

## **The Importance of Sustainable Banking: A Comparative Study of Practices in Turkey and Canada**

Volkan Dayan \*

*Banks in financial sector are increasingly adopting global standards for environmental and social risk management and developing sustainable finance products. Several banks in countries have been recognized for their achievements in the environmental field. Sustainability is important for the banking sector, as in other sectors. Sustainable banking is designing the financial products and services of banks in a way to support sustainable development. Banks have established environmental policies, goals and practices that help guide their activities inside and out. For this reason bank reports are periodically published for the sustainability practices. Sustainability reporting helps banks to set goals, measure performance, and manage change in order to make their operations more sustainable. In these reports there are main topics such as, strategy and analysis, organizational profile, identified material aspects and boundaries, stakeholder engagement, report profile, governance, ethics and integrity. This study aims to explain the concept of sustainable banking and examine the contributions of the banks operating in Turkey and Canada to sustainable banking and their achievements in attaining the identified goals in the light of the selected banks. For this purpose the last bank reports and studies will be investigated and similarities and differences will be detected for both countries.*

**JEL Codes:** G18, G21, G32, Q01 and Q56

### **1. Introduction**

The rapidly growing trends in Turkey and in the World have increased the interest for the sustainability issues. With the prominence of the concept of sustainability; all businesses units around the world are forced to change their way of doing business. Many businesses operate a variety of activities in terms of sustainability. The corporate businesses add their strategies the environmental issues such as climate change, lack of resources, gender and diversity, human rights and so on as well as the social issues.

Studies about the issue of sustainability are also available in the banking sector. Many banks are making their process sustainable and regularly publish reports. The banks are integrating the sustainability to their products and services and they also include environmental and social dimensions to this process. Environmental and social responsibility projects are carried out by transferring sponsorship budgets for charities, associations, foundations and issues such as, energy efficiency, recycling, environmental enterprises, and cultural events and so on. In general, environmental sustainability in banking are grouped as environmental, social, economic sustainability, administrative sustainability and risk management.

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\*Dr, Volkan DAYAN, Uzunkopru School of Applied Sciences, Trakya University, Turkey. Email : [volkandayan@trakya.edu.tr](mailto:volkandayan@trakya.edu.tr)

## **2. Literature Review**

There are several studies made about sustainable banking in literature. But the number of comparative studies are limited.

Ada and Kilic, (2014) in their studies; explained the concept of sustainable banking and examined the contributions of the banks operating in the European Union and in Turkey to sustainable development and their achievements in attaining the identified goals in light of the selected banks.

Boitan, (2015) investigated the exogenous determinants of the EU sustainable banks' profitability during the period 2006-2013.

Carnevale and Mazzuca, (2014) tested the following: (i) the direct effects of the sustainability report on stock price; (ii) whether the report modifies the value relevance of financial accounting variables (indirect effects); and (iii) whether the value relevance of sustainability reports varies across countries.

Dubauskas, (2010) made an overview and a comparative analysis of the development in international banking in the Baltic during the first decade of the 21<sup>st</sup> century.

Ozcelik and Ozturk, (2014) evaluated the sustainability performance of banks in Turkey that issue sustainability report by using grey relational analysis method.

Rudawska and Renko, (2011) explored implications of sustainability on the banking sector. The findings of the papers suggested that banks in Poland express stronger need to take into account the environmental, social and economic concerns compared to the banks in Croatia.

## **3. The Methodology and Model**

This study focuses on the importance of sustainable banking. In addition, studies on sustainable banking in Turkey and Canadian banks have been examined. For this purpose, sustainability reports of banks both in Canada and Turkey are investigated in accordance with the directives of international initiatives supporting the sustainable banking. There are many details about sustainability activities in the report of banks. As those reports are too long the activities which are prominent and make a difference are summarized for each bank as much as possible. In the last part, again a comparison of important activities is made in terms of both countries' banks. Statistical analysis could not be made as the numeric data in the reports is not available for each bank or because there is no standard data.

