

Press Release 3/2020

EBI announces another contribution of Prof. Loew (Frankfurt School of Finance & Management) together with Deborah Klein and Adrian Pavicevac in the EBI Working Paper Series No. 56. Their study is published under the title "Corporate Social Responsibility Reports of European Banks – An Empirical Analysis of the Disclosure Quality and its Determinants" and appeared on 17 December 2019.

Within that paper, the authors first point out that banks are essential for enabling financial and economic development. Following this, their corporate social responsibility (CSR) towards society is important. Following the authors this may be vital for their own success and growth. Allegedly, this is especially the case, since they are not only confronted with various stakeholder interests but also with an increasing awareness of CSR in general.

The paper analyses the quality of the CSR information disclosed by 76 banks in the European Monetary Union (EM) between 2017 and 2018, since the CSR-Directive of 2014 aims to encourage a more sustainable economy and had to be adopted by banks and other companies for the financial year 2017.

Additionally, an OLS regression was performed to test the extend of the banks' CSR reporting compared to their size, profitability, common equity tier 1 (CET1) ratio, number of pages containing CSR information, ownership type, availability of an external audit, and communication channel used. Further, the study shows the banks' commitments to the Sustainable Development Goals (SDGs). This contains information regarding the question whether and to what extent climate-change related risks are integrated in the banks' risk management framework.

To read the entire paper: <https://ssrn.com/abstract=3514159> or <http://dx.doi.org/10.2139/ssrn.3514159>.