to the evolving competitive landscape and needs of our customers and other stakeholders."; "The world around us is constantly changing. This chapter highlights several trends that have a major impact on our own operating environment, as well as on that of our competitors."</p> <p>The bank refers to sustainability as strategic: "As sustainability is of strategic importance to ING..."</p>	<p>The bank positions itself as a problem solver and catalyzer for change taking a more proactive approach: "Our business is shaped by social and economic factors. These include the ever-evolving expectations of our customers and industry stakeholders, digital technologies, market conditions and new regulations. To deliver long-term value to our stakeholders and society, ING not only responds to these, but also aims to be a catalyst for change."</p> <p>The bank refers to sustainability as strategic.</p>
Social Good as a Deeper Purpose	<ul style="list-style-type: none"> No evidence of a social sense of purpose. 	<ul style="list-style-type: none"> No evidence of a social sense of purpose. 	<ul style="list-style-type: none"> No evidence of a social sense of purpose.
Building a pro-social common identity	<ul style="list-style-type: none"> No evidence of any attempt to build a common identity around social matters. 	<ul style="list-style-type: none"> No evidence of any attempt to build a common identity around social matters. 	<p>The bank is raising awareness and providing training in sustainability related matters in the attempt to build a common identity: <i>Colleagues across ING are encouraged to take a proactive role in creating a more sustainable world. This includes a learning module to familiarise new starters with our activities and help them understand their own sustainability profile. More than 7,000 colleagues completed this module in 2019. In addition, colleagues around the world took part in social impact days, investing time with ING community partners.</i></p> <p>The bank has a group of sustainability ambassadors: <i>We now have a growing network of sustainability ambassadors in more than 11 countries and plans to expand</i></p>
	<p>The bank has a group wide framework to tackle societal challenges: "Via the Global Sustainability department, responsibilities are cascaded through various business units..."</p>	<p>The bank has a group wide framework to tackle societal challenges: "Specific responsibilities are delegated, via the Global Sustainability department, to business units and subject-matter experts..."</p>	<p>The bank has a group wide framework to tackle societal challenges: "Specific responsibilities are delegated, via the Global Sustainability department, to business units and subject-matter experts..."</p>
Strategic Integrated Thinking	<p>The bank's strategy is shaped by developments at the level of digitalisation and customer expectations.</p>	<p>Bank's strategic decisions are also shaped by sustainability developments:</p>	<ul style="list-style-type: none"> No evidence of the bank's strategy being purpose driven.
	<p>The bank refers to performance from a pure economic perspective: "ING delivered strong commercial growth and financial results in 2017, and we continued to empower customers with a differentiating experience. We also made good progress laying the foundations for the ING of the future. With disruption in banking increasing, we're accelerating the implementation of our Think Forward strategy to deepen and expand the customer relationship."</p>	<p>The bank refers to performance from a pure economic perspective: "ING achieved strong business growth and commercial momentum in 2018 and we continued to transform to provide customers with a differentiating experience now and in the future. To address serious shortcomings in the area of know your customer (KYC), we're taking robust measures to enhance ING's compliance culture and capabilities, in line with our commitment to integrity."; "ING made strides in 2018 not only in terms of commercial growth and strong financial returns, but also in adapting our organisation to meet the evolving needs of customers and seize opportunities in the future. We owe this success to our retail customers and wholesale banking clients and to the ING employees who work tirelessly every day to empower them with products, services, expertise and an experience that makes the ING brand one of the strongest in banking."</p>	<p>The bank refers to performance from an economic and social perspective which are put side by side: "At ING, we delivered solid commercial and financial results in 2019 and took important steps to increase our engagement and leadership role in the area of sustainability and in the fight against climate change."</p>
	<p>The goal of the bank is reflected in the number of customers it reaches: "We're on track to meet our ambition of 14 million primary customers by 2020."</p>	<p>The goal of the bank is reflected in the number of customers it reaches: "We are on track to reach our goal of 14 million primary relationships by 2020, an important ambition as we further develop our digital universal banking proposition."</p>	<p>The bank shows ambition to increase its positive social impact: "So we aim to increase our social impact portfolio by lending to projects that lead to, for example, basic infrastructure improvements, community development or essential services."</p>
	<p>The bank refers to its ambition to pay growing dividends: "This is in line with our goal of paying a progressive dividend over time, while maintaining healthy capital levels."</p>		
	<ul style="list-style-type: none"> No evidence of remuneration being linked to sustainability matters. 	<ul style="list-style-type: none"> No evidence of remuneration being linked to sustainability matters. 	<p>The bank shows ambition to include concerns regarding society in remuneration policies: "In preparing the new remuneration policies, we engaged with a wide range of internal and external stakeholders to hear their views and thoughts. (...) As the pace of change in the world increases and ING's role in society transforms, we'll continue to intensify these dialogues, especially on complex and sensitive matters.; they aim to maintain a balance between short-term and long-term value creation for all stakeholders while being responsible and fair"</p>
	<ul style="list-style-type: none"> No evidence of the bank's view of social matters as generating corporate value. 	<ul style="list-style-type: none"> No evidence of the bank's view of social matters as generating corporate value. 	<p>The bank has a broader view of environmental and social care to generate corporate value: <i>To continue unlocking the value embedded in our platform in a fast-changing world, ING identified six key accelerators (...) leveraging our sustainability profile.</i></p>
Motivations behind addressing societal challenges	<p>The bank is moved by external expectations: "The world around us is constantly changing. This chapter highlights several trends that have a major impact on our own operating environment, as well as on that of our competitors. This includes the economy and current low interest-rate environment; increasing regulatory scrutiny and costs; digitalisation and changing customer behaviour; and what our stakeholders expect of us."</p> <p>The bank's approach to sustainable challenges is driven by the steadily growing demand particularly from institutional investor: "This underlines our clients' appetite for products and services that apply sustainability criteria."</p> <p>The bank refers to the growing market for sustainable banking: "Growing market for sustainable finance, shift in financing towards a low-carbon economy and societal challenges."</p>	<p>The bank is mainly driven by regulatory pressures, compliance and risk: "At the same time, the settlement with the Dutch authorities made it clear that we cannot serve our customers, benefit shareholders and other stakeholders and play our wider role in society without ensuring that our compliance and non-financial risk management capabilities are as much a part of our DNA as our financial risk management skills, and without unwavering commitment to the high standard of integrity that underpins our ING values.; One of the main priorities for the Supervisory Board, and for me personally, will be to monitor the progress of the various measures ING is implementing to strengthen compliance and risk management..."</p> <p>The bank's approach to sustainable challenges is driven by the steadily growing demand particularly from institutional investor: "This underlines our clients' appetite for products and services that apply sustainability criteria."</p>	<p>The bank is not driven by market demand or regulations, but rather the vision regarding the environment, the organization goal and the role it wants to play in society: "At the same time, our responsibility clearly goes beyond the strict confines of our business and extends to the special role we and other banks can play in the wider society, whether that be in the environmental and social area or in preventing financial economic crime."</p>
	<p>The bank provides educational sessions on sustainability to the supervisory board: "A number of other educational sessions on specific</p>	<ul style="list-style-type: none"> No evidence of educational sessions dedicated to sustainability. 	<p>The bank provides educational sessions on sustainability to the supervisory board for reputation reasons: "Throughout the year, a number of other educational</p>
Top-down approach to a			

pro-social business model	<p>topics were organised for the Supervisory Board throughout the year, including on (...) sustainability focusing on how ING contributes to accelerating financial empowerment.”</p>		<p>sessions on specific topics were organised for and at the request of the Supervisory Board. For 2019 a balance was sought between sessions focused on (...) how to manage ING's reputation and brand.”</p>
	<ul style="list-style-type: none"> No evidence of CEO advocacy. 	<ul style="list-style-type: none"> No evidence of CEO advocacy. 	<p>The CEO becomes an advocate and sponsor of sustainability in the bank: “We served as CEO. In that time he has transformed ING into a leading digital bank, and put ING on the path to becoming the go-to financial platform for customers. He has created value for all stakeholders and played a leading role in driving sustainability efforts in the financial industry.”</p>
	<p>The supervisory board priorities focus on risk management and compliance: “The Supervisory Board believes in ING's journey of transformation to create a business that excels for our customers now and in the future.”</p>	<p>The supervisory board priorities focus on risk management and compliance: “In addition, ING Global Procurement appointed a new ESR/Sustainability officer; One of the main priorities for the Supervisory Board, and for me personally, will be to monitor the progress of the various measures ING is implementing to strengthen compliance and risk management.”</p>	<p>The supervisory board priorities require a full engagement with society: “A high level of engagement is essential to fulfill the role that society wants us as the Supervisory Board to play.”</p>
	<ul style="list-style-type: none"> No evidence of any sustainability dedicated team. 	<p>The bank has a team dedicated to sustainable finance: “To take sustainable finance further in the business we have set up regional Sustainable Finance teams in the Americas and Asia to support our clients in these regions.”</p>	<p>The bank has a team dedicated to sustainable finance.</p>
	<p>Sustainability is directly reported to management level: “Our Global Head of Sustainability reports directly to the Vice-Chairman of the Management Board Banking of ING Bank.”</p>	<p>Sustainability is directly reported to management level: “Our Global Head of Sustainability reports directly to the Vice-Chairman of the Management Board Banking of ING Bank.”</p>	<p>Sustainability is directly reported to management level: “Our Global Head of Sustainability reports directly to the Vice-Chairman of the Management Board Banking of ING Bank.”</p>

Appendix 12.8- Trajectory Analysis: Mitsubishi FG.

Themes		2017	2018	2019
Intensity	Embeddedness of prosocial mindset in business practices	<p>The bank foregoes the infusion of capital into certain forms of coal production:Our “Environmental and Social Policy Framework specifies cluster-bomb manufacturing as a type of business MUFG will never finance. It also mandates rigorous due diligence whenever we contemplate providing services to such businesses as coal thermal power generation.”</p>	<p>The bank foregoes the infusion of capital into certain forms of coal production:“Our Environmental and Social Policy Framework specifies cluster-bomb manufacturing as a type of business MUFG will never finance. It also mandates rigorous due diligence whenever we contemplate providing services to such businesses as coal thermal power generation.”</p>	<p>The bank foregoes the infusion of capital into certain forms of coal production: “In fiscal 2019, we explicitly declared we will refrain from financing new coal-fired power generation projects; we have updated this framework by expanding the scope of sectors we carefully scrutinize prior to financing, and we will continue to periodically review and refine our policies.”</p>
		<p>No evidence.</p>	<p>The bank adopts scenario analysis and forward looking data to assess the longer term risks: “MUFG has started scenario analysis with the objective of assessing the impact of climate change- related risks on its credit portfolio.”</p>	<p>The bank adopts scenario analysis and forward looking data to assess the longer term risks: “Based on conclusions reached by the project, we have analyzed the probable impact of transition and physical risks on our credit portfolio based on climate change scenarios encompassing a period spanning 2020 through 2050.”</p>
		<p>The bank is looking for profitable, environmentally sound investments: “MUFG is a pioneer in project finance for solar, wind, and geothermal power generation.”</p>	<p>The bank is looking for profitable, environmentally sound investments: “To reach our goal, we will finance renewable energy projects...” The bank is actively incorporating niche financial products: “MUFG is contributing to the expansion of the Green Bond market as an investor, underwriter, issuer and lender.”</p>	<p>The bank is looking for profitable, environmentally sound investments: “...we have been financing renewable energy projects...” The bank is actively incorporating niche financial products: “Aiming to contribute to environmental and social sustainability via participation in the capital market, MUFG steadily issues Green Bonds; Furthermore, we became the first financial institution in Japan to develop a “Sustainability Linked Loan” that places no restrictions on the usage of funds and is equipped with variable interest rates reflecting the status of ESG-related targets achieved by clients.” The bank incorporates social and environmental criteria into investment decisions: “To this end, the Bank adopted a new fund investment strategy that utilizes the environmental and social impacts of investees’ activities as indices for investment judgement in addition to achieving economic performance” The bank establishes a grant to fund social good: “To fortify our approach to philanthropy, we’ve also developed a framework to stipulate and allocate a portion of our profits to the greater social good. The bank is actively financing projects that promote social good and combat social issues: we have pursued finance projects to nurture startups, create employment, battle poverty, and support other social causes...”</p>
		<p>No evidence of the ambition to align business activities with social issues.</p>	<p>No evidence of the ambition to align business activities with social issues.</p>	<p>The bank aims to align its business activities with the pursuit of solutions to social issues: “We will focus on resolving environmental and social issues by supporting sustainable financing, developing financial innovation with digitalization as well as promoting workstyle reforms of our employees. Through the continuous business model transformation, we strive to contribute to sound social development and realize sustainable growth of our business...”</p>
	Bank as catalyser for change inside and outside the sector			<p>The bank is actively supporting and accelerating positive change in other organizations: “As a world-leading financial group providing financing for renewable energy projects, we will proactively support our clients’ “transition” to more sustainable business and energy structures via the enhancement of energy efficiency etc., while facilitating “innovation” that employs alternative energy and IT technologies.”; “Looking ahead, we will continue to help clients shift their business focus</p>

			to and promote structural transition toward achieving sustainability.”
	The bank created a platform to foster open innovation and social innovations to tackle global challenges: “In addition to the foregoing, breakout sessions were held to discuss such issues as operational reforms driven by digital technologies as well as a broad range of ESG-related topics. In particular, the session focused on digital technologies included a presentation given by the CDIO* with regard to open innovation initiatives aimed at realizing MUFG’s future vision. This presentation was followed by the exchange of insights and observations among attendees.”	The bank is actively looking for financial innovations to advance social change.	<ul style="list-style-type: none"> No evidence of new social innovation efforts.
	The bank creates a framework to guide decision on environmental and social matters: “As a framework for implementing these basic policies, we established the MUFG Environmental and Social Policy Framework. This framework aims to appropriately identify and manage the environmental and social risks arising from MUFG’s business activities. The framework has been in force since July 2018.”	The bank creates a framework to guide decision on environmental and social matters: “As part of our mission as a financial institution, we have set Sustainable Finance Goals to contribute to the realization of international goals specified by the Paris Agreement* and those identified by United Nations SDGs. Moreover, we established the MUFG Environmental and Social Policy Framework aimed at providing guidance to our business activities.”	The bank creates a framework to guide decision on environmental and social matters: “We’ve also established our Environmental and Social Policy Framework, which helps ensure due consideration to environmental and social issues in the course of financing.”
	Stakeholder engagement is limited to the primary stakeholders. No reference to wider society.	Stakeholder engagement is limited to the primary stakeholders. No reference to wider society.	Stakeholder engagement is limited to the primary stakeholders. No reference to wider society.
	<ul style="list-style-type: none"> No evidence of impact assessment. 	<ul style="list-style-type: none"> No evidence of impact assessment. 	The bank aims to integrate in its activities managing the impact of the business on society.
	The bank positions itself as a problem solver: “First, we must accurately read the long-term trends destined to shape society in the coming decades. Second, we must immediately identify real-world problems we are certain to face as they arise from these trends. Third, we must solve these problems using our powerful core capabilities.; MUFG aims to help resolve environmental and social issues through its business activities while securing sustainable growth. To this end, we have determined priority issues to be addressed by MUFG”	The bank refers to its social contract with society: “Financial services have long fulfilled an essential function supporting economic activities and society.; With these factors taken into account, within our MTBP we identified seven high-priority issues to be addressed by MUFG in order to reach sustainable development goals – and developed initiatives to resolve them, using our financial services.”	The bank refers to itself as part of the fabric of society: “Along with our own colleagues, they merit the best of us, not only through the lifeblood of financial services but as warp and weft of the social fabric.”
	No evidence of impact assessment.	No evidence of impact assessment.	The bank aims to integrate in its activities managing the impact of the business on society: “Strengthening corporate governance is an abiding challenge, and it will continue to be a major emphasis for us, particularly as we embrace a sustainability-oriented management practice – the practice of managing our firm’s impact on people, the planet, and profit.; the practice of managing our firm’s impact on people, the planet, and profit.”
Social Good as a Deeper Purpose	No evidence of a social sense of purpose.	No evidence of a social sense of purpose.	The bank raises social matters to its purpose as a bank: “Massive companies like ours must shoulder – and should welcome – the challenge to reconsider how society should function, and how we should function within it. We’re confronted with the question of what MUFG’s raison d’être could and should be in a new-normal, post-pandemic society.; The pandemic has suddenly amplified the general public’s growing call for businesses to help solve social issues – in some cases raising this duty almost to the status of raison d’être”
	The bank recognises its strategic position in society to advance social progress:	<ul style="list-style-type: none"> No evidence of social contribution as the bank’s raison d’être. 	The bank raises societal contribution to its raison d’être:
Building a pro-social common identity	The bank refers to building a corporate culture around risk and compliance: “MUFG aims to strengthen its Group risk management through the diffusion of a risk culture that strengthens the structure of Group business management as well as integrated risk management.; Effective risk management and a strong Risk Appetite Framework depend on a Risk Culture that enables meaningful discussion and clear communication throughout the Group.”	The bank refers to building a corporate culture around risk and compliance: “Today, MUFG is striving to create a sustainable and open minded organizational culture that encourages employees to take on the challenge of realizing innovation and renovation. To this end, MUFG’s managers must be good at drawing out the creativity of their team members and helping them realize their potential so that they can proactively take on higher goals.;MUFG aims to strengthen its Group risk management through the diffusion of a risk culture that strengthens the structure of Group business management as well as integrated risk management.”	The bank created a forum to foster and align sustainability efforts across all business units: “Specifically, each business group has incorporated initiatives aimed at helping resolve environmental and social issues into their respective strategies.” “I believe it’s critical for everyone involved to feel they are taking part in guiding the company and for MUFG’s raison d’être to win their hearts and minds, their support and sympathies. These are the thoughts I put into deciding on the word “engagement” as a key element of my management policy.” “The capabilities of MUFG can best be unleashed through synchronization of hearts, minds, and actions” “We expect the MUFG Group’s involvement in these initiatives not only to help society at large, but to raise our colleagues’ social awareness, engagement, and contribution.” “We will focus on resolving environmental and social issues by supporting sustainable financing, developing financial innovation with digitalization as well as promoting workstyle reforms of our employees”
	<ul style="list-style-type: none"> No evidence of the commitment to integrate social issues in the business strategies. 	<ul style="list-style-type: none"> No evidence of the commitment to integrate social issues in the business strategies. 	The bank shows commitment to align business strategies with social issues: “With the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG, we are engaged in value creation employing an integrated approach in which the execution of management strategies goes in tandem with the pursuit of solutions for social issues; The Bank aims to maximize the positive impact of its financing activities on the environment and society while striving to identify business opportunities for MUFG in the field of sustainability.”
Relative Importance	Strategic Integrated Thinking		