## **4. The Findings**

This chapter first summarizes the activities of international initiatives that support sustainable banking. Then, respectively the prominent activities of Turkish and Canadian banks in sustainability reports are summarized and lastly the comparison of those banks is made. The comparison is performed according to the distinction of environmental, social, economic sustainability, Sustainable Governance and Risk Management.

### **4.1. Definition of Sustainable Banking**

According to International Institute for Sustainable Development (IISD), the integration of sustainability into the banking sector has taken two key directions:

First one is the pursuit of environmental and social responsibility in a bank's operations through environmental initiatives (such as recycling programs or improvements in energy efficiency) and socially responsible initiatives (such as support for cultural events, improved human resource practices and charitable donations);

Second one is the integration of sustainability into a bank's core businesses through the integration of environmental and social considerations into product design, mission policy and strategies. Examples include the integration of environmental criteria into lending and investment strategy, and the development of new products that provide environmental businesses with easier access to capital (IISD, 2015).

## **4.2. International Initiatives Supporting Sustainable Banking**

In this section international initiatives that support sustainable banking is discussed. Those initiatives are: United Nations Environment Programme Finance Initiative (UNEP-FI), The Equator Principles (EP), The Global Reporting Initiative (GRI), United Nations Global Compact, Carbon Disclosure Project (CDP), Principles for Responsible Investment (PRI) (TBB, 2015).

### **4.2.1. United Nations Environment Programme Finance Initiative (UNEP-FI)**

UNEP FI is a global partnership between United Nations Environment Programme (UNEP) and the financial sector. Over 200 institutions, including banks, insurers and fund managers, work with UNEP to understand the impacts of environmental and social considerations on financial performance.

UNEP FI's mission is to bring about systemic change in finance to support a sustainable world, and it is highlighted in its motto, 'Changing finance, financing change'. Its motto changing finance, financing change reflects a vision of a sustainable world economy that needs to be supported by a sustainable financial system.

UNEP FI is a global public-private partnership. As such the Initiative has established a network of Regional Task Forces to coordinate its activities around the world. The Task Forces further provide an opportunity for local Signatories and other financial institutions to interact and share best practices.

UNEP FI's strategic work programme is focused on current and emergent issues which are relevant to its signatories. It works collaboratively to find innovative approaches to issues around finance and sustainability. Its core activities are about:

- Banking - Finding innovative ways of addressing sustainability issues in the banking sector.
- Climate Change - Through its Climate Change Working Group, UNEP FI's work is focused on policy and strategy, outreach, and tools and training.
- Insurance - Promoting the global adoption and implementation of the Principles for Sustainable Insurance.
- Investment - Exploring how material, social, environmental and governance considerations can be incorporated into investment practice best.
- Property - New building development and existing structures contribute significantly to global carbon emissions, pollution and energy use. The Property Working Group analyses the role of financial institutions in promoting sustainable development in the real estate and property finance sectors.
- Sustainability Management and Reporting.
- Developing the Global Reporting Initiative Financial Services Sector Supplement (Environmental Performance).

- Building the business case for Sustainability Management and Reporting in emerging economies.
- Biodiversity and Ecosystem Services - Assisting the financial services sector to address the challenges arising from the loss of biodiversity and the degradation of ecosystem services.
- Finance and Conflict - Developing and promoting the business case for conflict prevention within the financial sector and raising awareness of the opportunities of engaging proactively with the issue of conflict prevention.
- Human Rights and Finance - driving socially and environmentally sustainable development by seeking to understand and clarify how human rights relate to the activities of financial institutions worldwide, so financial professionals can make responsible decisions within their spheres of influence.
- Water and Finance - Promoting a proactive approach by financial institutions when it comes to water-related challenges and opportunities through awareness raising and capacity building (UNEP FI, 2015).

#### **4.2.2. The Equator Principles (EP)**

The Equator Principles is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects and is primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making. Ten major international banks adopted the Equator Principles, a voluntary set of guidelines based on International Finance Corporation (IFC) and World Bank environmental and social guidelines and safeguard policies and on the World Bank Group's Pollution Prevention and Abatement Handbook in June 2003. (EP, 2015).

