

**PRESS RELEASE 29 JUNE 2007**

## **Green Competition Moves Banks**

### **Covalence Banking Industry Report 2007**

Banks show the second best EthicalQuote reputation score from June 2006 to June 2007 compared to nine other industries, states a report released on 29 June 2007 by Geneva-based ethical reputation research firm Covalence, *Covalence Banking Industry Report 2007*.

Over last year the Banking Industry has witnessed a favorable evolution in the areas of Eco-Innovativeness of its products, Environmental Impact of Production and Social Sponsorship.

The reason for this green turmoil amongst various enterprises in the banking industry stems from both the market side (increased consumer demand for Socially Responsible Investment funds, growing attractiveness of investing in renewable energy) and evolving international standards (United Nations Principles for Responsible Investing, UNEP Finance Initiative, Revised Equator Principles).

Traditional banking practices of confidentiality, cautiousness and neutrality are giving way to transparency and direct communications. Nowadays, banks have become quite aggressive in showing the public how they contribute to sustainable development. Corporate Social Responsibility emerges as an important competition factor in the banking industry.

A major ethical risk for banks centers on corruption and transparency issues. Criteria *Downsizing* also received a significant portion of the ethical demands for the banking industry. Thirdly, while global warming offers banks opportunities (carbon emissions reduction plans, investments in renewable energy), it also brings increased scrutiny on their credit policies (environmental risks in project finance).

Within the industry (25 among the largest banks in market capitalization), the EthicalQuote reputation curves show HSBC leading the way ahead of ABN AMRO and Bank of America, while US Bancorp and Banco Bilbao occupy the last positions. Results representing the Reported Performance of companies (positive news only) place HSBC Holdings in first position, followed by Citigroup, ABN AMRO, and Bank of America, out of the 25 Banking companies.

#### **More information on Covalence Banking Industry Report 2007:**

- > [Report extract](#)
- > [Report Offer & Order form](#)
- > [Public version of EthicalQuote](#)

## About Covalence

Covalence' s ethical quotation system is a reputation index based on quantifying qualitative data, which are classified according to 45 criteria of business contribution to human development such as *Labour standards*, *Waste management*, *Product social utility* or *Human rights policy*. It is a barometer of how multinationals are perceived in the ethical field.

The system integrates thousands of documents found among media, enterprise, NGO and other sources, for producing the EthicalQuote curves. These curves measure the historical evolution of the reputation of companies regarding ethical issues. They are created through the cumulative addition of positive news (documents coded as "ethical offers", which are weighed as +1, curve ascends) and negative news ("ethical demands" weighed as -1, curve descends). The Reported Performance measure is given by cumulating positive news only.

This tool received the Cantonal Sustainable Development Prize (Geneva) in 2004 and prompted Covalence among the finalists of the Social Entrepreneur of the Year 2005 award organised by the Schwab Foundation. Since September 2006, Covalence research is being distributed by Reuters.

Covalence is closely monitoring 10 sectors including 200 companies that are classified as the largest market capitalizations in the Dow Jones World Index. Covalence is a limited company that was founded in Geneva in 2001 by six persons coming from social sciences and finance.

## More information on Covalence company and methodology:

### Company

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### Methodology

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