	<p>The bank defines priority societal issues to be addressed:</p> <p>The bank recognises shareholder returns as its fundamental goal: “Obviously, financial targets and capital policies are key topics as we establish a new sustainable business model – it’s our fundamental duty to deploy the capital our shareholders entrust to us as effectively, efficiently, and responsibly as possible.”</p> <p>The bank creates a framework to guide decision on environmental and social matters:</p> <ul style="list-style-type: none"> • No evidence of raising sustainability matters to business targets. <p>The bank uses social indicators as reference: “The specific SDGs we wish to prioritize at MUFG include financial innovation, global warming & climate change, business incubation & job creation, social infrastructure & town planning, and an aging population & low birth rate.”</p> <p>No evidence.</p> <p>Success is measured by financial performance: “We follow three metrics to assess our performance: efficiency ratio, return on equity, and common equity tier 1 capital ratio”</p>	<p>The bank defines priority societal issues to be addressed:</p> <p>The bank recognises promotion of welfare through qualified services as its fundamental goal: “Over the years, as our businesses and products have evolved, one thing has remained constant: our commitment to safeguarding and enhancing the welfare of customers and society through quality financial services.”</p> <p>The bank creates a framework to guide decision on environmental and social matters:</p> <ul style="list-style-type: none"> • No evidence of raising sustainability matters to business targets. <p>The bank uses social indicators as reference: “MUFG aims to help create a sustainable society and realize United Nations Sustainable Development Goals (SDGs) through its business activities. To this end, we have identified a number of environmental and social issues of concern at home and abroad and determined priority issues to be addressed by MUFG”</p> <p>No evidence.</p> <p>Success is measured by financial performance:</p>	<p>The bank positions itself in the social sphere and defines priorities based on societal challenges:</p> <p>The bank addresses contribution to societal goals as a primary goal of the bank alongside maintaining a strong financial base and meeting customer needs: “Specifically, we’re determined to meet customer needs through our skills and services while maintaining a sound financial base. We’ll also step forward to contribute solutions addressing social issues, including dramatic changes in customer behavior accelerated by digital shift and pandemic forces.”</p> <p>The bank creates a framework to guide decision on environmental and social matters.</p> <p>The bank raises sustainability matters to business targets: “In 2019, we became the first financial institution in Japan to set a numerical target for sustainable financing.”</p> <p>The bank uses social indicators as reference: “As we aim to help resolve environmental and social issues while securing sustainable growth, we have determined seven priority issues that must be addressed through our business activities. This determination involved selecting issues relevant to MUFG’s operations at home and abroad from among the environmental and social issues identified by SDGs as well as prevailing industry standards.”</p> <p>The bank synthesizes management and sustainability: “...as we embrace a sustainability- oriented management practice; We intend to step up sustainability-oriented management by reorganizing our business priorities through the lens of environmental and social concerns.”</p> <p>The bank believes corporate value is seen in more dimensions than just financial: “I hope it’s clear we believe corporate value can, and must, be expressed in more dimensions than one in order to be deeply meaningful.”</p>
	<p>The bank is moved by external expectations: “We believe all businesses are called upon to strengthen society by contributing to its well-being through service to customers, communities, and colleagues. The financial industry in particular has a duty to be a bastion of infrastructure by providing funding – essentially, society’s lifeblood. We consider ESG duties integral to our day-to-day operations and activities across the board.”</p>	<p>The bank is driven by business motives, customer demand and potential cost-savings: “Environmental and social issues are attracting public interest...”</p> <p>The bank is driven by a license to operate and external expectations: “Fulfilling this commitment is a requirement for earning society’s permission for us to exist – and to flourish...”</p> <p>The bank is driven by strategic performance: “If we do our job right, we provide lifeblood to the economy and open the possibility for all boats to rise, including our own.”</p>	<p>The bank is driven by a license to operate and external expectations: “In this light, as a financial institution we must step up our response to climate change, given its concerns among environmental, social, and governance (ESG) advocates.”; “We’re keenly aware of growing stakeholder expectations for us to deliver corporate growth and contribute to society’s health in a sustainable manner – namely, by integrating efforts to both resolve social issues and execute our business strategies.”</p> <p>The bank is driven by strategic performance: “We believe this will help us contribute to a virtuous cycle of resolving social issues through business activities, thereby improving corporate value.”</p> <p>The bank is not driven by regulations or the market but rather the vision regarding the environment, the organization goal and the role it wants to play in society: “The pandemic has suddenly amplified the general public’s growing call for businesses to help solve social issues – in some cases raising this duty almost to the status of raison d’être. Accordingly, MUFG has reinvigorated our resolve as a financial institution to support the health of society...”</p>
Top-down approach to a pro-social business model	<ul style="list-style-type: none"> • No evidence of a social logic at the corporate governance level. • No evidence of an ambition to incorporate sustainability management at the corporate level. • No evidence of an advisory board related to sustainability matters. 	<ul style="list-style-type: none"> • No evidence of a social logic at the corporate governance level. • No evidence of an ambition to incorporate sustainability management at the corporate level. • No evidence of an advisory board related to sustainability matters. 	<p>The bank creates a board level position for sustainability: “In fiscal 2020, we appointed a Chief Sustainability Officer to upgrade our in-house structure and push ahead with the initiatives described above.”</p> <p>The bank has a committee fully dedicated to sustainability matters: “In addition, the Sustainability Committee discusses initiatives undertaken by MUFG to address environmental and social issues, while the Board of Directors and the Executive Committee receive reports from and make decisions based on conclusions reached by the former committee.”</p> <p>The bank shows the ambition to strengthen its corporate governance in terms of sustainability management: “Strengthening corporate governance is an abiding challenge, and it will continue to be a major emphasis for us, particularly as we embrace a sustainability- oriented management practice.”</p> <p>The bank created an advisory board related to sustainability matters: “Also, we engaged two experts representing the fields of the environment and social to give their specialist opinions and recommendations to members of the Board of Directors and the Sustainability Committee.”</p>

Appendix 12.9- Trajectory Analysis: Mizuho FG.

		2017	2018	2019
Themes	Embeddedness of prosocial mindset in business practices	The bank recognises the business and financial risks associated to climate change and wider societal problems: "...which affirm our commitment to considering risks such as environmental and social risks when engaging in business with clients in certain industries (such as weapons, coal-fired power generation, palm oil, and lumber) where there is a high possibility that our involvement with the client could contribute to adverse environmental or social impact"	The bank recognises the business and financial risks associated to climate change and wider societal problems: "When designing our new business plan, we identified climate-related risks and opportunities for each in-house company, unit, and group"	The bank adopts a scenario analysis and forward looking data to assess the longer term risks: "...we conducted a qualitative evaluation of the risks that climate change poses for each sector, and based on the evaluation results and other data, we conducted scenario analysis of the transition risks and physical risks for certain scenarios"
		The bank is actively incorporating niche financial products: "For example, one of the ways in which we demonstrated our unit's product knowledge was by investing in Japan's first Social Impact Bonds* business. We also provided funds for environmentally- friendly projects that involved Mizuho issuing its first Green Bonds, offered investment opportunities for ESG investors, and other new initiatives that made available additional opportunities for solving the problems facing society."	The bank is actively incorporating niche financial products: "Mizuho Bank participated in the syndication of a social impact bond (SIB) project which aims to increase the rate of residents receiving colon cancer screenings."; "Also, Mizuho Securities is strengthening its sustainable bond issuance framework as an ESG structuring agent, including concluding a partner contract with the Climate Bonds Initiative—an environmental certification organization—in 2018, forming the Sustainable Finance Office in April 2019, supporting structuring and branding of sustainable bonds, and conducting initiatives to gather information on ESG topics."; "In August 2018, Mizuho Bank signed a green loan agreement with Japan Excellent, Inc. based on the Green Loan Principles. The funds from this loan will be utilized to refinance the funds borrowed to acquire a DBJ Green Building-certified real estate property."; "we arranged financing for a sustainability loan for the Japan Railway Construction, Transport and Technology Agency, and through this arrangement we are able to support the agency's initiatives on the SDGs."	The bank is actively incorporating niche financial products: "By proposing and providing sustainability-linked loans (SLL) that link loan terms to the borrower's achievement of sustainability performance targets, we are supporting our clients' sustainability strategies both inside and outside Japan. ; For example, we are offering ESG investment products, such as those using our ESG Low Volatility High Dividend Payment Strategy, in which we select stocks from an ESG perspective with a focus on dividend yields and low volatility and aim to produce stable returns, and our Sustainability Research Strategy, in which we consider positive contributions to solving social issues as revenue opportunities and employ selective investment."; "Mizuho signed a facility agreement and served as the sole arranger for a sustainability-linked cross-border syndicated loan to provide financing to a Thai company.; In Japan, we have assisted with the structuring of industry-first"
		<ul style="list-style-type: none"> No evidence of ESG criteria in decision making. 	<ul style="list-style-type: none"> No evidence of ESG criteria in decision making. 	The bank is incorporating ESG criteria to guide investment decisions: "In addition to supporting improvements in these companies' corporate value and supporting sustainable growth for society, we are also pursuing ESG investment, making investment decisions with not only financial information but also ESG factors and other types of non-financial information."
Intensity	Bank as catalyser for change inside and outside the sector	<ul style="list-style-type: none"> No evidence of social innovation efforts. 	<ul style="list-style-type: none"> No evidence of social innovation efforts. 	The bank created a platform to bring together multiple actors and advance social innovation: "Utilizing our broad customer base, we are developing a wide-ranging network of large corporations, middle-market and small- and medium-sized enterprises, and startups to advance open innovation."
		<ul style="list-style-type: none"> No evidence of the bank's efforts nor ambition to catalyse social change inside and outside the sector. 	<ul style="list-style-type: none"> No evidence of the bank's efforts nor ambition to catalyse social change inside and outside the sector. 	<p>The bank is helping companies address social and environmental matters: "In light of the indirect impact that we, as a financial group, have through our clients, we strive to deepen our understanding of the issues and needs of clients through proactive engagement, and have strengthened our group-wide support of sustainable businesses in order to aid clients' SDGs and Environmental, Social, and Governance (ESG) initiatives, sustainability-related innovation, and risk reduction, including initiatives that address climate change and the transition to a low-carbon society."; "Through this sort of engagement and group-wide effort, we are supporting our clients in improving their corporate value in both financial and non-financial aspects."</p> <p>The bank created a platform to foster open innovation and social innovations to tackle global challenges: "Utilizing our broad customer base, we are developing a wide-ranging network of large corporations, middle-market and small- and medium-sized enterprises, and startups to advance open innovation."</p> <p>The bank is actively engaging with clients about sustainability: "In the Asset Management Company, we are engaging in constructive, purposeful dialogue (engagement) with the companies in which we invest.; In these ways, we are continually discussing how we can promote sustainable business as a united group."</p> <p>The bank supports companies that promote ESG: "We will continue proactively providing a wide range of solutions, including advice and financing support, to companies that promote ESG topics."</p>
		No evidence of extra efforts to advance knowledge.	The bank is advancing knowledge in research of sustainability related areas su banking: "Mizuho Information & Research Institute provides consulting and conducts research on the advancement of environmental management and countermeasures for climate change, and provides advisory services related to ESG risks."	The bank is advancing knowledge in research of sustainability related areas in banking: "In terms of research collaboration, we are focusing on output usable in consulting and coordination among in-house companies, and we have formed a Task Force on Climate Change Research"
	Positioning of the bank in society/banking system	The CEO limits the role of the bank to its neoclassical functions: "We believe that the unchanging value we generate as a financial institution is firstly our ability to shape the future of economies and societies due to our capability to take measured risks and to provide financial intermediary functions, and secondly our ability to act as a superior financial partner, supporting customers in the pursuit of their dreams and hopes as well as guiding them towards solutions to their issues or concerns."	The CEO limits the role of the bank to its neoclassical functions: "As a united group, we will aim to continue to contribute to the sustainable and stable growth of our broad customer base and sound economic and social development throughout the world.To do so, every member of Mizuho must be aware of our proud history and be committed to ensuring that Mizuho continues to fulfill our important role in the coming era, as well as make every effort to provide the highest quality financial services."	The bank recognises its wider role in society and for its customers: "Until recently the value proposition of financial institutions has been based on traditional financial services, focused on the value of money itself. Of course, the importance of money itself is not going to change any time soon. However, as I mentioned above, as peoples' lifestyles and values change, and as countries around the world become more interconnected in terms of economic and industrial structures, we are experiencing a time of broad change and new customer needs are rapidly arising.; Our aim is to go beyond the conventional boundaries of finance and draw on a wide range of resources. We will seek to create new value incorporating both financial and non-financial products and services with added value by expanding into and connecting with adjacent business fields. That is the essence of our key strategy."

	Social Good as a Deeper Purpose	<ul style="list-style-type: none"> No evidence of a social sense of purpose. 	<ul style="list-style-type: none"> No evidence of a social sense of purpose. 	<ul style="list-style-type: none"> No evidence of a social sense of purpose. 	
	Building a pro-social common identity	<ul style="list-style-type: none"> No evidence of the attempt to build a common identity around a social purpose. 	<p>The bank has established an approach to sustainability in all its business units: "...and each in-house company, unit, and group will establish a strategy incorporating sustainability initiatives."</p>	<p>The bank has established an approach to sustainability in all its business units: "...and each in-house company, unit, and group will establish a strategy incorporating sustainability initiatives."</p> <p>The bank created officers responsible for advancing sustainability across the group: "And we will ensure that this mindset is adopted throughout the organization."</p> <p>The bank aims to ensure that all the company incorporates a pro-social mindset: "For example, Mizuho Bank has set up a Sustainability and Engagement Promotion Office, and the Research & Consulting Unit has launched a Sustainability Promotion Project."</p> <p>The bank is actively promoting sustainability inside the bank and among employees: "For example, Mizuho Bank has set up a Sustainability and Engagement Promotion Office."</p> <p>The group created the position of sustainability officers to foster a pro-social business model across the bank: "Specifically, we have appointed officers responsible for advancing sustainable business in each in-house company and unit and are holding regular working-level strategy meetings on sustainable business. In these ways, we are continually discussing how we can promote sustainable business as a united group."</p>	
Relative Importance	Strategic Integrated Thinking	<p>The bank refers to CSR activities as peripheric to its strategy as opposed to embedding social objectives in the bank's strategy: "To do this, we position corporate social responsibility (CSR) initiatives as key corporate activities and we manage our business with consideration for the creation of value for a variety of stakeholders. In addition, we strive to ensure that each of our staff carries out his/her day-to-day work with an awareness of our social responsibilities and public mission. Also, we are seeking to address environmental, social, and governance (ESG) issues as part of our CSR initiatives."; "... we ensure that our business activities are environmentally responsible and respectful of human rights, all of which ultimately enhances our corporate value."</p>	<p>Sustainability efforts are not embedded in the bank's strategy, and are only an application of the bank's financial performance: "We at Mizuho have continually strengthened initiatives to create value for our diverse stakeholders, and have positioned CSR initiatives as a pillar of our corporate conduct. With the establishment of our new business plan, we have defined sustainability at Mizuho as "achieving sustainable and stable growth for Mizuho, and through this growth, contributing to the sustainable development and prosperity of the economy, industry, and society around the world."</p>	<p>The bank addresses sustainability efforts as a modus operandi: "By promoting sustainability initiatives, we at Mizuho aim to operate in a way that considers creation of value for our varied stakeholders and improve corporate value through sustainable, stable growth for the entire group, thus contributing to the achievement of the Sustainable Development Goals (SDGs)."</p>	
		<p>The bank seems to follow a peripheral approach to CSR: Medium- and Long-term CSR Initiative Policy: "Promote social contribution activities that take into consideration the needs of local regions and society; Reinforce the group's foundations that underpin activities in line with society's expectations"; "Strengthen efforts to promote businesses that contribute to the sustainable development of society."</p>	<p>The bank embeds its responsibility, approach to sustainable finance and support to communities as its purpose on top of which strategic priorities are built: "Management that takes into consideration the creation of value for various stakeholders; Improvement of corporate value through sustainable and stable growth of the company"; "Contribution to sustainable economic, industrial, and social development, and prosperity around the world..."</p> <p>The bank's first goal is to grow and use this growth to contribute to social development: "Achieving sustainable and stable growth for Mizuho, and through this growth, contributing to the sustainable development and prosperity of the economy, industry, and society around the world."</p>	<p>The bank embeds its responsibility, approach to sustainable finance and support to communities as its purpose on top of which strategic priorities are built: "... we define sustainability for Mizuho as Mizuho's sustainable and steady growth, environmental conservation, and the sustainable development and prosperity of the economy, industry, and society both in Japan and around the world. With this as our basic approach, we will work together as a united group to formulate strategic initiatives-"; "Management that takes into consideration the creation of value for various stakeholders; Contribution to sustainable economic, industrial, and social development, and prosperity around the world."</p>	
		<ul style="list-style-type: none"> No evidence of having sustainability issues as business targets. 	<p>The bank raises sustainability matters to business targets: "Additionally, we have set business related KPIs (monitoring indicators) and targets for our corporate foundations based on the key sustainability areas.; Additionally, we have set targets/KPIs based on our key sustainability areas"</p>	<p>The bank raises sustainability matters to business targets: "In line with our key sustainability areas, we have defined sustainable finance and environmental finance for Mizuho and set long-term targets looking towards 2030, the SDGs target year."</p>	
		<ul style="list-style-type: none"> No evidence of any social indicators. 	<p>The bank uses social indicators as reference: "Also, we have defined key sustainability areas in our 5-Year Business Plan in line with the expectations and requirements of stakeholders and based on the importance and affinity of such initiatives with our strategy, as well as medium- to long-term impact on our corporate value, and each in-house company, unit, and group will establish a strategy incorporating sustainability initiatives."; "We will proactively work towards achieving the SDGs through our business activities and enhancing our medium- to long-term corporate value."</p>	<p>The bank uses social indicators as reference: "At Mizuho, as part of promoting sustainable business, we have established key sustainability areas (materiality) for our business, as well as KPIs (monitoring indicators)."</p>	
		<ul style="list-style-type: none"> No evidence of the integration of social mindset in strategic decisions. 	<ul style="list-style-type: none"> No evidence of the integration of social mindset in strategic decisions. 	<p>The bank makes decisions based on a long-term perspective and harmony between ESG: "In the event of differences of opinions among stakeholders, the group shall make a comprehensive decision by employing a long-term perspective towards harmony with the economy, industry, society, and environment"</p>	
		<ul style="list-style-type: none"> No evidence of any sustainability KPIS. 	<p>The bank established KPIs for sustainability: "Additionally, we have set business related KPIs (monitoring indicators) and targets for our corporate foundations based on the key sustainability areas.; Additionally, we have set targets/KPIs based on our key sustainability areas."</p>	<p>The bank established KPIs for sustainability: "At Mizuho, as part of promoting sustainable business, we have established key sustainability areas (materiality) for our business, as well as KPIs (monitoring indicators)."</p>	
			<p>The bank's approach to sustainable challenges is driven by the steadily growing demand particularly from institutional investor: investors are showing an increasing interest in environmental, social, and governance (ESG) factors.</p>	<p>The bank refers to external expectations: "In other words, companies are expected to make efforts to increase the positive impacts of their business activities and decrease or avoid negative impacts."</p> <p>The bank is driven by strategic performance: "We will proactively work towards achieving the SDGs through our business activities and enhancing our medium- to long-term corporate value"</p>	<p>The bank has a broader view of environmental and social care to generate additional revenue: "In order for us to continually enhance our corporate value, we must focus not only on our own value but on creating value for a broad range of stakeholders, including our shareholders, customers, employees, and society as a whole."; "...in which we consider positive contributions to solving social issues as revenue opportunities and employ selective investment."</p>
			Motivations behind addressing societal challenges		

	<p>The bank addresses CSR as core due to its impact on enhancing corporate value.-The bank is driven by strategic performance: Mizuho's CSR initiatives aim to contribute to the sustainable development of society which, in turn, creates a foundation for the creation of new corporate value and</p>	<p>The bank is driven by its own expectation and corporate value is a consequence rather than a driver: "Therefore, expectations are higher than ever regarding companies' contribution to society's sustainable development. These expectations are in line with those we already hold ourselves to, as outlined in our Corporate Philosophy."</p>	<p>The bank is not driven by regulations or the market but rather the vision regarding the environment, the organizational goal and the role it wants to play in society: "As we move to implement the 5-Year Business Plan, we will be putting an increased emphasis on sustainability. Sustainable development efforts are gaining increasing importance, including in areas such as responding to climate change, respecting human rights, and adapting to a society with a declining birthrate and aging population."</p>
<p>Top-down approach to a pro-social business model</p>	<ul style="list-style-type: none"> No evidence of sustainability decisions being centralized at the c-level. 	<ul style="list-style-type: none"> No evidence of sustainability decisions being centralized at the c-level. 	<p>The bank created a sustainability team to tackle social challenges and integrate sustainability in its strategy: "With the sustainable finance market growing worldwide, Mizuho Securities is further advancing our sustainable finance initiatives. We have partnered with the environmental certification organization Climate Bonds Initiative and in 2019 launched a sustainability team in Mizuho International (London) to gather the latest information on a global basis."</p> <p>The group created the position of sustainability officers to foster a pro-social business model across the bank: "Specifically, we have appointed officers responsible for advancing sustainable business in each in-house company and unit and are holding regular working-level strategy meetings on sustainable business. In these ways, we are continually discussing how we can promote sustainable business as a united group"</p>

Appendix 12.10- Trajectory Analysis: Santander.