##### **4.2.2.1. Equator Principles Financial Institutions**

IFC's Performance Standards on Environmental and Social Sustainability have become globally recognized good practice in dealing with environmental and social risk management. In the financial markets worldwide, the Performance Standards have been catalyzing the swift convergence of standards for cross-border project finance.

Nearly 80 banks and financial institutions have voluntarily adopted the Equator Principles, which are based on IFC's Performance Standards.

- 32 export credit agencies of the OECD countries benchmark private sector projects against IFC's Performance Standards.
- The Multilateral Investment Guarantee Agency (MIGA) applies IFC's Performance Standards in its operations.
- The World Bank applies IFC's Performance Standards (known as World Bank Performance Standards) to projects supported by IBRD/IDA (International Bank for Reconstruction and Development/International Development Association) that are owned, constructed and/or operated by the private sector (IFC, 2015).

**Table 1. The Equator Principles**

<b>Principles</b>	<b>Definition</b>
Principle 1	Review and Categorization
Principle 2	Environmental and Social Assessment
Principle 3	Applicable Environmental and Social Standards
Principle 4	Environmental and Social Management System and Equator Principles Action Plan
Principle 5	Stakeholder Engagement
Principle 6	Grievance Mechanism
Principle 7	Independent Review
Principle 8	Covenants
Principle 9	Independent Monitoring and Reporting
Principle 10	Reporting and Transparency

**Source:** EP, 2015.

The Equator Principles III is effective from 4 June 2013. Table 1. Shows 10 principles are based on EP-III report.

#### **4.2.3. The Global Reporting Initiative (GRI)**

GRI is a leading organization in the sustainability field. GRI promotes the use of sustainability reporting as a way for organizations to become more sustainable and contribute to sustainable development. GRI has pioneered and developed a comprehensive Sustainability Reporting Framework that is widely used around the world.

GRI's mission is to make sustainability reporting standard practice for all companies and organizations. Its Framework is a reporting system that provides metrics and methods for measuring and reporting sustainability-related impacts and performance.

The Framework – which includes the Reporting Guidelines, Sector Guidance and other resources – enables greater organizational transparency and accountability. This can build stakeholders' trust in organizations, and lead to many other benefits. Thousands of organizations, of all sizes and sectors, use GRI's Framework to understand and communicate their sustainability performance.

The GRI Sustainability Reporting Guidelines (the Guidelines) offer Reporting Principles, Standard Disclosures and an Implementation Manual for the preparation of sustainability reports by organizations, regardless of their size, sector or location. The Guidelines also offer an international reference for all those interested in the disclosure of governance approach and of the environmental, social and economic performance and impacts of organizations. The Guidelines are useful in the preparation of any type of document which requires such disclosure.

G4 is the latest version of GRI's Sustainability Reporting Guidelines (GRI, 2015).

#### **4.2.4. United Nations Global Compact**

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary driver of globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

The UN Global Compact works toward the vision of a sustainable and inclusive global economy which delivers lasting benefits to people, communities, and markets.

To help realize this vision, the initiative seeks to:

1. Mainstream the Global Compact's Ten Principles in business strategy and operations around the world;
2. Catalyze business action in support of UN goals and issues, with emphasis on collaboration and collective action (UN Global Compact, 2015).

**Table 2. United Nations Global Compact's Principles**

Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; Principle 2: to make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right for collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: to undertake initiatives to promote greater environmental responsibility; and Principle 9: to encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

**Source:** UN Global Compact, 2015.

As it can be seen in Table 2., The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

#### **4.2.5. Carbon Disclosure Project (CDP)**

CDP works to transform the way the world does business to prevent dangerous climate change and protect natural resources.

CDP holds the largest collection of self-reported climate change, water and forest-risk data globally. Through CDP's global system companies, investors and cities are better able to mitigate risk, capitalize on opportunities and make investment decisions that drive action towards a more sustainable world.

Each year CDP publishes a number of analytical reports for its programs. The reports are written by CDP partner organizations and provide detailed analysis of the responses indicating important trends and developments.

CDP's annual reports are about climate change, supply chain, global cities, water, forests and carbon action (CDP, 2015).