Themes		2017	2018	2019
Intensity	Embeddedness of prosocial mindset in business practices	<ul style="list-style-type: none"> No evidence of engaging in microfinance. 	<p>The bank engages in microfinance: "Through Santander Prospera we offer microcredit and other financial services to those on very low incomes. Half of our clients are below the poverty line and our subsidized low-interest rates loans can be for as little R\$100 up to R\$13,000 (around 20 to 3,000 euros)."</p>	<p>The bank engages in microfinance: "We offer specific banking products aimed at those groups who are not in the banking system, who are underserved or who are financially vulnerable. Microfinance products and services can support economic and social development in a number of ways. They can help increase people's earnings potential; help increase their spending on necessities such as education and health; and help people save for retirement or unforeseen events. Our geographical footprint is wide and our clients' needs differ significantly across countries. As a result, our microfinance products and services are tailored to meet local needs, with a focus on income-generating loans to low income and underbanked entrepreneurs."</p>
		<p>The bank is looking for profitable and environmentally sound investments: "In 2017 the Bank helped finance new renewable energy projects..."</p>	<p>The bank designs banking products that include social and environmental criteria: "When we analyse and invest our SRI products, we combine financial criteria with non-financial criteria (ESG) to select assets."</p> <p>The bank is increasingly incorporating niche financial products: "Through our Santander Corporate & Investment Banking division we act as joint bookrunner in numerous emissions of green & sustainable bonds and EGS loans."</p>	<p>The bank includes ESG criteria in lending decisions (social added value is a pre-requisite to lending): "We play a major role in the transition towards a more sustainable economy, offering a wide range of products and services, integrating environmental, social and governance criteria into our lending decisions."</p> <p>The bank is increasingly incorporating niche financial products: "This Global Sustainable Bonds Framework enables the issuance of Green Bonds, Social Bonds and Sustainable Bonds that align the finance-raising activities with sustainable development and our commitment towards a more inclusive and sustainable growth.; Santander Asset Management strengthened its range of sustainable investment funds with the launch of Santander Sustainable Bonds, a product aimed at conservative savers who will invest their portfolio in issues mainly of green bonds (corporate debt designed to finance green projects: clean energy, reduction of emissions...), which will be complemented with other types of sustainable bonds, such as social, climate change or environmental bonds, all focused on generating positive impacts on society and the environment."</p> <p>The bank shows the commitment to promote social change through its activities: "Santander Asset Management has a full-time dedicated SRI expert team, which is responsible for developing and implementing our ESG analysis methodology. This methodology allows us to obtain an ESG score in order to have a better picture by incorporating extra-financial criteria into our assessment."</p>
		<p>The bank shows great care for vulnerability cases: "We help to tackle social exclusion by backing programmes that address poverty, vulnerability and social marginalization."</p>	<p>The bank shows great care for vulnerability cases: "The Group has worked on standards and good practices when dealing with vulnerable customers and preventing over-indebtedness.; We want to be the bank of choice for all customers, including those on low incomes and from vulnerable groups, offering them the services and products they need.;" "We run several programmes to tackle poverty, vulnerability and social marginalization."</p>	<p>The bank shows great care for vulnerability cases: "Developed corporate guidelines for good practices on treatment of customers, so we can cater for their individual needs and help prevent over-indebtedness."</p>
Bank as catalyser for change inside and outside the sector	<ul style="list-style-type: none"> No evidence of the bank's efforts nor ambition to catalyse social change inside and outside the sector. 	<p>The bank acts like an advocate for change in the banking sector by helping disseminate best practices: "Dissemination and development. We participate in initiatives and organisations to help spread SRI, and which enable different organisations share best practice and understanding."</p>	<p>The bank acts like an advocate for change in the banking sector by helping disseminate best practices: "Dissemination and development. We participate in initiatives and organisations to help spread SRI, and which enable different organisations share best practice and understanding."</p>	
	<ul style="list-style-type: none"> No evidence of external engagement with a social objective. 	<p>The bank engages in learning processes that are not necessarily economic viable from the outset: "We collaborate with universities and educational centers, organising and participating in events and training days in SRI."</p> <p>The bank engages with the social economy to advance social change: "We work with NGOs, and indirectly with our social responsible investment products, to support initiatives which help those who are at risk of social exclusion."</p>	<ul style="list-style-type: none"> No evidence of external engagement with a social objective. 	

Positioning of the bank in society/banking system		The bank recognizes its wider role in society: "In addition, we should not forget that the financial sector has to increasingly assume a more committed role with society, fostering the idea of Responsible banking and financial inclusion of the least bankarised sectors."	The bank recognizes its wider role in society: "As a large business we have unique ability to make a positive contribution to big social and economic challenges. I want Santander to be a leader in this area -and I am convinced that we will return value to you by doing so.;" "Our customers must perceive that, in addition to being financial service providers, we are also social welfare provider."
	The bank focuses on being responsible and aligning financial performance to social responsibility, not following a more proactive approach: "We are committed to generating growth in a sustainable, predictable and responsible manner.;" "Companies have a responsibility to create value by taking into account the positive and negative effects of their decisions on their environment. Acting responsibly is more important now than ever before"	The bank aims to advance economic and social progress by addressing societal challenges: "By delivering on our purpose, and helping people and businesses prosper, we grow as a business and we can help society address its challenges too. Economic progress and social progress go together. The value created by our business is shared – to the benefit of all. Communities are best served by corporations that have aligned their goals to serve the long term goals of society."	The bank aims to advance economic and social progress by addressing societal challenges: "By delivering on our purpose, and helping people and businesses prosper, we grow as a business and we can help society address its challenges too. Economic progress and social progress go together. The value created by our business is shared - to the benefit of all. Communities are best served by corporations that have aligned their goals to serve the long term goals of society."
	The bank addresses social challenges as opportunities: "Climate change, the growth in the world's population and scarce natural resources to meet their needs, pose significant social, environmental and economic risks but also opportunities."	The bank actively engages with broader stakeholders to understand societal challenges which will inform strategic decisions: "In 2018 we conducted a survey to identify what our employees, customers and society think a responsible bank should do. These findings helped us as we analysed what the leading environmental, social and governance analysts are telling us."	The bank actively engages with broader stakeholders to understand societal challenges which will inform strategic decisions: "We encourage active listening and have several channels that enable us to understand stakeholders' expectations".
	<ul style="list-style-type: none"> No evidence of active engagement with broader stakeholders. 	<ul style="list-style-type: none"> No evidence of an external impact assessment. 	The bank cares for and is actively monitoring its impact on society: "We participate in consultations held by third parties about the impact the Group has on the sustainable development agenda.;" "Furthermore, to understand our overall impact on society, we are always assessing social and environmental externalities (both negative and positive)."
	<ul style="list-style-type: none"> No evidence of the bank as a problem solver. 	The bank positions itself as a problem solver: "The second challenge is to support inclusive and sustainable growth – especially in a world where there is a rising sense of inequality, and a growing recognition of the urgent need to tackle climate change. We can address these challenges in a number of ways – such as our Universities programme, our financial empowerment initiatives or the financing we provide to renewables, which are just some examples of what we are doing."	The bank positions itself as a problem solver: "Now we want to go further and do more to help address the big global challenges we face."
Social Good as a Deeper Purpose	The bank expresses a sense of purpose connected to its role in addressing social challenges: "It's a business that understands its purpose is more than making a profit: it has a clear sense of how, by making a profit, it benefits society as a whole, today and for generations to come."	The bank expresses a sense of purpose connected to its role in addressing social challenges: "Doing the basics brilliantly is essential – but it is no longer enough. We need to show how our business is delivering profit with a purpose."	The bank expresses a sense of purpose connected to its role in addressing social challenges: "Ensuring that we run our business responsibly, and that we deliver profit with purpose, has been core to Santander's approach to banking for generations."
Building a pro-social common identity	The bank provides training in incorporating social and environmental criteria in risk management:	The bank provides training in incorporating social and environmental criteria in risk management: "Risk management is included in all employees' training. The Risk Pro Banking School and Academy help define the best strategic training goals for our professionals in accordance with Group priorities, in addition to disseminating the risk culture and developing the best talent."	The bank provides training in incorporating social and environmental criteria in risk management: "Sessions on climate scenarios training were given by experts to our risk and research teams."
	The bank has a group wide approach to sustainability: "Each unit has a defined sustainability governance structure."	The bank has a group-wide agenda on responsible banking governance and implementation: "The Santander Way is our strong global culture, fully aligned to our corporate strategy. It includes our purpose, our aim, and how we do business. It is the bedrock of our bank, a responsible bank." The bank provides training on responsible banking: "All front-line and customer-facing employees are provided with additional training to help recognise and understand issues which might impact customers, particularly those customers who are dealing with (or facing) vulnerable situations."	The bank has a group-wide agenda on responsible banking governance and implementation: "The culture steering, promotes, supports and tracks the implementation of The Santander Way (our corporate culture) across the geographies, ensuring corporate and local actions are consistent.;" "General sustainability policy - Defines our general sustainability principles, and our voluntary commitments with our main stakeholders, lasting value"
Strategic Integrated Thinking	The bank shows commitment to align social and economic progress: "By delivering on our purpose, and helping people and businesses prosper, we grow as a business and we can help society address its challenges too."	The bank shows commitment to align social and economic progress: "Growth should meet the needs of today's generation, without hampering future generations' ability to meet their own needs: a balance should always be struck between economic growth, social welfare and environmental protection." The bank refers to sustainability as a modus operandi integrated across the bank: "All our activity is guided by policies, principles and frameworks to ensure we behave responsibly in everything we do. We have redesigned and strengthened our responsible banking governance, both to ensure we are compliant and to help us manage initiatives which tackle the two challenges we have identified."	The bank shows commitment to align social and economic progress: "Growth should meet the needs of today's generation, without hampering future generations' ability to meet their own needs: a balance should always be struck between economic growth, social welfare and environmental protection." The bank refers to sustainability as a modus operandi integrated across the bank: "All our activity is guided by principles, frameworks and policies to ensure we behave responsibly in everything we do. We have reformed and strengthened our responsible banking governance to help us manage initiatives which tackle the two challenges we have identified."
	<ul style="list-style-type: none"> No evidence of any social indicators. 	The bank uses social indicators as reference: "All social agents, including companies, have a responsibility to contribute to the Sustainable Development Goals (SDG) of the United Nations. We contribute directly to achieving the SDGs through our business activities and also through our community investment programmes."	The bank uses social indicators as reference: "We contribute directly achieving the SDGs through our business activities and our community investment programmes."
		The bank focuses on growth and returns as a major duty and goal: "Our aim is to build lasting loyalty among our more than four millions shareholders by	The bank focuses on growth and returns as a duty and goal: "By focusing on these three priorities, we aim to grow earnings and improve our profitability from where we are

	<ul style="list-style-type: none"> No evidence of social progress as a major role. 	<p>aiming to deliver sustainable growth, predictable profits and transparency”</p>	<p>today; Our duty is to increase the appeal of the banking sector in order to improve share prices at European bank.”</p> <p>The bank refers to combating social issues as a major objective: “Our objective is to continue being loyal to our stakeholders, meeting their needs and helping to overcome the challenges that will arise in the future, reinforcing the commitment to environmental sustainability.”</p>
	<ul style="list-style-type: none"> No evidence of any link between Sustainability criteria and remuneration. 	<ul style="list-style-type: none"> No evidence of any link between Sustainability criteria and remuneration. 	<p>The bank links Sustainability criteria to remuneration: “In the 2020 executive scorecard (which underpins the Group’s remuneration scheme), when calculating our achievement of our profitability metrics, we will consider progress against our Responsible Banking targets.”</p>
	<p>The bank sees success not only on financial performance but also value creation to broader stakeholders and responsible behavior: “What makes a truly successful business? For me, the answer is simple. It’s a business that recognises it has a responsibility to its employees, customers, shareholders and the wider community - everyone who has a stake in the business, or is touched by its activities in some way.”</p>	<ul style="list-style-type: none"> No evidence of perspective on corporate success. 	<p>The bank sees success not only on financial performance but also value creation to broader stakeholders and responsible behavior: But I am also impressed by what our Group has achieved in this time of disruption; growing, becoming even stronger and more profitable, and running our business more responsibly</p>
	<ul style="list-style-type: none"> No evidence of sustainability matters as a business target. 	<ul style="list-style-type: none"> No evidence of sustainability matters as a business target. 	<p>The bank sets sustainability matters as business targets: “In the 2020 executive scorecard (which underpins the Group’s remuneration scheme), when calculating our achievement of our profitability metrics, we will consider progress against our Responsible Banking targets.”</p>
Motivations behind addressing societal challenges	<p>The bank is driven by business motives: “Our objective is to consolidate our position as the best retail and commercial bank for our employees, customers, shareholders and society in general. To this end, we must continue to strengthen the pillars of our corporate culture, being Simple, Personal and Fair in all we do. We are convinced this is the best way to lay the foundations for progress and improve not only the quality of the income statement, but also the company’s value and the share price.”</p> <p>The bank is driven by reputation: “The reason “doing good” is good business can be summed up in one word: loyalty. (...)Loyal customers generate growth year after year, which in turn creates lasting loyalty among shareholders”</p>	<p>The bank is driven by external expectations: “Doing the basics brilliantly is essential – but it is no longer enough. We need to show how our business is delivering profit with a purpose. All our stakeholders – our people, customers, shareholders and communities – expect no less.”</p>	<p>The bank is driven by external expectations: “...our commitment to our communities, the economies we serve and the environment we all depend on is now permanently at the centre of social and political expectations of us.”</p>
	<p>The bank is driven by strategic performance: “Companies that do the right thing are rewarded”</p>		<p>The bank is not driven by regulations or the market but rather the vision regarding the environment, the organizational goal and the role it wants to play in society: “Our customers must perceive that, in addition to being financial service providers, we are also social welfare providers. Our objective is to continue being loyal to our stakeholders, meeting their needs and helping to overcome the challenges that will arise in the future, reinforcing the commitment to environmental sustainability and real equality between men and women. All of this must be reflected in our internal governance.”</p>
Top-down approach to a pro-social business model	<p>The bank centers sustainability efforts in a risk related committee: “Risk Supervision, Regulation and Compliance Committee. Their functions include periodically assessing the corporate governance system as well as reviewing and monitoring the sustainability policies and evaluating the degree of compliance with these.”</p>	<p>The bank created a steering committee to provide advice, ensure delivery of the project outputs and the achievement of project outcomes related to sustainability: “Inclusive & sustainable banking steering To meet the challenge of inclusive and sustainable growth, this group supports small businesses to create new jobs, improving financial empowerment, supporting finance the low carbon economy and fostering sustainable consumption.”; “Santander has appointed a Senior Advisor on Responsible Business Practices, who reports directly to the executive chairman and works with the Responsible Banking Unit.”</p> <p>The bank created a committee dedicated to sustainability: “To achieve this, we have begun to embed new governance across the Group, including during 2018 the creation of the new Responsible Banking, Sustainability and Culture Committee of the Board, to ensure that wherever we operate, our senior management is focused on the need to be responsible in all we do and on the challenges we face.”; “Our board has created a responsible banking, sustainability and culture committee to help the Group progress towards its goal of being a more responsible Bank.”</p>	<p>The bank created a steering committee to provide advice, ensure delivery of the project outputs and the achievement of project outcomes related to sustainability: “The inclusive & sustainable banking steering reviews and tracks initiatives to tackle social and financial inclusion; extend and improve access to education and training; support by financing in the transition to a low carbon economy; and support investment which benefits society as a whole”.</p> <p>The bank created a committee dedicated to sustainability: “The responsible banking, sustainability and culture committee has a key role in guaranteeing that we have a responsible and sustainable governance and in ensuring that all of our business practices are sound and consistent.”; “The responsible banking public commitments that we announced in July 2019, in the context of the above mentioned two challenges, drive the responsible banking, sustainability and culture committee’s agenda.”</p>
	<ul style="list-style-type: none"> No evidence of extra efforts at the corporate level to advance responsible banking. 	<p>The bank appointed a senior advisor that reports directly to the executive chairman and RP unit: “Santander has appointed a Senior Advisor on Responsible Business Practices, who reports directly to the executive chairman and works with the Responsible Banking Unit.”</p> <p>The bank aims to build a governance rooted on the principles of responsible banking: “The Santander Way is our strong global culture, fully aligned to our corporate strategy. It includes our purpose, our aim, and how we do business. It is the bedrock of our bank, a responsible bank.”</p>	<p>The bank appointed a senior advisor that reports directly to the executive chairman and RP unit: “Santander has appointed a Senior Advisor on Responsible Business Practices, who reports directly to the executive chairman and works with the Responsible Banking Unit.”</p> <p>The bank raises responsible banking as a cornerstone of corporate governance and set a strong culture of responsible banking: “Responsible banking as a cornerstone of our corporate governance - Responsible banking has been a key priority in the agenda of our corporate governance during 2019 and.” will continue to be in the future</p> <p>The bank aims to build a governance rooted on the principles of responsible banking: “Our corporate culture is critical to Santander’s ambition to build a more responsible banking”</p>

Appendix 12.11- Trajectory Analysis: Société Générale.

		2017	2018	2019
Intensity	Embeddedness of prosocial mindset in business practices	<p>The bank foregoes the infusion of capital into form of coal production: “We’ve stopped financing the development of coal mines, coal-fired plants and associated infrastructure around the world. We also decided to end the financing of oil sands production and oil drilling in the Arctic.”</p> <p>•No evidence of banking products that take into account social, environment and exclusion criteria.</p> <p>•No evidence of ESG criteria in design making.</p> <p>The bank engages in microfinance: “The Group provides refinancing for microfinance organisations in their local currency, principally in Europe and Africa.”</p> <p>The bank sets its commitment to advance social progress in developing countries: “As a partner of local players and international clients who invest in Africa, Societe Generale supports the continent’s growth.”</p> <p>•No evidence of solidarity.</p>	<p>The bank foregoes the infusion of capital into form of coal production: “We have pledged to limit the presence of coal in the energy mix of projects we finance.”</p> <p>•No evidence of banking products that take into account social, environment and exclusion criteria.</p> <p>•No evidence of banking products that take into account social, environment and exclusion criteria.</p> <p>The bank engages in microfinance: “IN MICROFINANCE, the Group’s various partnerships fund microfinance organisations in Africa and work in support of ADIE in mainland France and the French Overseas Territories.”</p> <p>The bank sets its commitment to advance social progress in developing countries: “...with the November 2018 launch of the Grow with Africa initiative, whose purpose is to contribute to sustainable development on the African continent in partnership with local stakeholders.”</p> <p>•No evidence of solidarity.</p>	<p>The bank foregoes the infusion of capital into form of coal production.</p> <p>The bank designs banking products and services that address social issues and can be financially attractive at the same time: “Moreover, it is also through their day-to-day work, proposing innovative solutions to our customers, that our staff bring our purpose to life while actively contributing to the sustainability of the company and the world around us.”; “To cite a few examples, the Group set up the first interest rate and currency hedge tied to environmental indicators for ENE.”</p> <p>The bank uses ESG criteria into investment decisions: “At the end of 2019, nearly €8.7bn in Assets under Management were rated according to ESG and carbon criteria.”</p> <p>The bank engages in microfinance: “IN MICROFINANCE, the Group’s various partnerships fund microfinance organisations in Africa and work in support of ADIE in mainland France and the French Overseas Territories.”</p> <p>The bank sets its commitment to advance social progress in developing countries: “Our ambition is to contribute to sustainable development in Africa.”</p> <p>The bank shows great care for vulnerability cases: “... and help reduce social inequalities by promoting social inclusion through our banking activities and the initiatives led by our corporate foundation. ; The Group also encouraged its staff in France to join this commitment to social solidarity; Alongside my colleagues from General Management, we have decided to renounce in advance half of the variable component of our salary that would have been allocated to us by the Board of Directors for the 2020 financial year, a year of social action and initiatives, to help finance our solidarity programme”</p>
		<p>The bank is advancing knowledge in research of sustainability related areas in banking: “Beyond our commitments in terms of our own activities, our role as bankers is to help our clients contribute to a more inclusive and more sustainable economy. To do this, we have developed considerable social and environmental expertise ranging from research and advisory services to financing, capital market and investor solutions.”</p> <p>•No evidence of the bank as supporter for social ventures or positive change in organizations.</p> <p>•No evidence of interbank cooperation.</p>	<p>The bank acquires fintech startups to accelerate social and environmental progress: “With the strategic acquisition of the French Fintech Lumo, a pioneering renewable energy crowdfunding platform, in 2018 the Group enhanced its ability to serve customers by offering an innovative way of financing projects.”</p> <p>The bank created an open source methodology to advance social change in the sector: “Societe Generale is also developing open source methods and solutions to measure how its lending portfolios align with the objectives of the Paris Climate Agreement.”</p> <p>The bank supports social based ventures or cooperatives: “IN THE SOCIAL AND SOLIDARITY-BASED ECONOMY, the Group supports innovative ways of fostering sustainable economic development that combine environmental and social performance in different formats (companies, cooperatives, not-for-profit associations) with social cohesion and solidarity targets”.</p> <p>The bank supports companies in their transition: “We seek to be the partnership bank of all those who want to build the world of tomorrow”</p> <p>•No evidence of interbank cooperation.</p>	<p>The bank is actively looking for financial innovations to find solutions for societal issues: “While the technological revolution is changing the way people do things, Societe Generale is inventing the bank of tomorrow with a deeply-held conviction: innovation coupled with responsibility is essential to satisfy and protect our customers, improve our operational efficiency and seize the business opportunities of tomorrow.”</p> <p>The bank is advancing knowledge in research of sustainability related areas in banking: “Societe Generale Corporate and Investment Banking is one of the first market players to expand its independent research to include a systematic study of environmental, social and corporate governance (ESG) considerations in its stock analysis.”</p> <p>The bank supports social based ventures or cooperatives: “Positive Sourcing Programme action plan favouring VSEs/SMEs and the social and solidarity economy”</p> <p>The bank supports companies in their transition: “By helping our individual and corporate clients realise their sustainable projects, supporting the energy transition, developing regions and Africa, and promoting inclusion for all, we are helping to build the world of tomorrow.”</p> <p>The bank establishes interbank cooperations to accelerate change: “Participation in interbank alliances to accelerate fair and inclusive transition solutions.”</p> <p>The bank recognizes monitoring the impact it has on society and not just the impact of changes in financial risk: “Aware of the Environmental and Social impacts (E&S) of our activities...”</p>
		<p>•No evidence of the perspective on impact.</p> <p>The bank role in driving economic growth responsibly and having positive impact in all its stakeholders: “We are reaffirming our fundamental role as a bank: a trusted partner committed to helping our clients realise their goals and driving positive change in the economies and societies in which we are an essential player, and so help to build and secure the future.”; “Our role is to assist people, businesses, investors, local authorities and Non-Profit Organisations to develop, manage their savings and build their futures”</p> <p>The bank looks at societal challenges as opportunities: Personally, I see them as opportunities that will spur us on to rethink our businesses, innovate and invest in the future.</p>	<p>•No evidence of the perspective on impact.</p> <p>The bank role in driving economic growth responsibly and having positive impact in all its stakeholders: “In this we are guided by our long-term vision of supporting our customers in the positive transformations of the world, and by our values of team spirit, innovation, responsibility, and commitment. Our role as bankers rests on this foundation, promoting responsible, sustainable growth, driven by the will to have a positive impact for all our stakeholders.”</p>	<p>The bank recognises its wider role in society to drive social progress: “The Group and its staff are fully aware of the responsibility of our banking profession. We are living it to the letter during these exceptional times. We provide essential services to our fellow citizens and our economies.”</p>
		<p>The bank's mission is focused on economic growth: “In keeping with our original mission defined over 150 years ago to “support the development of trade and industry” and true to our forward-focused, optimistic culture, we are fully committed to the positive transformations of society and the economy.”</p>	<p>The bank's mission is focused on economic growth: “In keeping with our original mission defined over 150 years ago to “support the development of trade and industry”, we are fully committed to the positive transformations of society and the economy. We will remain faithful to our culture of optimism and progress, driven by the desire to put our businesses and skills to work for our clients’ projects.”</p>	<p>The bank raises fostering social change to its mission: “Founded in 1864 with the original purpose of “promoting the development of trade and industry in France”, Societe Generale supported the industrial revolution, which profoundly changed the world in the 19th century. Today, globalised economies must adjust to a new turning point: a broader responsibility to society, the planet and future generations. To support this new revolution, Societe</p>
		<p>Bank as catalyser for change inside and outside the sector</p>	<p>Bank as catalyser for change inside and outside the sector</p>	<p>Bank as catalyser for change inside and outside the sector</p>
		<p>Positioning of the bank in society/banking system</p>	<p>Positioning of the bank in society/banking system</p>	<p>Positioning of the bank in society/banking system</p>
<p>Social Good as a Deeper Purpose</p>	<p>Social Good as a Deeper Purpose</p>	<p>Social Good as a Deeper Purpose</p>		

			Generale decided to redefine its corporate purpose: "Building together, with our clients, a better and sustainable future through responsible and innovative financial solutions."
	•No evidence of a sense of social purpose.	The bank expresses a sense of purpose connected to its role in addressing social challenges: "This is more than an intention, it is a demanding promise, and one that captures the deeper purpose of our banking profession: to build the future together, with all our stakeholders."	The bank expresses a sense of purpose connected to its role in addressing social challenges: "Through this corporate purpose, Societe Generale is deepening the promise it makes to its customers, to support the projects of all those who today are building the world of tomorrow."
	The focus of the bank is on growth: "OUR BANK IS READY FOR ACTION AND ITS DYNAMIC FOR GROWTH HAS BEEN RELEASED."	The focus of the bank is to promote positive transformations for its clients: "WE WANT TO BUILD A EUROPEAN LEADER SERVING OUR CLIENTS AND PROMOTING POSITIVE TRANSFORMATIONS."	The focus of the bank is the commitment towards a sustainable world: "WE ARE FIRMLY COMMITTED TO CONTRIBUTING TO BUILDING A BETTER AND MORE SUSTAINABLE WORLD."
Building a pro-social common identity	Volunteerism is promoted among employees and awarded: "With the support of its staff, Societe Generale is committed to developing relations with the wider civil societies of all the countries in which we operate. In line with our values, we take tangible, innovative action to promote solidarity, culture and sports in France and around the world, with a particular focus on supporting young people and helping them build their future. The Group encourages the involvement of its staff in these long-term initiatives, helping our partners to develop in a secure and sustainable manner."	The bank refers to the commitment of all the staff and management to promote social change: "With the new General Management team and the commitment of all our staff, we are determined to capitalise on our assets to continue the transformation work we started and make our contribution to building the world of tomorrow."	The bank is raising awareness and providing training in sustainability related matters in the attempt to build a common identity: "...by providing accounting, technical or legal expertise, advice, training, monitoring or awareness on environmental and social issues, and by studying financing solutions at all stages of the company's life cycle." The bank refers to the commitment of all the staff and management to promote social change: Although "getting the word out" is also an essential aspect, the most important thing for me is to take steps to ensure that our staff are very much involved in CSR for the sake of our stakeholders and, in particular, for future generations"; "The Group and its staff are fully aware of the responsibility of our banking profession." The group has a group-wide approach to sustainability: "Thanks to our diversified and integrated model, all the Group's Business Units have been involved in this offer and make it available to their customers."
Strategic Integrated Thinking	•No evidence of sustainability as a strategic pillar.	•No evidence of sustainability as a strategic pillar.	The bank incorporates societal matters as a strategic pillar: "More than words, this long-term commitment will concretely inform all of the Group's strategic priorities. The bank aims to align social and financial returns."
	•No evidence of social and environmental KPIS to measure performance.	The banks measures performance using financial, social and environmental KPIS: "In order to track the progress of our development and transformation plan, we have set ourselves a series of indicators that reflect all the aspects of our performance, be it financial, economic, environmental, or societal."	The banks measures performance using financial, social and environmental KPIS: "In order to track the progress of our development and transformation plan, we set ourselves a series of indicators that reflect all the aspects of our performance, whether financial, economic, environmental, or societal." The bank sees success in reaching non-financial social and environmental objectives, rather than just economic ones: "We attach as much importance to the way we achieve results as we do to the results themselves."
	The bank's remuneration schemes include criteria related to societal and sustainable performance: "A significant portion of their variable compensation depends on shared performance criteria covering financial and extra-financial metrics calculated at Group level: the Group's financial performance; client satisfaction and protection; staff commitments; responsibility"	The bank's remuneration schemes include criteria related to societal and sustainable performance: members of the Group Management Committee "...also receive variable remuneration, a significant portion of which depends on shared performance criteria covering financial and non-financial metrics set at Group level including the Group's annual financial performance, customer satisfaction, staff engagement and CSR."	The bank's remuneration schemes include criteria related to societal and sustainable performance: "CSR is a key element of Societe Generale's strategic plan. The key pillars of this commitment are part of the objectives set by the members of the Group Management Committee and are taken into account for their compensation."; "Qualitative criteria based essentially on the achievement of key targets in relation to the Group's strategy, operational efficiency and risk management, as well as the CSR policy."
	•No evidence on the alignment between economic and social progress.	•No evidence on the alignment between economic and social progress.	The bank recognises the alignment between social and economic progress: "This purpose prepares us for the long term, marking our place in a world where economic development has become inseparable from environmental and social progress."
	The bank uses social indicators as reference: "Through the Group's geographic footprint in all the countries where it operates, the diversity of its businesses and its commitments to responsible banking, Societe Generale contributes to meeting the United Nations' Sustainable Development Goals"	The bank uses social indicators as reference: " ... reinforce our role and further our contribution to financing the United Nations Sustainable Development Goal"	The bank uses social indicators as reference: "To promote activities with a positive impact on the development of the economy and society, Societe Generale has developed an offer in the spirit of the United Nations Sustainable Development Goals"
	The bank refers only to business growth targets: "The Group's target is average annual revenue growth of more than 3% between 2016 and 2020."	•No evidence of business targets.	The bank refers to non financial business targets: "We achieved all of the strategic, financial and extra-financial objectives we set ourselves for the year."
Motivations behind addressing societal challenges	The bank is driven by business opportunities: "We want to seize the opportunities open to us and make a positive contribution to building the world of tomorrow. In November 2017, we presented our Transform to Grow strategic plan, which set out both our long-term vision and a three-year roadmap for meeting our strategic, financial and extra-financial goals. Its purpose is to keep us on a cycle of profitable and sustainable growth."	The bank is not driven by regulations or the market but rather the vision regarding the environment, the organization goal and the role it wants to play in society: "Our role as bankers rests on this foundation, promoting responsible, sustainable growth, driven by the will to have a positive impact for all our stakeholders."	The bank is not driven by regulations or the market but rather the vision regarding the environment, the organization goal and the role it wants to play in society: "Building together, with our clients, a better and sustainable future through responsible and innovative financial solutions." This updated expression of our corporate purpose is the result of collective reflection, undertaken with our staff members and in line with the expectations of our stakeholders, on the role our company intends to play in the long-term."; "This corporate purpose is the expression of a strong conviction about the specific and differentiating "way in which we wish to exercise our banking profession" The bank is driven by strategic performance: "Now more than ever, CSR is a driver of future performance."
	The bank integrates CSR into the strategy committee: N/A	The bank integrates CSR into the strategy committee: "GROUP MANAGEMENT COMMITTEE, REFLECTING THE GROUP'S DIVERSITY The Group Management Committee is made up of executives from the Service Units and Business Units appointed by the Chief Executive Officer. It debates strategy and other matters of general interest to the Group. Its members share joint objectives that reflect the Group's overall performance in strategic areas including its annual financial performance, customer protection and satisfaction, staff engagement and CSR. The committee meets at least once every quarter."	The bank creates a committee in charge exclusively of sustainability management who reports directly to the executive board: "Governance, with the creation of the Responsible Commitments Committee, chaired by a member of the General Management team, which, together with the business lines, the support functions and the CSR department, is defining our direction in responsible banking; he role of the Group Responsible Commitments Committee, created in 2019, is to arbitrate and examine complex cases posing substantial reputational risk or a risk of non-compliance with the Group's CSR, ethics or reputation standards. Comprised of the Heads of the Group Compliance, Risk, Communication and CSR departments, and the Heads of the Business Units and Service Units

			concerned, it meets at least three times a year. The Committee is also responsible for taking on new commitments or revising the regulatory framework"; The role of the Group Responsible Commitments Committee, created in 2019, is to arbitrate and examine complex cases posing substantial reputational risk or a risk of non-compliance with the Group's CSR, ethics or reputation standards. Comprised of the Heads of the Group Compliance, Risk, Communication and CSR departments, and the Heads of the Business Units and Service Units concerned, it meets at least three times a year."
	•No evidence of sustainability expertise at the board level.	CSR/sustainability related expertise is included at the board level: "The composition of the Board aims to achieve a balance between its members' independence, professional and international experience and expertise while observing gender parity and diversity."	CSR/sustainability related expertise is included at the board level: "The Directors' complementary areas of expertise cover all the Group's activities and the associated risks and opportunities."

Appendix 12.12- Trajectory Analysis: Standard Chartered.

Themes		2017	2018	2019
Intensity	Embeddedness of prosocial mindset in business practices	•No evidence of investment exclusions.	The bank foregoes the infusion of capital into form of coal production: "This includes our position on power generation, which states we will cease providing financing for new coal-fired power plants anywhere in the world, save where there is an existing commitment."	The bank foregoes the infusion of capital into form of coal production: "We will only support clients who actively transition their business to generate less than 10 per cent of their earnings from thermal coal by 2030, and will review our activities within other industries generating substantial CO2 emissions."
		•No evidence of microfinance.	• No evidence of microfinance.	The bank engages in microfinance: "The proceeds from our inaugural €500 million Sustainability Bond will finance clean energy projects, smaller business lending and microfinance loans."
		•No evidence of integration of social logic in core product offerings.	• No evidence of integration of social logic in core product offerings.	The bank is designing banking products and services that address social issues and can be financially attractive at the same time: "In 2019, we launched two new Sustainable Finance products to address the SDGs in low- and middle-income countries." The bank is increasingly incorporating innovative niche financial products: "We have launched a number of innovative sustainable finance products linked to the SDGs (CEO); In 2019, we launched our first emerging market-focused Sustainability Bond and the world's first Sustainable Deposit." The bank is increasingly including ESG criteria into its banking products: "In 2019, the private bank also launched ESG ratings in its equity and fixed income trades notes, providing clients an additional data point for decision making." The bank sets ESG standards to its clients: "Position Statements that set out our environmental and social client standard."
		•No evidence of greater care for vulnerability.	The bank shows great care for vulnerability cases: "...we will raise \$50 million between 2019 and 2023 to deliver community programmes that provide disadvantaged young people with the chance to learn new skills and expertise, and improve their chances of getting a job or starting their own business."	The bank shows great care for vulnerability cases: "...we will raise \$50 million between 2019 and 2023 to deliver community programmes that provide disadvantaged young people with the chance to learn new skills and expertise, and improve their chances of getting a job or starting their own business."
Intensity	Bank as catalyser for change inside and outside the sector	•No evidence of the bank acting as an educator or encouraging other stakeholders to be more sustainable.	The bank is working closely with clients and other stakeholders to educate them and encourage them to be more sustainable: "At its core is the promise that we will be a force for good, helping clients navigate complex threats and manage their finances consistent with their own sustainability goals."	The bank is incentivizing and supporting investors to consider ESG criteria: "Standard Chartered Private Bank launched its Impact Philosophy, offering high-net-worth clients a robust roadmap for using their resources to drive impact, including global metrics in line with the global Impact Reporting and Investment Standards (IRIS)."
		•No evidence of social innovation within the bank.	The bank is actively looking for financial innovations to find solutions to societal challenges within teams: "Its role is to identify opportunities to develop new financial products and services that have a positive social and economic impact while also ensuring that environmental, social and governance considerations are incorporated into banking decisions."	• The bank is actively looking for financial innovations to find solutions to societal challenges within teams:
		•No evidence of advancing knowledge in sustainability related matters.	• The bank is actively involved in broad networks to accelerate a paradigm shift in banking.	The bank is advancing knowledge in research of sustainability related areas in banking: "Sharing insights on sustainability, trade and wealth with our clients: We recently published three reports providing insights for clients on opportunities for investment in the UN's Sustainable Development Goals (SDGs), how global markets are opening for trade, and the gap between wealth aspirations and reality among affluent consumers in our footprint."
		•No evidence of the bank as an advocate for social change.	The bank acts like an advocate for change in the banking sector: "We are also working with a range of partners to increase the industry's understanding of its role in stopping the illegal wildlife trade."	• No evidence of advocacy for change at the sector level.