#### **4.2.6. Principles for Responsible Investment (PRI)**

The United Nations-supported Principles for Responsible Investment (PRI) Initiative is an international network of investors working together to put the six Principles for Responsible Investment into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision making and ownership practices.

In implementing the Principles, signatories contribute to the development of a more sustainable global financial system (PRI, 2015).

**Table 3. Principles for Responsible Investment**

Principles	Definition
Principle 1	We will incorporate environmental, social, and corporate governance issues into investment analysis and decision-making processes.
Principle 2	We will be active owners and incorporate environmental, social, and corporate governance issues into our ownership policies and practices.
Principle 3	We will seek appropriate disclosure on environmental, social, and corporate governance issues by the entities in which we invest.
Principle 4	We will promote acceptance and implementation of the Principles within the investment industry.
Principle 5	We will work together to enhance our effectiveness in implementing the Principles.
Principle 6	We will each report on our activities and progress towards implementing the Principles.

**Source:** PRI, 2015.

As it can be seen in Table 3., The Principles are voluntary and aspirational. They offer a menu of possible actions for incorporating Environmental, Social and Governance (ESG) issues into investment practices across asset classes. Responsible investment is a process that must be tailored to fit each organization’s investment strategy, approach and resources. The Principles are designed to be compatible with the investment styles of large, diversified, institutional investors that operate within a traditional fiduciary framework.

### **4.3. Sustainable Banking Practices in Turkish Banks**

Many banks in Turkey make various practices on sustainable banking. In this section eight Turkish domestic banks’ sustainability reports have been analyzed. Banking Regulation and Supervision Agency of Turkey (BRSA) is an independent agency of the Government of Turkey. BRSA regulates 51 Banks in Turkey. There are 32 domestic banks 8 of which are in GRI’s database. These banks in alphabetical order are: Akbank, Garanti Bank, Sekerbank, Turkiye Sınai Kalkinma Bankasi, Turkiye Finans, Isbank, Yapi Kredi and Ziraat Bank (BRSA, 2015).

#### **4.3.1. Akbank**

Akbank’s core business is banking activities, consisting of consumer, commercial, SME, corporate, private banking, foreign currency exchange, money markets and securities trading (Treasury transactions) and international banking services. Through a strong and widespread domestic delivery network with total 985 branches, over 16.000 employees and more than 4.000 ATMs. The Bank offers banking services to more than 12 million consumers, more than 850.000 commercial and SME customers, and over 3.700 corporate customers via Alternative Delivery Channels such as internet and telephone banking.

Akbank's key sustainability highlights from its Sustainability Report are listed below (Akbank, 2013).

- Climate-Friendly Loans: Akbank offers a variety of loans to its customers both from its own resources and by borrowing from international financial institutions for the financing of energy efficiency and renewable energy projects.
- Innovation Support for SME's: Akbank provides solutions to support SME's for innovative applications.
- Agriculture Support: Akbank began meeting the needs of the agriculture sector with banking products and insurance services with an eye toward the seasonal nature of the cash flows of this industry.
- Contribution to Professional Development: 'From Kitchen to Life' Loan: Akbank aims to support future chefs in their professional lives with this loan.
- Sustainability Trainings: The bank made major strides in integrating sustainability into Akbank's corporate culture and continued to organize a variety of sustainability trainings.

Akbank's main environmental policy and its commitments: Akbank considers the following environmental aspects as important and primary factors: energy consumption, greenhouse gas emission, paper use and removal and disposal of technological waste. Akbank carry out various practices in order to show progress by means of measuring these aspects according to the internationally accepted quantitative indicators and criteria.

Akbank's community investment topics are about culture and art activities, education and youth, entrepreneurship and environment.

Among Akbank's important initiatives in terms of climate change, there is corporate support it has provided since 2010 for the implementation of the global Carbon Disclosure Project (CDP) in Turkey

Akbank's report includes a GRI Content Index G3 and United Nations Global Compact Index.

#### **4.3.2. Garanti Bank**

Garanti is an integrated financial services group operating in every segment of the banking sector including corporate, commercial, SME, payment systems, retail, private and investment banking. Garanti provides a wide range of financial services with nearly 19.000 employees and 12.4 million customers through an extensive distribution network that reached 990 domestic branches, over 60 administrative offices and buildings located across Turkey.

Garanti's key sustainability highlights from its Sustainability Report are listed below (Garanti, 2013).

- 90 meetings organized in 64 provinces until the end of 2013, Garanti organized nearly 28.000 SMEs in Garanti Anatolian Meetings.
- Amount of loans provided to women entrepreneurs reached TL 1.9 billion by end of 2013.
- Total funds allocated to renewable energy investments reached USD 3 billion at end of 2013.
- Garanti Bank signed Women's Empowerment Principles in 2014.
- Percentage of women employees 57%.
- Wind Energy – 57% Share of Garanti Bank in Turkey's total installed capacity of wind power among Turkish Banks (as of 2013).
- By end of 2013, TL 1.2 billion credit provided to agriculture sector 724 million of which is provided to small farmers.
- By end of 2013, 23 projects had been evaluated in depth in line with the Environmental and Social Impact Assessment Process.
- 4.209 employees completed distance learning program to serve disabled customers better.
- 497 women in 6 cities received certificates at Women Entrepreneur Executive School
- Reduced CO<sub>2</sub> emissions intensity by 23.1%.
- 50% of employees working in ISO 14001 certified buildings.
- 67% increase in waste recycling.



- The First Institution in Turkey awarded with 'IIP Gold Certificate'.
- Received 'Sustainability Award for Environmental and Social Performance' from European Bank for Reconstruction and Development (EBRD).

Garanti's report includes a GRI Content Index G4 and United Nations Global Compact Index. Garanti has five submission to the Carbon Disclosure Project and a signatory to the PRI. Garanti has achieved significant progress towards compliance with the Equator Principles. Garanti is a member of UNEP FI.

#### **4.3.3. Sekerbank**

Sekerbank provides services in the fields of Small Business and Agricultural Banking, Commercial/SME Banking, Corporate Banking, and Retail Banking. Sekerbank has 312 branches, 11 regional offices across Turkey. Sekerbank has defined its mission as 'Community Banking' with an understanding of broad-based banking.

Accordingly, Sekerbank has introduced energy efficiency to over 52 thousand customers with its 'EKOkredi' project that is a first in Turkey in financing of energy efficiency, and issued the first CB (Covered Bond) of Turkey, which serves as a financial bridge between the international financial institutions and SME's. The amount of finance Sekerbank provided by EKOkredi until today is over TRY 520 million.

Sekerbank, in representation of Turkey in 2012, joined the climate change combat platforms of Rio+20 United Nations Conference on Sustainable Development with its EKOkredi project.

Publishing the 'Seker Çocuk Magazine' which is distributed to primary school students all over Turkey free of charge since 1983, Sekerbank has conveyed its 'Community Banking' mission to cultural area, too. The Bank, which has launched 'Acikekran', the first new media-focused art platform of Turkey, to that end, brings the contemporary art to Anatolia by displaying the modern art works in its branches in 7 cities from Alpullu to Mardin simultaneously with the art gallery of Istanbul.

Sekerbank's 2013 sustainability profile is listed below (Sekerbank, 2013).

- 120 million m<sup>3</sup> amount of natural gas saved by the projects financed by EKOkredi.
- 13.9 billion KWh amount of electrical energy saved by the projects financed by EKOkredi.
- 3.1 million tons amount of CO<sub>2</sub> emission prevented by the projects financed by EKOkredi.
- 30% ratio of e-statements to total credit card statements.
- Ratio of technological waste sent to licensed disposal companies.

Sekerbank reviewed its sustainability issues through 'Sustainability Awareness Survey' with 23% participation of all employees and 'Sustainability Workshops'. Sekerbank conducted with the participation of its managers including its executive team.

With Social and Environmental Management System (SEMS), Sekerbank aims to prevent provided credits from having any negative impacts, both environmentally and socially, on its country, economy, customers and other stakeholders.

Sekerbank also took in the CDP report for 2010. Sekerbank's report includes a GRI Content Index G3. The content of its report also covers the 10 principles of UN Global Compact.