Positioning of the bank in society/banking system	<p>The banks address stakeholder concerns based on their impact on the bank's business: "We engage in regular dialogue with stakeholders, and track and assess long- and short-term issues based on their impact on our business and level of stakeholder concern."</p>	<p>The bank actively engages with broader stakeholders to understand societal challenges: "During 2018, we increased engagement with stakeholders and continued to listen and respond to the environmental, social and corporate governance (ESG) concerns of a wide range of external groups."</p>	<p>The bank actively engages with broader stakeholders to understand societal challenges: "Constructive dialogue with stakeholders is central to delivering sustainable and responsible banking. Regular engagement builds trust with governments, regulators, investors and civil society, and enables us to understand and respond to the long-term challenges facing our markets. This is necessary if we are to deliver our purpose to drive commerce and prosperity in our markets."</p>	
	<p>The bank refers to other banks from a competitive perspective: "... "becoming more competitive...";" noting the Group's position and how this compares with peers..."</p>	<ul style="list-style-type: none"> The bank refers to other banks from a competitive perspective. 	<p>The bank establishes interbank cooperation to accelerate change: "As a member of The Royal Foundation's United for Wildlife (UfW) IWT Financial Taskforce, we are working with other financial institutions around the world, as well as government bodies and NGOs, to raise awareness of the importance of tackling IWT as a financial crime and to build IWT into members' business-as-usual financial crime compliance operations."</p>	<p>The bank positions itself as a problem solver: While 90 per cent of SDG financing needs are covered in developed countries, only 60 per cent of the investment needs are addressed in emerging and developing regions, and as low as 10 per cent in Africa. Our unique network and Here for good brand promise positions us well to address this problem.</p>
	<ul style="list-style-type: none"> No evidence of banks' position in relation to social problems. 	<ul style="list-style-type: none"> No evidence of banks' position in relation to social problems. 	<p>The bank recognises a more active role in society as problem solver and catalyser for change: "This means that as well as our fiduciary responsibilities to our investors, we have a tremendous responsibility to the communities and societies in which we operate..."</p>	<ul style="list-style-type: none"> The bank recognises a more active role in society as problem solver and catalyser for change.
	<p>The bank limits its role to delivering shareholder returns but also positive things to society: "Banking plays a crucial role at the heart of the economy and in the lives of individuals. We are privileged to be present in some of the most exciting and dynamic economies in the world, which are inhabited by two-thirds of the world's population. This unique position brings with it a tremendous responsibility. Our obligation is to carry out our business in a way which not only provides returns for our shareholders but also delivers good things for society: our clients, communities, and people."</p>	<p>The bank recognises a more active role in society as problem solver and catalyser for change: "This means that as well as our fiduciary responsibilities to our investors, we have a tremendous responsibility to the communities and societies in which we operate..."</p>		
Social Good as a Deeper Purpose	<p>The purpose of the bank is based on economic development.</p>	<p>The purpose of the bank is based on economic development.</p>	<p>The bank expresses a sense of purpose connected to its role in addressing social challenges: "Our heritage and values are expressed in our brand promise, Here for good. Our operations reflect our purpose, which is to drive commerce and prosperity through our unique diversity.; Every day, our 85,000 employees of 125 nationalities help millions of people and companies succeed by growing, investing and protecting their wealth, while supporting sustainable economic and social development in the communities in which we operate. It has become fashionable to talk about purpose, but this is not new for us. Throughout our history, this purpose – to drive commerce and prosperity through our unique diversity – has always guided our decisions, behaviours and everything that we do. Just as it has in the past, our purpose will continue to enable our success in the future. It therefore underpins the refreshed priorities that we are announcing today."</p>	
	<ul style="list-style-type: none"> No evidence of a group-wide approach to sustainability. 	<ul style="list-style-type: none"> No evidence of a group-wide approach to sustainability. 	<p>The bank created a forum to foster and align sustainability efforts across all business units: "The Group Head, Corporate Affairs, Brand & Marketing, Conduct, Financial Crime and Compliance leads a cross-business Sustainability Forum to develop and deliver the Group's broader sustainability strategy and champion sustainability across the Group."</p>	
Building a pro-social common identity	<p>Culture of excellence, healthy risk and ethics: "Deeply embedding a culture of ethical banking will ensure we are able to deliver for our investors, our clients, our colleagues and our communities. Good conduct – doing business in the right way – can, and will, be a powerful differentiator for our Group.; We are also working to instil a culture of excellence across our organisation. ; Instil a culture of excellence by improving the expertise and enhancing the skills of senior relationship management teams.; Our focus on embedding a sustainable risk culture and an effective enterprise risk management approach is helping to build a more resilient bank for the benefit of our colleagues, clients and investors.; We are continuing to develop a well-defined, healthy risk culture that is understood across the Group, as well as a clear control framework with sharper delineation of responsibilities between the three lines of defence."</p>	<p>Culture of the bank is focused on excellence, compliance and strategic performance: "We are determined to build a culture of excellence, grow sustainably, and build long-term returns.; While we have made great strides in establishing a healthy risk culture, we recognise that threats to our business are constantly evolving, and only by continuing to explore all available opportunities to improve can we keep delivering on our brand promise of being Here for good; In this context, we believe that an integrated approach to ESG issues and a strong risk and compliance culture provide a competitive advantage."</p>	<p>The bank has the ambition to embed sustainability in its culture: "Last year, we articulated an aspiration to drive an inclusive, innovative performance culture that emphasises sustainability and conduct."</p>	
	<ul style="list-style-type: none"> No evidence of a group wide approach to sustainable matters. 	<p>The bank created a working group to advance sustainable finance efforts: "The forum is supported by a new Sustainable Finance Working Group and strengthened working groups on human rights and climate change. The forum will report regularly to the Management Team and the Brand, Values and Conduct Committee of the Board.The Sustainable Finance team brings together our business expertise with our capabilities in environmental and social risk management."</p> <p>The bank created a group framework to tackle social challenges and integrate sustainability in its strategy: "In 2018, we laid the foundations for an ambitious transformation of our sustainability performance. We clarified our sustainability philosophy and positions on key sustainability issues, introduced new governance frameworks to further integrate sustainability across the Bank and reorganised business teams to increase our focus on sustainable finance."</p>		

Relative Importance	Strategic Integrated Thinking	No evidence of strategy being built based on social matters: "Our strategy is focused on capturing the existing growth opportunities in our footprint, by developing deep, long-term relationships with our clients and helping them connect across our markets."	The bank's strategy is built based on its social purpose: "Our refreshed strategic priorities build on our purpose and earlier areas of focus, but mark a sharp change in the way we operate as we go from turnaround to transformation." The bank's strategy is built based on the commitment to align social progress and economic growth: "It is our role to lead in taking the difficult decisions to balance environmental, social and economic needs."	The bank's strategy is built based on sustainability aspirations: "This approach is framed around a Sustainability Philosophy that informs our decision-making, Sustainability Aspirations that provide tangible targets for sustainable business outcomes aligned to the UN Sustainable Development Goals (SDGs), and Position Statements that set out our environmental and social client standards." The bank's strategy is built based on the commitment to align social progress and economic growth: "Our refreshed strategic priorities build on our purpose and earlier areas of focus, but mark a change in the way we operate as we go from turnaround to transformation."
		The bank sets a strategy that addresses emerging trends not including the social logic: "A strategy addressing long-term trends Our strategy was developed against the backdrop of six long-term trends, which will continue to significantly shape the economies and broader landscape in the markets in which we operate. We believe that each of these long-term trends presents opportunities that we are uniquely positioned to capture."	The bank embeds its responsibility, approach to sustainable finance and support to communities as its purpose on top of which strategic priorities are built: "Our refreshed strategic priorities build on our purpose and earlier areas of focus, but mark a sharp change in the way we operate as we go from turnaround to transformation."	The bank embeds its responsibility, approach to sustainable finance and support to communities as its purpose on top of which strategic priorities are built: "Transforming the way we deliver services to meet our clients' needs is at the core of our strategic priorities and critical to our success. We are executing our refreshed strategic priorities that we announced in February 2019."
		<ul style="list-style-type: none"> No evidence of social indicators as reference. 	<ul style="list-style-type: none"> No evidence of social indicators as reference. 	The bank uses SDGs as reference indicators: "Our refreshed Sustainability Aspirations reinforce our commitment to the UN's Sustainable Development Goals (SDGs)."
		<ul style="list-style-type: none"> No evidence of sustainability related business targets. 	The bank sets sustainability matters as business targets: "Non-financial KPIs: Proportion of Sustainability Aspirations met or on track."	The bank sets sustainability matters as business targets: "Sustainability Aspirations that provide tangible targets for sustainable business outcomes."
		<ul style="list-style-type: none"> The bank measures performance with financial criteria. 	<ul style="list-style-type: none"> The bank measures performance using financial, social and environmental KPIS: "Non-financial KPIs: Proportion of Sustainability Aspirations met or on track." 	The bank measures performance using financial, social and environmental KPI: "Measuring progress against the targets set in our 11 Sustainability Aspirations" The bank sees performance in both financial and sustainability issues: "We are making big strides in sustainable banking."
	Motivations behind addressing societal challenges	The bank is driven by strategic performance: "Good conduct – doing business in the right way – can, and will, be a powerful differentiator for our Group."	The bank is driven by strategic performance: "By doing so, we expect to grow income between five and seven per cent, which is well above the anticipated rate of growth."	The bank is not driven by regulations or the market but rather the vision regarding the environment, the organization goal and the role it wants to play in society: "Last year, we articulated an aspiration to drive an inclusive, innovative performance culture that emphasises sustainability and conduct. These themes speak directly to that for which Standard Chartered stands: we are Here for good."
	Top-down approach to a pro-social business model	The personnel responsible for business social practices is part of the communications or marketing department: "Brand, Values and Conduct Committee Oversight of the Group's brand, culture, values, conduct, government and regulatory relations, sustainability priorities and processes for managing reputational risk."	The personnel responsible for business social practices is part of the communications or marketing department: "The forum is supported by a new Sustainable Finance Working Group and strengthened working groups on human rights and climate change. The forum will report regularly to the Management Team and the Brand, Values and Conduct Committee of the Board."	The personnel responsible for business social practices is part of the communications or marketing department: "Sustainability is overseen by the Brand, Values and Conduct Committee of the Board, which reviews priorities and oversees the development of, and delivery against, public commitments."
		<ul style="list-style-type: none"> No evidence of a sustainability team. 	The bank created a sustainability forum that directly reports to the executive team: "A new Bank-wide Sustainability Forum, nominated by the Management Team and led by the Group Head, Corporate Affairs, Brand & Marketing, Conduct, Financial Crime and Compliance, was set up to develop and deliver the Bank's sustainability strategy."	The bank addresses social issues from the management level: "At a management level, the CEO, Corporate & Institutional Banking is responsible for Sustainable Finance, which incorporates Environmental and Social Risk management."
		<ul style="list-style-type: none"> No evidence of board level engagement. 	<ul style="list-style-type: none"> No evidence of board level engagement. 	The bank addresses social issues from the board level: "The Board is responsible for ensuring that high standards of responsible business are maintained and receives information to identify and assess significant risks and opportunities related to environmental and social matters, including climate change": "At a management level, the CEO, Corporate & Institutional Banking is responsible for Sustainable Finance, which incorporates Environmental and Social Risk management."

Appendix 12.13- Trajectory Analysis: Sumitomo.

		2017	2018	2019
Intensity	Embeddedness of prosocial mindset in business practices	•No evidence of qualitative preconditions to make all activities sustainable.	•No evidence of qualitative preconditions to make all activities sustainable.	The bank lays out qualitative pre conditions so that all its activities are sustainable: “Sustainability management is about ensuring that our business activities consider the sustainability of society from environmental, economic and other perspectives.”
		The bank foregoes the infusion of capital into form of coal production: “SMBC’s Credit Policy, which sets out universal and basic philosophies, guidelines, and rules for credit operations, explicitly prohibits credit which may cause problems for society or for the public good, and also contains provisions regarding environmental and social risks in our business.”	The bank foregoes the infusion of capital into form of coal production: “In the Credit Policy of SMBC, which contains our overall financing policy, guidelines, and rules, we declare that we will cease to provide financial support to borrowers engaged in businesses contrary to public responsibility, or which may have a significant negative impact on the global environment. Caution for environmental, social, and other impacts is practiced with regard to the areas detailed to the right.”	The bank has incorporated broad ESG criteria into its financing policies based on their impact on the environment and society: “SMBC Group has disclosed financing policies for businesses and sectors with a high risk of significantly impacting the environment or society. Major subsidiaries (SMBC, SMBC Trust Bank, Sumitomo Mitsui Finance and Leasing, and SMBC Nikko Securities) are introducing these policies according to their business.”
		•No evidence of incorporating niche financial products.	The bank is increasingly incorporating niche financial products: “SMBC has launched Japan’s first SDG social loan. These loans are meant to provide funding to projects that help resolve social issues. Through a scheme entailing impact reports that measure impacts on society and third-party evaluations, we are working together with customers to resolve social issues.”	The bank is increasingly incorporating niche financial products: “SMBC Nikko Securities is involved in the issuance of Green Bonds, which are designed specifically to fund environmental initiatives, as well as Social Bonds, which raise capital to help address social issues.”
		The bank designs banking products and services that address social issues and can be financially attractive at the same time: “SMBC and SMBC Trust Bank have begun offering social impact bonds. (...) Through this scheme, SMBC Group aims to provide financial support for addressing the issues faced by communities and society of today.”	The bank designs banking products and services that address social issues and can be financially attractive at the same time: “SMBC has launched Japan’s first SDG social loan. These loans are meant to provide funding to projects that help resolve social issues. Through a scheme entailing impact reports that measure impacts on society and third-party evaluations, we are working together with customers to resolve social issues.”	•No evidence of the bank designing banking products and services that address social issues and can be financially attractive at the same time.
Bank as catalyser for change inside and outside the sector	•No evidence of a fund to tackle social changes.	The bank is creating funds to address social and environmental issues: “...and raise funds that help resolve social and environmental issues.”	•No evidence of a fund to tackle social changes.	
	•No evidence of a platform to accelerate knowledge exchange in relation to social matters.	•No evidence of a platform to accelerate knowledge exchange in relation to social matters.	The bank created a platform to accelerate knowledge exchange and connecting participants: “Through the platform, SMBC Group will work with customers to realize a sustainable society by hosting seminars and facilitating the exchange of information concerning the environment and society, assisting participants in connecting with each other, and initiating projects that contribute to solving social issues.”	
	•No evidence of a groupwide Framework to tackle social challenges.	•No evidence of a groupwide Framework to tackle social challenges.	• The group created a group-wide framework to tackle societal challenges. The company has created the SDGs Finance Dept. to promote these types of securities further.	
Positioning of the bank in society/banking system	•No evidence of the recognition of the bank’s role in society.	The bank recognises its role in society to address challenges and promote social change: “Financial institutions are expected to play a substantial role in addressing such developments as our business allows us to act as a hub connecting various industries. SMBC Group will further strengthen efforts to resolve social issues through our business operations and in relation to our SDG related initiatives so that we may realize the sustainable development of society.”	The bank recognises its role in society to address challenges and promote social change: “In recent years, we are seeing environmental and social issues, for example climate change due to global warming and human rights violations resulting from the establishment of international supply chains, on a global scale. Given this backdrop, the expectations placed on financial institutions to address such developments are extremely high given our business allows us to act as a hub connecting various industries.”	
	The bank views social issues from an opportunity perspective: “Initiatives to achieve the SDGs and Paris Agreement target going forward are expected to expand opportunities and markets for companies to provide new technologies and services.”	The bank views social responsibility as their duty to society: “As a global financial group, at SMBC Group we regard it as our social responsibility to remind ourselves of our role and play our part in addressing such issues.”	The bank views social responsibility as their duty to society: “At the SMBC Group, we view our corporate social responsibility as contributing to the overall sustainable development of society by providing increased value to stakeholders via our business activities.”	
	The bank views social responsibility as peripheral and voluntary: “As a financial institution, we are expected to serve as a bridge to the future, working through the voluntary efforts of our employees to solve issues and providing financial services of even greater value.”		The bank refers to sustainability as a modus operandi: “Sustainability management is about ensuring that our business activities consider the sustainability of society from environmental, economic and other perspectives.” The bank synthesizes sustainability and management: “To this end, we will actively promote sustainability management with a strategic focus on ESG/SDGs.”	
Social Good as a Deeper Purpose	The bank’s mission is focused on its neoclassical role: “We grow and prosper together with our customers, by providing services of greater value to them. We aim to maximize our shareholders’ value through the continuous growth of our business. We create a work environment that encourages and rewards diligent and highly-motivated employees.”	The bank’s mission is focused on its neoclassical role: “We grow and prosper together with our customers, by providing services of greater value to them. We aim to maximize our shareholders’ value through the continuous growth of our business. We create a work environment that encourages and rewards diligent and highly-motivated employees.”	The bank included addressing social and environmental issues in its mission: “We grow and prosper together with our customers, by providing services of greater value to them. We aim to maximize our shareholders’ value through the continuous growth of our business. We create a work environment that encourages and rewards diligent and highly-motivated employees. We contribute to a sustainable society by addressing environmental and social issues.”	
Building a pro-social common identity	•No evidence of the attempt to build a common identity around a social logic.	The bank aims to make all employees aware of the role of the bank in the social context: “Moreover, we will hold training and study sessions to impart a greater understanding of the SDGs among all SMBC Group employees.; When such training is given, CSR is included to ensure full employee familiarization.” The bank aims to make employees take ownership of SDG initiatives: “The entire SMBC Group will make a concerted effort to encourage every employee to understand the SDGs correctly and to take ownership of these activities.” The bank is promoting SDGs initiatives by promoting and awarding employees engagement: “One key initiative was setting up the “SDGs Award,” an internal award program to recognize outstanding initiatives that contribute to achieving the SDGs.”	The bank is training and developing the HR to better support societal challenges: “Ensuring the sustainability of our society and economy amid the changing social environment will require the cultivation of human resources who can support society with the necessary knowledge and technologies.” The bank aims to make all employees aware of the role of the bank in the social context: “...we need to make each and every employee aware of what needs to be done in the area of SDGs and ESG.” The bank aims to make employees take ownership of SDG initiatives: “The entire SMBC Group has been making effort to encourage every employee to understand the SDGs correctly and take ownership of these activities.” The bank is promoting SDGs initiatives by promoting and awarding employees engagement: “Besides organizing training and study sessions to deepen the understanding of the SDGs among all SMBC Group employees, we have instituted the “SDGs Award” as an internal award program as part of a range of proactive measures to recognize outstanding initiatives that contribute to achieving the SDGs.”	