#### **4.3.4. Turkiye Sınai Kalkınma Bankasi (TSKB)**

TSKB is Turkey's first privately-owned development and investment bank. Since the day it was founded, TSKB has been supporting Turkey's sustainable growth with its deep

knowledge and experience as well as the broad array of corporate banking, investment banking, and consultancy services that it provides its customers. Through financial subsidiaries offering real estate and sustainability solutions, TSKB also adds value to its customers' investments.

TSKB works with those customers who adopt and share the Bank's sustainability policy and targets. The Bank aims to manage the legislative, environmental and social risks by collaborating with its customers. Moreover, the Bank encourages its stakeholders to produce an increasing amount of value for the community. Supporting the low-carbon economy is one of the cornerstones of TSKB's sustainable banking strategy.

Assuming leading roles in the financing of investments in renewable energy, energy efficiency and the environment, TSKB contributes towards reducing the impact of climate change. TSKB considers common welfare, human resources and social responsibilities in all of its operations. Besides its identity as a preferred employer who respects human rights, encourages personal and professional development and continuously invests in its human resources, TSKB provides an indirect contribution to employment through the investment projects that it supports by allocating resources.

At TSKB, the foundations of the Sustainability Management System (SMS) were laid down in 2006. The system forms an extremely valuable infrastructure for all activities of the Bank. TSKB's SMS was configured in accordance with ISO 14001 and ISO 14064 standards.

TSKB is in cooperation with the Carbon Disclosure Project and Water Disclosure Project.

TSKB has adopted the Global Reporting Initiative and the Universal Declaration of Human Rights.

TSKB is either a member or a participant of United Nations Environmental Programme Finance Initiative, United Nations Global Compact, Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank, Institute of International Finance, International Chamber of Commerce, Long Term Investors Club, and International Development Finance Club.

TSKB's key sustainability highlights from its Sustainability Report are listed below (TSKB, 2012).

- The ERET Model: Created by TSKB based on the principle of volunteering, the ERET Model offers a unique piece of software. The model is an environmental and social scoring mechanism to determine the technical, legal and financial liabilities to arise from the existing and potential environmental/social impacts of the investment project that is subject to evaluation, as well as other activities of the project owner.
- TSKB had extended loans to a total of 97 renewable energy projects, the energy projects financed by the bank will have a projected total installed capacity of 3.460 MW. This accounts for 15.5% of Turkey's total installed renewable energy capacity. 70 of the energy projects financed by TSKB were completed and started operation (As of the end of 2012).
- TSKB had provided 25 loan packages to 27 companies covering a total of 55 energy efficiency projects. TSKB committed US\$ 315.8 million in loans to energy efficiency projects and disbursed US\$ 263.2 million in loans. These projects financed by the Bank will reduce greenhouse gas emissions by 1.055.649 tons of CO<sub>2</sub> per year and save 1.852.644.182 Kcal of energy. This is equal to the amount of energy needed to heat 187.136 homes per year (As of the end of 2012).
- TSKB became the first bank to receive the ISO 14064-1 certificate, which is a standard prepared to encourage companies prevent climate change by limiting their atmospheric greenhouse gas emissions arising from the utilization of resources and production activities.
- TSKB regularly measures the electricity, water, fuel, paper, and other inputs that are used and the waste that is generated by the Bank's service units.

TSKB's report includes a GRI Content Index G3. TSKB is a member of the Carbon Disclosure Project. TSKB declared its commitment to the UNEP FI the UN Global Compact

#### **4.3.5. Turkiye Finans**

Turkiye Finans offers an extensive range of innovative products, services and solutions of high added value to a broad customer mass in the commercial/corporate banking, enterprise banking and retail/personal banking segments.

In addition to recording steady financial results, Turkiye Finans continues to take active roles in issues that are of critical value for the future of Turkey. The Bank increased the support which it extends to the real sector within the scope of support for economic development. Turkiye Finans also offers innovative products and campaigns within the scope of following activities:

- Protecting the environment.
- Financing renewable energy investments.
- Increasing public awareness of energy efficiency.