			<p>The bank is taking a group-wide approach at all business units level: “We will continue to engage in group-based efforts from the perspectives of Environment, Next Generation, and Community to resolve social issues via our business operations and to achieve the SDGs. In addition to the foregoing initiatives, SMBC Group has incorporated its targeted SDGs into the business plans of its four business units, with the aim of achieving the SDGs through its core businesses.”</p>	<p>The bank is taking a group-wide approach at all business units level: “SMBC Group has disclosed financing policies for businesses and sectors with a high risk of significantly impacting the environment or society. Major subsidiaries (SMBC, SMBC Trust Bank, Sumitomo Mitsui Finance and Leasing, and SMBC Nikko Securities) are introducing these policies according to their business.”</p>
Relative Importance	Strategic Integrated Thinking	<p>The bank looks as at solving societal issues from a CSR perspective: “As a financial institution, we are expected to serve as a bridge to the future, working through the voluntary efforts of our employees to solve issues and providing financial services of even greater value.”</p>	<p>• The bank looks at solving societal issues from a CSR perspective.</p>	<p>The bank synthesizes the concept of sustainability with the concept of management: “To this end, we will actively promote sustainability management with a strategic focus on ESG/SDGs.”</p>
		<p>The CEO focuses on financial growth and shareholder return, recognising the need to also fulfil CSR but in a peripheric way: “Become an organization with a strong compliance culture that serves society by addressing its issues.”</p>	<p>The focus of the CEO is on shareholder returns: “I will continue to devote our utmost efforts to maximize shareholder value by further enhancing share-holder returns and realizing sustainable growth. The goal of our basic capital policy is to achieve a healthy balance between securing financial soundness, enhancing shareholder returns, and investing for growth.”</p>	<p>The bank aims to align financial and non-financial returns: “In addition to enhancing the quantitative and financial returns which I have just shared, I am fully aware that enhancing the long-term non-financial value of SMBC Group is equally as important to our shareholders.” We will enhance the non-financial corporate value of SMBC Group by focusing on adding value to customers via the three key themes and ESG-related initiatives aimed at realizing a sustainable society.”</p>
		<p>The bank links sustainability to corporate value: “As we fulfill this role, we will work for the sustained development of society as a whole and to raise our own corporate value.”</p>	<p>The bank links sustainability to corporate value: “... to raise our own corporate value by promoting ESG and SDGs-related initiatives.”</p>	<p>The bank links sustainability to corporate value: “Other aspects are essential to building corporate value, notably ESG (environmental, social and governance) initiatives to nurture the three factors deemed critical to long-term enterprise growth.”</p>
		<p>• No evidence of any social indicators.</p>	<p>The bank uses social indicators as reference: “In addition to the foregoing initiatives, SMBC Group has incorporated its targeted SDGs into the business plans of its four business units, with the aim of achieving the SDGs through its core businesses.”</p>	<p>The bank uses social indicators as reference: “we are incorporating relevant SDGs into the business plans of the SMBC Group’s four business units aiming to achieve the SDGs through core business activities”</p>
		<p>• No evidence of establishing a strategic time frame adjusted to social commitments.</p>	<p>• No evidence of establishing a strategic time frame adjusted to social commitments.</p>	<p>The bank establishes a long term strategy to include social and environmental issues time frame: “Having recognition of social issues, in order to contribute to the realization of a sustainable society, SMBC group has set forth a long-term vision toward 2050 that we as a global financial group will promote financial services consistent with the country’s goals to counter global warming, and contribute to global environmental protection by leveraging its financial functions; In conjunction with the revision of Our Mission, we established the SMBC Group Statement on Sustainability to indicate our basic stance toward contributing to the realization of a sustainable society along with “SMBC Group GREEN×GLOBE 2030,” a 10-year plan that extends to 2030. This statement and plan will guide us in pursuing sustainability”</p>
		<p>The bank establishes areas of impact: “SMFG has identified three priority issues for our CSR activities: “Environment,” “Next Generation,” and “Community.””</p>	<p>The bank establishes areas of impact: “SMFG has identified three priority issues for our CSR activities: “Environment,” “Next Generation,” and “Community.””</p>	<p>The bank establishes areas of impact: “SMFG has identified three priority issues for our CSR activities: “Environment,” “Next Generation,” and “Community.””</p>
Motivations behind addressing societal challenges	<p>The bank refers to external expectations: “...puts a strong emphasis on the roles that companies are expected to fulfill to address common global priorities.; We believe that contribution to ESG and the SDGs is a social responsibility that we are expected to fulfill as a global financial group.”</p>	<p>The bank is driven by strategic performance: “We continue to engage in proactive initiatives that are ahead of our competitors.”</p>	<p>The bank is not driven by regulations or the market but rather the vision regarding the environment, the organization goal and the role it wants to play in society: “In April 2020, we established SMBC Group’s new vision: “A trusted global solution provider committed to the growth of our customers and advancement of society.”</p>	
Top-down approach to a pro-social business model	<p>• The bank focuses sustainability decision in a CSR Committee: N/A</p>	<p>The bank has a sustainability dedicated committee: “...reorganized the CSR Committee into the Corporate Sustainability Committee to enable us to better carry out CSR-related initiatives. The committee has the strong support of top management, I serve as the Chairperson of the committee, and it will lead our efforts to promote sustainability management based on a non-financial perspective.”</p> <p>The bank has a CSO position: “We have established the Corporate Sustainability Committee, chaired by the SMFG Group CSO.”</p>	<p>The bank’s top management show involvement and a sense of stewardship and advocacy: “...top management are also conscious of the issues and will be aiming to pull everyone in our Group together to move forward in addressing them.”</p>	

Appendix 12.14- Trajectory Analysis: UBS.

		2017	2018	2019
Themes	Embeddedness of prosocial mindset in business practices	<p>The bank excludes certain industries from being beneficiaries of investment: “We will not do business if associated with severe environmental or social damage to or through the use of; We will only do business under stringent criteria in the following areas.”</p>	<p>• The bank excludes certain industries from being beneficiaries of investment: “We will not do business if associated with severe environmental or social damage to or through the use of; We will only do business under stringent criteria in the following areas.”</p>	<p>• The bank excludes certain industries from being beneficiaries of investment: “We will not do business if associated with severe environmental or social damage to or through the use of; We will only do business under stringent criteria in the following areas.”</p>
		<p>The bank focuses on sustainable and community investing and being responsible: “It covers our activities and capabilities related to sustainable investing and philanthropy with clients, our environmental and human rights policies governing client and supplier relationships, our environmental footprint and our community investments.”</p>	<p>The bank is mainly focused on the demand from institutional investors: “We provide a broad range of products and solutions to both private and institutional clients, including sustainable and impact investing opportunities.”</p>	<p>The bank aims to create sustainable products firm wide: “We aim to create sustainable finance products and services firm wide that help clients channel capital to support the United Nations Sustainable Development Goals (the SDGs). We also offer advice from philanthropy experts to assist clients in making a meaningful and measurable difference for their chosen philanthropic causes.”</p>
		<p>The bank is advancing the integration of sustainable criteria into core business as reflected in the availability of a wide range of products: “Also in 2018, Global Wealth Management launched the world’s first fully sustainable investing (SI) cross-asset mandate portfolio for private clients.”</p>	<p>The bank designs banking products that include social and environmental criteria: “UBS is developing sustainable and impact investing products, which combine a financial return with a “societal return.”</p>	<p>The bank is increasingly introducing niche financial products: “We also provide investment solutions through socially responsible and impact exchange-traded funds and index-linked notes. In addition, we offer capital-raising and strategic advisory services globally to companies that make a positive contribution to climate change mitigation and adaptation.”</p> <p>The bank incorporates ESG criteria in its financial products:</p> <p>The bank is advancing the integration of sustainable criteria into core business as reflected in the availability of a wide range of products: “We work towards this goal by integrating sustainability into our mainstream offerings.”</p>
:Intensity	Bank as catalyser for change inside and outside the sector	<p>•No evidence of social financial innovation.</p>	<p>•No evidence of social financial innovation.</p>	<p>The bank is actively looking for financial innovations to address problems of find solutions, in this case address the SDG’s within their teams: “We aim to create sustainable finance products and services firm wide that help clients channel capital to support the United Nations Sustainable Development Goals; We are shaping the landscape of sustainable finance by using thought leadership, innovation and partnerships to support clients in their sustainability efforts”</p>
		<p>•No evidence of the bank as a supporter of positive change in its clients.</p>	<p>The bank is supporting and accelerating positive change in other companies: “We support clients in their sustainability efforts through thought leadership, innovation and partnerships, and strive to incorporate environmental, social and governance (ESG) impacts into the products and services we provide, serving society through them.”</p>	<p>The bank is supporting and accelerating the transition in other companies: We are shaping the landscape of sustainable finance by using thought leadership, innovation and partnerships to support clients in their sustainability efforts</p>
		<p>•No evidence of the ambition to be a leader in sustainability.</p>	<p>• The banks aims to be a leader in sustainability in the sector.</p>	<p>• The bank is encourages peers to address sustainability matters;</p>
		<p>The bank aims to be thought leader on sustainability in the sector: “We are among the thought leaders in sustainability in banking.”</p>	<p>The bank aims to be thought leader on sustainability in the sector: “We support clients in their sustainability efforts through thought leadership.”</p>	<p>The bank aims to be thought leader on sustainability in the sector: “We support clients’ sustainability efforts through thought leadership”</p>
		<p>The bank is establishing partnerships with social enterprises: “Our approach is to build sustainable and successful partnerships with non-profit organizations and social enterprises to ensure that our contributions have a lasting impact.”</p>	<p>•No evidence of establishing partnerships within the social economy.</p>	<p>The bank is establishing partnerships with social enterprises: “Our approach is to build sustainable and successful partnerships with non-profit organizations and social enterprises to help our contributions have a lasting impact.”</p>
		<p>•No evidence of interbank cooperation.</p>	<p>•No evidence of interbank cooperation.</p>	<p>The bank establishes interbank alliances: “We actively engage in regular discussions on corporate responsibility and sustainability issues with specialists in peer banks, and more widely through trade bodies and associations. Sharing experiences and assessments of corporate responsibility and sustainability issues helps us to compare and improve our strategy, approach and tools.”</p>
		<p>•No evidence of advancing knowledge in sustainability matters.</p>	<p>•No evidence of advancing knowledge in sustainability matters.</p>	<p>The bank is advancing knowledge through research and open source innovation: “We’re offering in-depth research, innovative products and expert advice to organizations who would like to consider environmental, societal and governance criteria in their financing and investing decisions.”</p>
<p>•No evidence of the bank as na advocate for change.</p>	<p>•No evidence of the bank as na advocate for change.</p>	<p>The bank is acting as an advocate and educator for change: “...we raise public awareness and inspire action to achieve the SDGs.”</p>		
Positioning of the bank in society/banking system	<p>•No evidence of systematic stakeholder engagement.</p>	<p>The bank actively engages with wider stakeholders to learn their issues and challenges: “We engage with representatives of wider society on a regular basis and on a wide range of topics. This engagement yields important information about society’s expectations and concerns and makes a critical contribution to our understanding and management of issues with potential (positive and negative) relevance to our firm – and to society. By actively fostering such interactions, we are in a position to address expectations and concerns in an informed and effective manner.”</p>	<p>The bank actively engages with wider stakeholders to learn their issues and challenges: “We engage with representatives of wider society on a regular basis and on a wide range of topics. This engagement yields important information about society’s expectations and concerns and makes a critical contribution to our understanding and management of issues with potential (positive and negative) relevance to our firm – and to society. By actively fostering such interactions, we are in a position to address expectations and concerns in an informed and effective manner.”</p>	
	<p>The banks focuses on being responsible and aligning financial performance to social responsibility not following a more proactive approach: “UBS is committed to creating long-term positive impact for our clients, employees, investors and society. In doing so, we aim to continually improve our efficiency and effectiveness in protecting the environment, respecting human rights and ensuring responsible behavior in all aspects of our operations.”</p>	<p>The bank positions itself as a problem solver: “We want to promote global economic development that is sustainable for the planet and humanity. We have embodied the overarching objective of the 17 Sustainable Development Goals (SDGs), which provide a roadmap to solve the common sustainability-related challenges of our society.”</p>	<p>The bank positions itself as a problem solver: “This gap needs to be closed if the world wants to successfully tackle the enormous societal and environmental challenges expressed through the SDGs. We are keen to help develop solutions in this regard, building on our successful and sometimes pioneering work aimed at mobilizing private and institutional capital towards the Goals.”</p>	

	<p>The bank's approach to societal challenges is limited to its traditional operations. - not proactive: "It covers our activities and capabilities related to sustainable investing and philanthropy with clients, our environmental and human rights policies governing client and supplier relationships, our environmental footprint and our community investments."</p> <p>• The bank limits its role in society and in value creation to being an employer, taxpayer and contractual partners: "Clients, shareholders and employees are the primary stakeholders we create value for. Our role as a bank is to finance economic growth by facilitating investment and credit. And we support people and businesses with the financial services they need to reach their goals. As a firm, we contribute by directly employing over 60,000 people, by consuming products and services and by paying taxes."</p> <p>The bank approaches social challenges from a business opportunity: "We recognize that it is important to understand key societal challenges and opportunities, to consider their relevance to UBS and to identify potential (mid-to-long-term) actions our firm may need to take."</p>		
	<p>•No evidence of the bank's view on its position in society.</p>		<p>The bank recognises its role to advance social development: "As the largest truly global wealth manager, we have a responsibility to take a leading role in shaping a positive future, and our goal is to be the financial provider of choice for clients who wish to mobilize capital toward the achievement of specific environmental or social outcomes.; Driving change in the world needs leadership. As the largest truly global wealth manager, we have a responsibility to take a leading role in shaping a positive future – for all of us and the generations to come."</p>
	<p>The bank approaches social challenges from a business opportunity: "We recognize that it is important to understand key societal challenges and opportunities, to consider their relevance to UBS and to identify potential (mid-to-long-term) actions our firm may need to take."</p>	<p>The bank approaches social challenges from a business opportunity: "We recognize that it is important to understand key societal challenges and opportunities, to consider their relevance to UBS and to identify potential (mid-to-long-term) actions our firm may need to take."</p>	<p>The bank approaches social challenges from a business opportunity: "We recognize that it is important to understand key societal challenges and opportunities, to consider their relevance to UBS and to identify potential (mid-to-long-term) actions our firm may need to take."</p>
Social Good as a Deeper Purpose	<p>•No evidence of a sense of social purpose.</p>	<p>•No evidence of a sense of social purpose.</p>	<p>•No evidence of a sense of social purpose.</p>
Building a pro-social common identity	<p>•No evidence of a group-wide approach to sustainability.</p>	<p>•No evidence of a group-wide approach to sustainability.</p>	<p>The bank establishes a group-wide approach to sustainability and SDGs: "UBS has touchpoints to the SDGs across the entire firm. With a business model covering retail, private and institutional clients we have links to every single SDG through one or more of our firm's activities."</p>
	<p>The bank is raising awareness and providing training in sustainability related matters in the attempt to build a common identity: "We promote our employees' understanding of the goals and actions of UBS and Society through a wide range of training and awareness-raising activities, as well as performance management. Through these activities we ensure that our employees understand their responsibilities in complying with our policies and the importance of our societal commitments."</p>	<p>The bank is raising awareness and providing training in sustainability related matters in the attempt to build a common identity: "We actively engage in internal and external education and awareness raising on corporate responsibility and sustainability topics and issues. Through induction, education and broader awareness-raising activities, we ensure that our employees understand their responsibilities in complying with our policies and the importance of our societal commitments."</p>	<p>The bank is raising awareness and providing training in sustainability related matters in the attempt to build a common identity: "We actively engage in internal and external education and awareness raising on corporate responsibility and sustainability topics and issues. Through induction, education and broader awareness-raising activities, we ensure that our employees understand their responsibilities in complying with our policies and the importance of our societal commitments."</p>
			<p>The bank is committed to include sustainability topics in employees lifecycle activities: "Notable examples include the integration of sustainability topics in our employee lifecycle activities – with the explicit ambition (included in our UBS in society constitutional document) of being an employer of choice, as well as the expansion of sustainable finance activities across our firm."</p> <p>The bank created the position of sustainability ambassadors to foster responsible banking culture: "...ambassadors and experts with a strong commitment to sustainability."</p> <p>The bank shows the ambition to create a culture of responsible banking: "...supporting a culture where ethical and responsible behavior is part of our everyday operations"</p>
Strategic Integrated Thinking	<p>•No evidence of sustainability matters as business targets.</p>	<p>•No evidence of sustainability matters as business targets.</p>	<p>The bank raises sustainability matters to business targets: "We set annual sustainability goals..."</p>
	<p>•No evidence of the ambition to build a strategy around societal challenges.</p>	<p>•No evidence of the ambition to build a strategy around societal challenges.</p>	<p>The bank shows the ambition to build its strategy on top of social and environmental issues: "UBS has committed to aligning our business strategy to be consistent with and contribute to society's goals; As we move into the 2020s, we will further expand our firm's sustainability efforts, shaping them in particular around three interconnected frameworks"</p>
	<p>•No evidence of a strategic time frame adjusted to societal commitments.</p>	<p>•No evidence of a strategic time frame adjusted to societal commitments.</p>	<p>The bank establishes a long term strategy to include social and environmental issues time frame: "In addition, our firm's sustainability aims, i.e., beyond the 2020 time horizon, reflect our focus on the mid- to long-term."</p>
	<p>The bank links remuneration with strategic priorities such as financial performance and risk taking: "Our compensation philosophy is to align the interests of our investors with those of our clients and employees, building on our three keys to success."</p>	<p>The bank links remuneration with strategic priorities such as financial performance and risk taking: "Our compensation structure is aligned with our strategic priorities."</p>	<p>The bank links ESG criteria to remuneration schemes: "We are fully committed to ESG topics and reflect them in our compensation processes. ESG-related objectives have been embedded in our Pillars and Principles since they were established in 2011. Our contribution to supporting the planet, our workforce, our clients and society are important to our success. ESG matters are considered in the performance and compensation determination process in different aspects as described later in this report."; "ESG (Environmental, Social and Governance) is considered in the compensation determination process in different phases through objective setting, performance award pool funding, performance assessment and compensation decision."</p>
	<p>•No evidence of any social indicators.</p>	<p>•No evidence of any social indicators.</p>	<p>The bank uses SDGs and other important frameworks as reference indicators: "By doing so, we pledged to strategically align our business with the SDGs and the Paris Agreement on Climate Change.; We have captured these five SDGs, our rationale for each one and key focus areas pertaining to each of them in the graph on the following page. Over the coming years, we will continue to refine our analysis of our firm's links to the SDGs – in order to better understand and depict positive and negative impacts across our value chain and to set objectives accordingly."</p>
	<p>•No evidence of the ambition to align social and financial returns.</p>	<p>The bank refers to the alignment between social and financial performance: "UBS is developing sustainable and impact investing products, which combine a financial return with a "societal return."</p>	<p>The bank refers to sustainability as part of its strategic direction: "Our firm's sustainability strategy is guided by our goal to be the financial provider of choice for clients wishing to mobilize capital towards the achievement of the SDGs and the orderly transition to a low-carbon economy. We work towards this goal by integrating sustainability into our mainstream offerings, through new and innovative</p>

			financial products with a positive effect on the environment and society, and by advising clients on their philanthropic work.”
Motivations behind addressing societal challenges	The bank is driven by strategic performance: “We see a strong business rationale for catering to the growing importance of and demand for sustainability.”	The bank’s approach is driven by external expectations: “In order to do so, we must be very alert to how expectations by our most important stakeholder groups change, and we must adapt to and accommodate these changes.”	The bank’s approach to sustainable products is driven by the steadily growing demand particularly from institutional investors: “Continually growing interest by our clients in sustainable finance solutions...”
		The bank is driven by strategic performance: “We see a strong business rationale for catering to the growing importance of and demand for sustainability. We have set ourselves the goal to create long-term positive value for clients, employees, investors and society.”	The bank is driven by strategic performance: “What is UBS doing to benefit stakeholders and society at large? We believe that by keeping a healthy balance between the expectations of our most important stakeholder groups – clients, employees and investors – we are also creating value for society.”
Top-down approach to a pro-social business model	•No evidence of a committee dedicated to sustainability.	•No evidence of a committee dedicated to sustainability.	The bank is not driven by regulations or the market but rather the vision regarding the environment, the organization goal and the role it wants to play in society: “This gap needs to be closed if the world wants to successfully tackle the enormous societal and environmental challenges expressed through the SDGs. We are keen to help develop solutions in this regard, building on our successful and sometimes pioneering work aimed at mobilizing private and institutional capital towards the Goals.”
	The bank has a committee at the board level dedicated to sustainability: “Our Board of Directors’ (BoD) Corporate Culture and Responsibility Committee (CCRC) approves UBS and Society’s overall strategy and monitors the current state and implementation of the Group’s programs and initiatives pertaining to corporate culture and corporate responsibility.”	The bank has a committee at the board level dedicated to sustainability: “The activities driven by UBS in society are overseen, at the highest level of our firm, by our Board of Directors’ Corporate Culture and Responsibility Committee (CCRC); The Group CEO proposes the UBS in society strategy and annual objectives to the CCRC, supervises their execution and informs the Group Executive Board and CCRC, as appropriate. Reporting to the Group CEO, the Head UBS in society is UBS’s senior-level representative for sustainability issues.”	The bank created a steering committee to provide advice, ensure delivery of the project outputs and the achievement of project outcomes related to sustainability: “In 2019, we therefore decided to further sharpen our focus on sustainable finance and we are now establishing a Sustainable Finance Steering Committee. It will be comprised of senior business leaders engaged in our firm’s sustainable finance efforts, who will work together to ensure that we continue to drive innovation and develop expertise and thought leadership regarding sustainable finance.”
	The board is actively engaged with sustainability matters: “Reporting to the Group CEO, the Head UBS and Society is UBS’s senior-level representative for sustainability issues...”	The board is actively engaged with sustainability matters: “Reporting to the Group CEO, the Head UBS and Society is UBS’s senior-level representative for sustainability issues...”	The bank has a committee at the board level dedicated to sustainability: “The activities driven by UBS in society are overseen, at the highest level of our firm, by our Board of Directors’ Corporate Culture and Responsibility Committee (the CCRC). The Group CEO supervises the execution of the UBS in society strategy and annual objectives and informs the Group Executive Board and CCRC about UBS in society updates as appropriate. Reporting to the Group CEO, the Head UBS in society is UBS’s senior-level representative for sustainability issues and, on behalf of the Group CEO, proposes the UBS in society strategy and annual objectives to the CCRC for approval.”
			The board is actively engaged with sustainability matters: “Reporting to the Group CEO, the Head UBS and Society is UBS’s senior-level representative for sustainability issues...”