On the other hand, there was important progress in the value that Turkiye Finans generates for society with its systematic investment in human resources and corporate social responsibility projects.

Key sustainability highlights from Turkiye Finans' Sustainability Report are listed below (Turkiye Finans, 2013).

- Turkiye Finans pursues a policy approach that envisages efficient use of natural resources, especially electricity, natural gas and water.
- In addition to energy savings, Turkiye Finans' Datacenter was set up under a flexible infrastructure that can support Turkiye Finans' sustainable growth. The virtualization level that Turkiye Finans reached in 2013 is 85%.
- Having received the ISO 22301 certification, Turkiye Finans is the only Islamic financial institution in the world and the first and only bank in Turkey to hold this certification.
- The lowered carbon emissions by the renewal of PCs is 15%.
- Training time per employee in 2013 is 67 hours.
- Turkiye Finans aims to lay claim to the historical 'Kirkpinar Oil Wrestling Festival' which has one of the longest histories of any sports event after the Olympic Games, and to raise the popularity of this ancestor sport.
- Turkiye Finans is one of the sponsors of the 'Dialogue in the Dark' exhibition.

Turkiye Finans' report includes a GRI Content Index G3.

#### **4.3.6. Isbank**

Isbank is at service to approximately 16 million customers in the corporate, commercial, SME, retail and private banking segments. Total loan volume was realized at TL 134.8 billion in 2013. Isbank is Turkey's largest bank with total assets worth TL 210.5 billion.

Isbank aims to carry out all of its activities within the framework of its sustainability approach and to integrate them into all of its banking functions. In addition, the Bank conducts corporate social responsibility activities that aim to add value to the community, to speed up social development and to raise the quality of life of individuals.

Isbank is an environmentally friendly corporate citizen aiming to protect the environment. The Bank's target is to make most efficient use of its all natural resources, particularly electricity, natural gas and water.

Isbank's key sustainability highlights from its Sustainability Report are listed below (Isbank, 2013).

- Isbank founded Turkey's first social responsibility focused mutual fund, 'TEMA Environmental Fund'.

- Launched the 'Environmentally Friendly Housing Loan' product in an effort to support the development of environmentally friendly technologies in the housing sector.
- Isbank secured EUR 50 million in resources in 2013 within the scope of the Mid-size Sustainable Energy Financing Facility (MidSEFF) program.
- Isbank secured EUR 50 million in resources in 2013 within the scope of the Woman Entrepreneurs Support Program (Women in Business) (WiB), Turkey Sustainable Energy Financing Facility (TurSEFF) and Turkey Agriculture Financing (SME Financing) Facility (TurAFF) programs.
- In 2013 Isbank secured EUR 50 million in resources from PROPARCO to provide financing for housing projects fulfilling energy efficiency criteria.
- Isbank supports for the agriculture sector. For this reason Isbank's The Pre-Accession Rural Development (IPARD) program aims to contribute to the implementation of common agricultural policies in the European Union and to the sustainable development of the agriculture sector and rural areas.
- Environmentally friendly wind farms are the type of project which Isbank prefers to finance. Maintaining its interest in geothermal power plant projects, and continuing to support them, Isbank singlehandedly extended funding to the Gurmat Geothermal Power Plant Project. Isbank supports biogas power plants that allow for the continuous production of renewable energy.
- In order to estimate and manage the environmental and social impact of major investment projects exceeding a certain dimension, Isbank set up a Project Finance Environmental and Social Management Team.
- Isbank will continue its efforts in line with the Environmental and Social Management Strategy (ESMS) throughout 2014 in order to plan and implement the required structure. In keeping with the target to measure, manage and reduce its carbon footprint, Isbank initiated the operational emissions management in 2011. The first phase of the Isbank greenhouse gas inventory and carbon emissions management was completed in April 2011.
- Isbank's corporate goal is to switch to paperless banking in every possible field. The Bank launched a slew of innovative practices in this context.
- Isbank contributes to social progress through sustained and far-reaching social responsibility activities conducted in the areas of education, the environment, art and culture.

Isbank's report includes a GRI Content Index G3. Isbank supports the precautionary principle under the UN Global Compact.