Appendix 12.15- Trajectory Analysis: UniCredit.

Themes		2017	2018	2019
Intensity	Embeddedness of prosocial mindset in business practices	No evidence of investment exclusions: “UniCredit’s current environmental, social and reputational risk policies apply to a number of sectors, including water infrastructure (dams, in particular), nuclear energy and coal-fired power generation.”	No evidence of investment exclusion: “In addition, we have adopted detailed guidance policies for sectors relevant to UniCredit that could pose environmental and social risks.”	The bank excludes certain industries from being investment beneficiaries: “As already announced, we will fully exit thermal coal mining projects by 2023 and not finance any new projects in thermal coal mining or coal-fired power generation.”
		The bank recognises the business and financial risks associated to climate change and wider societal problems: “In 2015, we began using our system of governance to reinforce our management of environmental and social risks. The Group Environmental and Social Council (GESC)3 proposes UniCredit’s strategy, annual objectives, and activities related to executive implementation of UniCredit’s environmental and social initiatives and commitments, addressing potential related risks.”	The bank recognises the business and financial risks associated to climate change and wider societal problems: “Since 2015, we have started using a governance system to reinforce our management of environmental and social risks, which has been supported by the assignment of sustainability issues to the Corporate Governance, HR and Nomination Committee, which was subsequently renamed the Corporate Governance, Nomination and Sustainability Committee.”	The bank adopts a scenario analysis and forward looking data to assess the longer term risks: “As a first step towards performing a proper scenario analysis, UniCredit is partnering with the global think tank 2° Investment Initiative (2°i) in road-testing their Paris Agreement Capital Transition Assessment (PACTA) methodology in a pool of 17 international banks.”
		The bank engages in microfinance: “In our commitment to a fairer and more inclusive society, we have launched Social Impact Banking, our project that identifies, finances, and promotes individuals, micro-enterprises and initiatives that have a positive social impact.”	The bank engages in microfinance: “Providing financial support for the creation and development of businesses at risk of exclusion from banking services; Providing financial support for the creation and development of businesses at risk of exclusion from banking services Supporting customers’ needs through a nationwide ecosystem of specialists (banks, partners and volunteers) providing skills, a solid relationship and dedicated support, all of which is fundamental to their development.”	The bank engages in microfinance: “We support start-ups and small businesses at risk of financial exclusion, providing them with a tailor-made microcredit offer and with capacity building support through our skills and the networking ability provided by our volunteers and online platform”
		• No evidence of niche financial products with a social purpose.	The bank is increasingly incorporating niche financial products: “UniCredit, the first ever lead manager of green bond issuance, continues to invest in these instruments. In 2018, we acted as the joint bookrunner or joint arranger of 16 green and sustainable bond issues for a total placement of nearly €13 billion. Over the year, we also saw growing demand for green and sustainability loans. UniCredit had a leading role in 7 Sustainability-linked Revolving Credit Facilities in 2018 and participated in a total of 11 transactions for an issued amount of €18.7 billion. Furthermore UniCredit supported the European Investment Bank (EIB) with its inaugural Sustainability Awareness Bond (SAB) in September 2018.”	The bank is increasingly incorporating niche financial products: “Accordingly, instruments originally meant to serve green goals, have recently been designed to cover a broader Environmental, Social and Governance (ESG) boundary which we present within natural capital context.”

Bank as catalyser for change inside and outside the sector	<ul style="list-style-type: none"> The bank supports social innovation by helping social projects: <p>The bank created a project to accelerate change by helping other positive impact organizations: "In our commitment to a fairer and more inclusive society, we have launched Social Impact Banking, our project that identifies, finances, and promotes individuals, micro-enterprises and initiatives that have a positive social impact. Through Social Impact Banking, we provide credit, share our financial and business know-how with communities, and build partnerships with organizations that share our values, such as social and trade associations, foundations and public institutions."</p>	<p>The bank supports social innovation by helping social projects: "Favouring social innovation as a driver of positive change by supporting projects that generate clear and measurable social outcomes for the community."</p>	<p>The bank established an advisory team to help companies transition to sustainability: "In this respect, UniCredit has set up a Sustainable Finance Advisory Team within the Corporate & Investment Banking Division. Combining sustainability expertise with capital markets capabilities, the new team aims to deepen client engagement on ESG related topics and facilitate their access to Europe's sustainable financing market."</p>
	<ul style="list-style-type: none"> No evidence of research efforts. 	<ul style="list-style-type: none"> No evidence of research efforts. 	<p>The bank is advancing research in key social challenges: "...our UniCredit Foundation will carry on addressing important social needs, while supporting study and research"</p>
	<ul style="list-style-type: none"> No evidence of finance as a mean to advance social progress. 	<ul style="list-style-type: none"> No evidence of finance as a mean to advance social progress. 	<p>The bank aims to make finance a means to transform society and not a goal: "UniCredit aims to play a central role in facilitating the transition to a more sustainable economy and sees sustainable finance as a mean to achieve this goal."</p>
Positioning of the bank in society/banking system	<p>The bank's approach to societal challenges is marked by risk management and compliance reasons. - preventive rather than proactive: "At the same time, the code requires us always to protect our clients' interests, mitigate risks, comply with financial regulations, assure market transparency and safeguard confidential data. To enhance our sustainability as a bank, we are also reinforcing our risk management culture, which is an essential driver of business development."</p>	<p>The bank approaches societal challenges and materiality assessment from a risk opportunity perspective: "We believe that an approach where sustainability is increasingly integrated in the group's strategy lets us rapidly respond to the risks and opportunities arising from material issues."</p>	<p>The bank approaches societal challenges and materiality assessment from a risk opportunity perspective: "At UniCredit, we are always open to business opportunities that arise from the need to address environmental challenges."</p>
	<p>The bank focuses on being responsible: "Groupwide, we work to responsibly manage our financial capital, human capital, social and relationship capital, natural capital and intellectual capital."</p>	<p>The bank adopts a more proactive position towards societal issues by addressing them from a problem solving perspective: "The core of our business is therefore to support customers and stakeholders in managing social and environmental challenges and financing their investments for a sustainable future. In this effort we are making continuous steps towards the completion of our path of integrating more and more sustainability into our business strategies."</p>	<p>The bank adopts a more proactive position towards societal issues by addressing them from a problem solving perspective: "The core of our business is therefore to support customers and stakeholders in managing social and environmental challenges and financing their investments for a sustainable future. More than ever, sustainability forms a central part of everything we do and is fully integrated into our business and decision-making process, in accordance with the strategic sustainability targets announced in November 2019."</p>
	<ul style="list-style-type: none"> No evidence of an active stakeholder engagement. 	<p>The bank actively engages with stakeholder to understand and learn their problems in regard to social and environmental matters: "In this process, stakeholder listening is of the utmost importance. Intercepting stakeholders' needs and expectations results in decisions such as our offer of responsible lending products, savings, payment and investment products, or the focus on empowering individuals, so they can improve their quality of life and better their financial stability"</p>	<p>The bank actively engages with stakeholder to understand and learn their problems in regard to social and environmental matters: "In this process, listening to stakeholders is of the utmost importance. Intercepting their needs and expectations can orient us towards making the right decisions regarding our offer of responsible lending products, savings, payment and investment products, thus enabling individuals to improve their quality of life and financial stability."</p>
	<ul style="list-style-type: none"> No evidence of caring for the impact of the business in society. 	<p>The bank measures and monitors the impact it has on society and the environment: "As part of our strategy, the Group has invested in forming a better understanding of the sustainability of its business and its effects on communities."</p>	<p>The bank measures and monitors the impact it has on society and the environment: "In addition, as illustrated in the following pages, an attentive assessment of our initiatives and their positive impacts on society has allowed UniCredit to actively contribute to the achievement of the UN Sustainable Development Goals (SDGs)."</p>
	<ul style="list-style-type: none"> No evidence of a sense of stewardship. 	<p>The bank aims to be a market builder and cooperates with other banks for social good: "Pioneering this new market and contributing to ecosystem development through collaborations with other players with the same approach and objectives."</p>	<p>The bank aims to be a market builder and cooperates with other banks for social good: "As one of Europe's largest banks, we wish to set the example of building a fairer and more inclusive society by identifying, financing and promoting people and enterprises that have a beneficial impact on society."</p>
Social Good as a Deeper Purpose	<ul style="list-style-type: none"> No evidence of a sense of social purpose. 	<ul style="list-style-type: none"> No evidence of a sense of social purpose. 	<ul style="list-style-type: none"> No evidence of a sense of social purpose.
Building a pro-social common identity	<ul style="list-style-type: none"> No evidence of an attempt to build a pro social common identity. 	<p>The bank is committed to spread awareness and advocacy activities with a social mindset: "Spreading internal awareness and advocacy activities with the help of our colleagues."</p>	<p>The bank is raising awareness inside the teams to create a common identity regarding environmental matters: "Every team member of UniCredit is committed to protect the environment; UniCredit launched an awareness campaign on environmental impact for all employees."</p>
			<p>The bank involves all business units in sustainability related discussions: "Different structures of the company were involved in the various discussions on how sustainability goals should be developed, including Group Risk Management, Retail and Corporate Business lines both in WE and CEE, CIB, Investor Relations, Internal Communications, Media Relations and naturally Group Sustainability and Foundation."</p>
			<p>The bank aims for a culture of responsible banking: "2019 began with the approval of our Ethics and Respect manifesto (...) This was the first step of many representing and reinforcing our commitment to doing the right thing in relation to all our stakeholders.; At UniCredit, our corporate culture is based on two core values: Ethics and Respect. Our commitment to always "Do the right thing!" is our guiding principle for interactions with all our stakeholders: investors, customers, colleagues and communities.; Do the right thing! This guiding principle is embedded in the UniCredit Group culture."</p>

Strategic Integrated Thinking	<p>The bank's strategy is rooted in the economic logic: "Our strategy is to be One Bank, One UniCredit: a simple, successful, pan European commercial bank, with a fully plugged in CIB, delivering a unique Western, Central and Eastern European network to our extensive client franchise."</p>	<p>The bank aims to align social and financial returns: "Together we have started to actively prepare for the next strategic cycle. We will focus on the development of our business activities and the continued optimisation of our processes, while providing all colleagues with a best in class work environment and experience, to continue to attract the right people. This begins with an even more energised leadership team, and a changed leadership structure, that will bring this new strategy to fruition."</p>	<p>The bank aims to align social and financial return: "Beyond purely economic goals serving our shareholders, we will continue to "Do the right thing!" for all our other stakeholders, from our clients, our team members, to our communities and the environment."</p> <p>The bank integrates in its strategy its purpose as a bank: "In the Team 23 strategic plan, sustainability forms an ever more central part of everything we do and is fully integrated into our business and decision making process."</p> <p>The bank's strategy is built based on sustainability assumptions: "The underlying assumption is Sustainability, showing how in UniCredit value creation means more than just generating financial value."</p> <p>The bank addresses sustainability as a modus operandi: "More than ever, sustainability forms a central part of everything we do and is fully integrated into our business and decision-making process, in accordance with the strategic sustainability targets announced in November 2019"</p> <p>The bank establishes qualitative preconditions so all activities are sustainable: "The underlying assumption is Sustainability, showing how in UniCredit value creation means more than just generating financial values. It also means integrating sustainability into our business strategies in terms of human capital, society and environment."</p>
	<ul style="list-style-type: none"> The bank does not include ESG criteria in remuneration schemes. 	<ul style="list-style-type: none"> The bank does not include ESG criteria in remuneration schemes. 	<p>The bank links ESG criteria to remuneration schemes: "As a further confirmation of our commitment to ESG Topics, Sustainability KPIs will be formally embedded in the new 2020-30 long term; In our LTIP we have for the first time introduced sustainability KPIs into the scorecard to reflect our firm commitment to ESG topics, the renewed focus on improved customer experience and our dedication to the team."</p>
	<ul style="list-style-type: none"> No evidence of sustainability matters as business targets. 	<ul style="list-style-type: none"> The bank sets sustainability matters as business targets. 	<p>The bank sets sustainability matters as business targets: "In the fourth quarter of 2019, we announced new ESG targets as part of our long-term commitment to sustainability"</p>
	<ul style="list-style-type: none"> No evidence of any social indicators. 	<p>The bank uses SDGs as a reference indicator for strategic endeavor: "Moreover, this makes it possible for us to actively contribute to achieving the Sustainable Development Goals (SDGs) thanks to a careful assessment of the bank's initiatives which have a positive impact on these goals, as shown in the following pages."</p>	<p>The bank uses SDGs as a reference indicator for strategic endeavor: "In addition, as illustrated in the following pages, an attentive assessment of our initiatives and their positive impacts on society has allowed UniCredit to actively contribute to the achievement of the UN Sustainable Development Goals (SDGs).; We monitor our progress towards the SDGs via measurable KPIs resulting from the management of material topics and related risks and opportunities."</p>
	<p>No evidence of success seen from a social perspective: our performance is fully on track and we have confirmed all the Transform 2019 key targets, with a better risk profile and an improved dividend payout.</p>	<p>The bank cares for non-financial performance just as much as for financial performance: "Value creation for UniCredit does not just mean to generate financial value, but also added value with regards to human capital, society and environment.; UniCredit's Board and Senior Management consider that the way in which results are achieved is as important as the actual results."</p> <p>The bank sets sustainability-related KPIs to measure performance: "We monitor our progress towards SDGs via measurable KPIs resulting from the management of material topics and related risks and opportunities."</p>	<p>-The bank cares for non-financial performance just as much as for financial performance: Value creation for UniCredit does not just mean generating financial value, but also adding value with regard to human capital, society and the environment.; Financial results and the tangible actions we take in achieving them are certainly important, but equally important is the way in which these results are achieved.</p> <p>the bank sets sustainability-related KPIs to measure performance: "We monitor our progress towards the SDGs via measurable KPIs resulting from the management of material topics and related risks and opportunities."</p>
Motivations behind addressing societal challenges	<ul style="list-style-type: none"> The bank is driven by strategic performance. 	<p>The bank is driven by strategic performance: "We believe that an approach where sustainability is increasingly integrated in the group's strategy lets us rapidly respond to the risks and opportunities arising from material issues.; Subsequently, we focused on the risks and opportunities related to material aspects that may impact the Group and the entire financial industry as well as UniCredit's actions when faced with these new challenges"</p> <p>The bank is driven customer demand: "As the banking industry continues to evolve, UniCredit will stay focused on "what matters" - the changing needs of our customers - to protect the value of our business and ensure sustainability"</p>	<p>The bank is driven by strategic performance: "We believe that fully integrating our sustainability approach into our business strategies allows us to respond promptly to the risks and opportunities arising from material issues."</p>
	<ul style="list-style-type: none"> No evidence of board level engagement. 	<p>The bank has a committee dedicated to sustainability: "The Corporate Governance, Nomination and Sustainability Committee (CGN&SC) is assigned, inter alia, with the responsibility of overseeing sustainability issues within our organisation. It makes proposals regarding the Group's environmental and social strategy, annual objectives and targets, monitoring their implementation and examining related reporting. The CGN&SC also supervises the Group's sustainability evolution in light of international guidelines and principles on the subject, and monitors the Group's performance. Furthermore, it keeps abreast of stakeholder concerns. It is supported by the Group Sustainability & Foundation unit in performing its activities."</p>	<p>The bank created a committee dedicated to sustainability: "In support of the Board, the Corporate Governance, Nomination and Sustainability Committee (CGN&S) is responsible, inter alia, for supervising sustainability issues within our Organisation. In 2019 the Committee was also assigned with the supervision of ethics issues."</p>
Top-down approach to a pro-social business model	<ul style="list-style-type: none"> No evidence of CEO level sense of advocacy. 	<ul style="list-style-type: none"> No evidence of CEO level sense of advocacy. 	<p>The CEO acts as a true sponsor to sustainability initiatives: "Our commitment to sustainability was presented by the CEO in a press conference and in a call dedicated to financial analysts and investors in the month of November 2019."</p>
	<ul style="list-style-type: none"> The bank does not recognise sustainability as a core board level competency 	<ul style="list-style-type: none"> The bank recognises sustainability as a core board level competency: 	<ul style="list-style-type: none"> The bank recognises sustainability as a core board level competency.

Appendix 13- Longitudinal Analysis: Main changes found in Trajectory Analysis.

Themes	Barclays	BNP	Citi	Crédit Agricole	Credit Suisse
Embeddedness of a social mindset in core business	The bank intensifies its approach to the social logic in its external activities from 2018, by incorporating niche financial products and adding a social added value prerequisite.	The bank intensifies its approach to the social logic in its external activities from 2018, by incorporating niche financial products and introducing ESG criteria in decision making.	No significant changes in the way the bank embeds the social logic in product offerings and internal activities.	No significant changes in the way the bank embeds the social logic in product offering. Nevertheless, there is the emergence of the ambition to make all activities sustainable and social added value becomes a requirement.	No significant changes in the way the bank embeds the social logic in product offerings and internal activities. Remains centered in strategic and risk management efforts.
Bank as catalyzer for change	Change from no evidence of the bank as proactive catalyzer for change to acting as a supporter of social innovation, advancing research, positioning itself as a steward and market builder.	No change. The bank has always acted as a catalyzer change.	Change from no evidence of the bank as proactive catalyzer for change to acting as a supporter of social innovation, positioning itself as a steward and market builder.	Change from acting responsibly to becoming an advocate for change and supporter of sustainable transitions and impact companies.	Change from acting responsibly to creating interbank alliances and supporting sustainable transitions.
Positioning of the bank in society and banking system	Change from a responsible approach (2017) to a strategic (2018) and finally to positioning itself as a problem solver and purpose driven organization (2019).	No change. The bank has always recognized its wider role in society and actively engaged with broader stakeholders.	The bank positions itself as a problem solver, putting social issues at the core and becoming an advocate for change at state level.	The bank positions itself as a problem solver, putting social issues at the core and becoming an advocate for change at state level.	Change from limiting its role to a neoclassical perspective, to considering society as a second priority after financial performance and finally recognizing its ambition to be a net positive bank. No sign of the bank as a problem solver or being part of society.
Social Good as a Deeper purpose	Emergence of a social sense of purpose in 2018.	Emergence of a social sense of purpose.	Emergence of a social sense of purpose.	Emergence of a social sense of purpose. Emergence of a socially related raison d'être.	No evidence.
Building a pro-social common identity	Evolution from a risk centered approach to the attempt of building a culture of purpose.	Change from no efforts to build a common identity to promoting employee awareness and training them to promote positive impact and aiming to build a social business culture.	Change from efforts to build a common identity around a risk management perspective to providing training in responsible lending. Very limited evidence.	No changes in the attempt to build a stronger common identity. Efforts remain focused on a risk management perspective and on climate change.	No changes in the attempt to build a stronger common identity. Efforts remain focused on risk management and climate change. The bank also created a group-wide strategy to sustainability.
Strategic Socioeconomic Integrated Thinking	Change from recognising its role in society, and addressing social issues as opportunities, to embedding the social purpose on its strategy, addressing sustainability as a modus operandi and recognising banks' success in social contribution instead of only financial performance.	Main change is how the bank addresses sustainability as a major goal of the bank, from 2018 onwards, which was not visible previously, and how it aims to align financial and social returns. The rest of the efforts remain high.	Change from social impact as peripheral to the ambition to align social and financial returns. The bank starts measuring success in social indicators and measures performance both in financial and social terms in equal terms. Bank's strategy starts being build around social issues	Emergence of the ambition to align social and financial returns and to integrate social responsibility as a modus operandi. Strategy of the bank starts to be built around societal challenges.	The bank's strategy is mostly focused in the economic logic with some climate risk mitigation considerations. In 2019, the bank shows the ambition to align social and financial returns.
Motivations behind a pro-social approach	Change from business motives and reputational drivers, to strategic performance and finally, to intrinsic motivations related to the role it wants to play in society.	Change from demand driven motivations to also intrinsic motivations.	Motivations change from strategic to intrinsic motivations related to the role the bank wants to play.	Motivations change from customer driven to intrinsic motivations related to the role the bank wants to play.	Motivations remain driven by reputation and investor demand, but in 2019 the bank shows some signs of intrinsic motivations about the role it wants to play.
Top-down approach to a pro-social business model	Change from centering sustainability efforts in a risk management committee to creating a committee dedicated to sustainability and advocacy	No change in terms of committee responsible for sustainability which is still CSR, but sustainability competencies become important at the board level.	Change from sustainability efforts being at the responsibility of the Foundation's President and centred in a committee dedicated to reputation to creating a CSO position and team in charge that directly reports to the CEO.	No change in terms of committee responsible for sustainability which is still the strategy one. Besides, sustainability competencies remain important at the board level.	No change in terms of committee responsible for sustainability which is still a risk related one.

Appendix 13- Longitudinal Analysis: Main changes found in Trajectory Analysis.

Themes	Deutsche Bank	ING	Mitsubishi	Mizuho	Santander
Embeddedness of prosocial mindset in core business	Change from focusing on volunteerism (peripheral social contribution) to integrating ESG criteria into product offerings and decision making. Growing integration of niche financial innovations.	Change from only lending to esg leaders to giving up higher rates for better sustainability outcomes and steering portfolio to meet societal issues.	Change from focusing on looking for profitable and responsible investments to proactively integrating niche financial product and ESG criteria in decisions. New ambition to align external activities with positive impact.	Increasing integration of sustainable criteria in external activities and decision making.	Change from focusing on looking for profitable and responsible investments to proactively integrating niche financial products and ESG criteria in decisions. New ambition to align external activities with positive impact emerges in 2019.
Bank as catalyser for change	Change from focusing on the impact social challenges have on business to the impact the bank has on society. Transition from acting responsibly to addressing sustainability as a modus operandi.	Intensification of the bank's extra efforts to advance social change through interbank cooperation, inspiring change and educating clients through financial products.	Intensification of the bank's extra efforts to advance social change by advancing research on the topic, establishing a group-wide approach to sustainable development, becoming an advocate for change and foster social innovation.	Change from no evidence of the bank catalyzing change inside or outside the sector, to a growing number of initiatives to advance social change such as advancing research, supporting clients that promote ESG and fostering social innovation.	Change from no efforts to acting as an advocate for change, and engaging in learning processes related to sustainable development.
Positioning of the bank in society and banking system	Change from limiting the role of the bank to neoclassical vision to recognizing its wider purpose on society.	Change from focusing on its role to create value to customers to recognizing its purpose for society. Change from caring about the impact of society on the business to focusing more on the impact of the business on society.	The bank has always positioned itself as a problem solver deeply connected to society.	Change from limiting the role of the bank to neoclassical vision to recognizing its wider purpose on society.	Change from being responsible to acting as a problem solver and recognizing its wider role in society.
Social Good as a Deeper Purpose	Emergence of a sense of social purpose.	No evidence.	Emergence of a sense of social purpose. Emergence of a raison d'être.	No evidence.	Emergence of a sense of social purpose.
Building a pro-social common identity	Evolution from a risk centered approach to the attempt to build a purpose culture.	Change from no attempt to build a corporate culture around the social logic to starting initiatives to build one, such as raising awareness and sustainability ambassadors.	Change from a culture of risk and compliance to the ambition to build a purpose culture.	Change from no attempt to build a corporate culture around the social logic to starting initiatives to build one. Emergence of the ambition to embed a social mindset across all employees.	Change from no attempt to build a corporate culture around the social logic, or focusing on a risk perspective, to starting initiatives to build a culture of purpose.
Strategic Socioeconomic Integrated Thinking	Emergence of new themes such as sustainability as shapers of the bank's strategy, ambition to align social and financial returns and referring to social change as a major goal.	Change from focusing on economic performance and customer satisfaction to acknowledging the importance of social contribution in strategic priorities.	In the last year the bank expresses the ambition to build priorities around social and environmental issues and synthesizes management with sustainability.	Change from a peripheral approach to social responsibility to an ambition to embed this responsibility as a modus operandi and build a strategy around social issues.	Change from an approach focused on economic logic an ambition to embed social responsibility as a modus operandi and establishing social change as the major objective of the bank.
Motivations behind a pro-social approach	Change from motivations driven by investors' demand and risk management to strategic performance. Reputational drivers remain.	Change from motivations driven by investors' demand and strategic performance to intrinsic motivations. External demand drivers remain.	Change from motivations driven external expectations and license to operate to strategic performance. In 2019, emergence of intrinsic motivations.	Change from motivations driven by investors' demand and strategic performance to intrinsic motivations.	Change from motivations driven by business motives and reputation and strategic performance to intrinsic motivations. External expectation drivers remain.
Top-down approach to a pro-social business model	Change from focusing sustainability efforts in a communications related dept. to a committee at the board level dedicated to sustainability.	Change from a top-down approach focused on risk and compliance to a deeper integration of sustainability matters at the c level. Emergence of CEO's sense of advocacy.	Change from no evidence of a C-level approach to sustainability to the centralization of sustainability at the board level. Ambition to strengthen corporate governance in terms of sustainability management in 2019.	Change from no evidence of a centralized top-down approach to sustainability, to the creation of a team fully dedicated to it.	Change from a top-down approach focused on risk and compliance to a deeper integration of sustainability matters at the C-level. Emergence of the ambition to build governance based on social logic.

Appendix 13- Longitudinal Analysis: Main changes found in Trajectory Analysis.

Themes	S. Generale	S. Chartered	Sumitomo	UBS	UniCredit
Embeddedness of a social mindset in core business	Change from ambition to have a positive impact to really incorporating criteria into decisions and efforts to design products that balance social and environmental returns. Greater care for vulnerability and solidarity.	Change from no evidence of integrating broad esg criteria in product offering to designing products that align social and financial returns.	Change from an approach of avoiding harm to becoming more proactive and integrating niche financial products. In 2019, the bank lays down qualitative preconditions to embed sustainability in its external activities.	Change from focusing only on responsible investment to broadening the scope of sustainability efforts to other product offerings and integrating social criteria in decisions.	No significant changes besides the increasing incorporation of niche financial products to advance social change.
Bank as catalyser for change	No significant change. Efforts to catalyze change are stable across the years.	Emergence of evidence suggesting the bank is increasingly advancing social change such as acting for supporter of positive change in clients, advancing research and fostering social innovation.	Change from no extra efforts to advance change to fostering the creation of knowledge related to sustainable development.	Emergence of the ambition to be a leader in sustainability in the sector, advocating for change, and investing in social innovation.	No change. Efforts to catalyze change remain high.
Positioning of the bank in society and banking system	Change from focusing on economic growth as major goal to the commitment to a sustainable world as role of the bank.	Change from limiting the role of the bank in the economy to its primary functions to recognizing a more active role as problem solver and catalyzer of change.	Change from viewing social responsibility as peripheral, or addressing it as an opportunity to viewing it as a duty and way of doing business (modus operandi).	Change from focusing on being responsible to acting as a problem solver. Change from limiting the role of the bank to its primary functions to recognizing its role to advance social change.	Change from focusing on being responsible to acting as a problem solver. The bank still addresses challenges from a risk opportunity perspective.
Social Good as a Deeper Purpose	Emergence of a sense of social purpose.	Emergence of a sense of social purpose.	Emergence of a sense of social purpose.	No evidence.	No evidence.
Building a pro-social common identity	Change from focusing on promoting volunteerism to promoting the commitment of the staff to promote social change in their daily job.	Change from a culture focused on excellence and financial performance to embedding sustainability in the culture of the bank.	Emergence of strong initiatives to build a culture of purpose and engage with employees in this sense.	The bank has always tried to build a culture around the social logic but its efforts to do so intensify through the years. Emergence of the ambition to build a culture of responsible banking.	In 2019, the bank shows the ambition to build a culture of purpose. Before it was only focusing on raising awareness on environmental issues.
Strategic Socioeconomic Integrated Thinking	Increasing recognition of sustainability as a measure of performance and success. Social matters embedded in strategy in 2019.	Change from focusing on an economically driven strategy to build a strategy departing from social and environmental issues.	Change from focusing on financial performance and CSR on the periphery, to synthesizing sustainability and management and showing the ambition to align social and financial returns.	In 2019, the socioeconomic strategic thinking intensifies with the ambition to build strategic priorities based on social and environmental issues.	Change from a strategy rooted in the economic rationale to the ambition to align social and financial returns and build a strategy based on sustainability.
Motivations behind a pro-social approach	Change from being driven by business motives to having intrinsic motivations to address social aspects in business. Strategic performance motivations still exist.	Change from strategic motivations to intrinsic motivations.	Change from being driven by external expectations and strategic performance, to having deeper intrinsic motivations.	Change from being driven by customer demand and strategic performance to having intrinsic motivations.	No change. Remains driven by strategic performance.
Top-down approach to a pro-social business model	Change from CSR being centralized in a strategy committee to further creating a special committee to sustainability.	Change from no evidence of a C-level approach to the centralization of sustainability at the board level	Change from a CSR committee to a greater centralization and professionalization of sustainability at the board level with a committee dedicated to it.	Top down approach remains relatively stable. The bank approaches sustainability at the c level.	Sustainability further integrates the board level and the CEO starts acting as a sponsor for sustainability.

Appendix 14- Coding key for Longitudinal Analysis (Source: Author)

	Changes in Thematic Flow	Codes
Intensity	Embeddedness of a prosocial mindset in core business activities (Change)	<p>Full transition (to Degree 4)</p> <ol style="list-style-type: none"> 1. Intensification of the social logic in the external activities of the bank by adding a social added value as prerequisite. 2. Clear ambition to mainstream sustainability across all external activities <hr/> <p>Partial transition</p> <ol style="list-style-type: none"> 3. Intensification of a limited number of efforts to incorporate a social logic in external activities (to Degree 3). 4. No clear ambition to mainstream sustainability across all external activities (to Degree 3). 5. The bank still focus its ESG-related activities to strategic projects. (to Degree 3). <hr/> <p>No change</p> <ol style="list-style-type: none"> 6. No significant changes in the way the bank embeds the social logic in product offerings and internal activities (remains at a Degree 4). 7. No significant changes in the way the bank embeds the social logic in product offerings and internal activities (remains at Degree 3).
	Banks as catalyzer for change inside and outside the banking sector (Change)	<p>Full transition (to Degree 4)</p> <ol style="list-style-type: none"> 8. Increase in the extra efforts of the bank to advance social change in society through partnerships with the social economy, promotion of social innovation, acting as an educator and promoter of the sustainable transition of society and by advancing research on ESG. 9. Increase in the extra efforts of the bank to advance social change in the banking sector through sustainability advocacy, market building activities, interbank alliances, promotion of open-source social innovations and acting as an inspirational and thought leader. <hr/> <p>Partial transition</p> <ol style="list-style-type: none"> 10. The bank has extra efforts to advance social change but these are limited compared to other banks (to Degree 3). <hr/> <p>No change</p> <ol style="list-style-type: none"> 11. No change in the way the bank positions itself in society and in the banking sector to advance social change. (remains at Degree 3/4)
	Positioning of the bank in society/banking sector (Change)	<p>Full transition (to Degree 4)</p> <ol style="list-style-type: none"> 12. Change from a responsible/strategic approach to positioning as an active problem solver. 13. The bank starts acting as partner for social change. 14. The bank goes from engaging with stakeholders to understand their impact on business to understand their main concerns. 15. The bank starts building cooperative relationships with other banks. <hr/> <p>Partial transition</p> <ol style="list-style-type: none"> 16. Change from a responsible approach to a strategic approach to social issues (to Degree 3). <hr/> <p>No change</p> <ol style="list-style-type: none"> 17. No change in the way the bank positions itself in society and in the banking sector to advance social change (remains at a Degree 4 of intensity).
	Social Good as a Deeper Purpose (Change)	<p>Full transition (to Degree 4)</p> <ol style="list-style-type: none"> 18. Emergence of a sense of social purpose. 19. Emergence of a raison d'être associated with the social purpose of the bank. <hr/> <p>No change</p> <ol style="list-style-type: none"> 20. No emergence of a deeper purpose nor recognition of the wider role of the bank in society.
	Building a pro-social common identity (Change)	<p>Full transition (to Degree 4)</p> <ol style="list-style-type: none"> 21. Evolution from a risk centered social approach (or no attempt to build a culture) to the attempt of building a culture of purpose. 22. Emergence of the attempt to build a culture of purpose. <hr/> <p>Partial transition</p> <ol style="list-style-type: none"> 23. Change from no efforts to build a common identity to promoting employee awareness and training them in regards to the social logic from a risk management perspective. (to Degree 2) <hr/> <p>No change</p> <ol style="list-style-type: none"> 24. No changes in the attempt to build a stronger common identity. Efforts remain focused on a risk management perspective (remains at Degree 2) 25. No changes in the attempt to build a stronger common identity. Efforts remain high. (remains at Degree 4)

<p>Integrated socioeconomic strategic thinking (Change)</p>	<p>Full transition (to Degree 4)</p> <p>26. Change from following a pure neoclassical strategic approach to incorporating a social purpose behind the strategy of the bank.</p> <p>27. The bank synthesizes sustainability and management, making responsible banking its modus operandi.</p> <p>28. The bank start departing from societal challenges to build its SDG-based strategic priorities.</p> <p>29. No changes in the integrated socioeconomic strategic thinking, but emergence of the ambition to align social and financial returns.</p> <hr/> <p>Partial transition</p> <p>30. Small improvements in increasingly incorporating socially related features that align financial and social returns (compensation schemes, non-financial targets, ...), but no ambition to build strategy around the main societal issues. (to Degree 3)</p> <hr/> <p>No change</p> <p>31. No changes in the integrated socioeconomic strategic thinking. (remains at Degree 3)</p>
<p>Motivations behind a prosocial business (Change)</p>	<p>Full transition (to Degree 4)</p> <p>32. Change from being driven by economic based motives to intrinsic motivations.</p> <hr/> <p>Partial transition</p> <p>33. Change from being driven by economic based motives to strategic motivations. (to Degree 3)</p> <hr/> <p>No change</p> <p>34. No changes in the driver of action for incorporating a social logic. (remains at Degree 2/3/4)</p>
<p>Top-down approach to a pro-social business model (Change)</p>	<p>Full transition (to Degree 4)</p> <p>35. Change from centering sustainability related decisions in a secondary committee to giving them central attention at the board level.</p> <p>36. Ambition to embed social logic as the cornerstone in corporate governance.</p> <hr/> <p>Partial transition</p> <p>37. Increase in the level of importance given to the social logic at the corporate governance level. (to Degree 3)</p> <p>38. Change from no evidence of social logic at the C-level to starting to see signs of sustainability at the management and board level. (to Degree 3)</p> <hr/> <p>No change</p> <p>39. No change in terms of the top-down approach to a pro-social business model. Centralization and professionalization are stable and remain high. (remains at Degree 3/4)</p> <p>40. No change in terms of the top-down approach to a pro-social business model. Centralization and professionalization remain low. (remains at Degree 1/2)</p>

Appendix 15- Further Limitations and Future Research (*Source:* Author).

The temporal component, central to this research, adds to the limitations associated with the qualitative analysis applied. The selected time frame could be limiting the scope needed to address change at the institutional logics level. A wider temporal horizon could have provided a more comprehensive, and clarified, view on how themes related to hybridity emerge and intensify.

Finally, only four degrees of hybridity were considered which can be limiting a more nuanced view on evolution. This became a limitation when performing the cross-case comparison and trying to differentiate between different hybrid transitions. Inside each of the four levels, subdivisions would have helped build a more detailed longitudinal analysis. Besides, the second coding key lacks a metric to measure the overall amplitude of change in hybridity, which is seen only per thematic group. This does not allow to compare with precision the overall hybrid evolution across the landscape under analysis.

Regarding directions for future research, another aspect that was interesting to notice in the sample was the role of the context of a pandemic to push banks to intensify their social propensity. This suggests the importance of the current conjuncture for hybrid evolution, and could be further explored in order to understand in which contexts are hybrids more likely to evolve, and vice-versa.