#### **4.3.7. Yapi Kredi**

Yapi Kredi is the 4th largest private bank in Turkey. The Bank has clear and unique strategic guidelines aimed at achieving profitable and sustainable growth together with increasing customer satisfaction. Yapi Kredi's strategy is based on healthy and consistent growth focused on core banking activities; strong and sustainable profitability via customer-business focus, strict cost control and efficiency gains as well as superior and long-lasting customer satisfaction.

Key highlights in Yapi Kredi's Sustainability Report are listed below (Yapi Kredi, 2013).

- The practices and services, implemented as part of the 'Enabled Banking Program' initiated in 2008 to provide disabled customers with easier and streamlined access to banking services, were continued to be developed in the reporting period.
- Yapi Kredi strives to minimize the environmental impact and carbon footprint of its operations, and invests in renewable energy and similar practices to fulfill its commitment to climate change mitigation.
- Yapi Kredi incorporated a Social and Environmental Management System (SEMS) for the funds it raised within the scope of the securitization agreement signed with the International Finance Corporation (IFC) and German Investment and Development Corporation (DEG) in 2011.
- As of the end of 2013, Yapi Kredi has underwritten renewable energy projects with a total installed capacity of 4.771 MW. These renewable energy power plants funded by Yapi Kredi serve to reduce carbon emissions. With an assumed average capacity utilization rate of 30%, this translates to approximately 7.774 tons of carbon emissions prevented each year, compared to energy production from non-renewable resources.
- Yapi Kredi is dedicated to reduce its energy consumption through efficient energy management and good practices while minimizing its environmental impact by increasing the share of renewable energy in its overall energy consumption.
- Yapi Kredi has Waste and Water Management policies and Recycling Projects in its operations.

- In addition to programs carried out during the reporting period, Yapi Kredi has continued its activities in education, culture and art areas via affiliate institutions.

Yapi Kredi's report includes a GRI Content Index G3. Yapi Kredi accepts the responsibilities and liabilities arising from the UN Global Compact.

#### **4.3.8. Ziraat Bank**

Ziraat Bank is a state-owned bank in Turkey founded in 1863. Ziraat Bank's sustainability objective is, through the corporate sustainable practices that it introduces in line with its Sustainability Policy, to further enhance both the Bank's strong position in its home market and its global competitive strength by increasing the leverage effects of its Change & Transformation Project in the medium and long term first at Ziraat Bank and then throughout all of its subsidiaries.

Ziraat Bank's key sustainability highlights from its Sustainability Report are listed below (Ziraat Bank, 2013).

- In Ziraat Bank's decision-making processes, Ziraat Bank takes a careful and thoughtful approach when dealing with environmental and social issues and the potential risks associated with them in the management of its resources and its service infrastructure.
- Ziraat Bank regards environmental sustainability— including climate change and the transition to a low-carbon economy—as an important item on its agenda.
- As an employer, Ziraat Bank believes in the importance of human working conditions. In its business model Ziraat Bank gives importance to equality of opportunity among all of its employees: Ziraat Bank regards diversity in its workforce as a component of Ziraat Bank's richness and therefore we support it.
- As a service provider, Ziraat Bank regards customer focus and customer satisfaction as being fundamental to everything. Ziraat Bank's goal is to offer banking products and services to all of its customers in formats that are practical, intelligible, and accessible and also to enrich the banking industry through innovative and exemplary practices.
- As a business partner, Ziraat Bank's relationships with suppliers are grounded in the principles of mutual respect, responsibility, and fairness and Ziraat Bank is committed to developing them accordingly. Ziraat Bank supports its suppliers' success through cooperative projects that Ziraat Bank carries out together.
- Ziraat Bank is committed to continuously developing and implementing projects whose aim is to integrate universally-accepted sustainability principles into its business model.
- Ziraat Bank attaches importance to having a presence and playing an active role in multilateral sustainability initiatives and collaboration platforms at both the national and international levels.

Ziraat Bank's report includes a GRI Content Index G3. Ziraat Bank accepts the responsibilities and liabilities arising from the UN Global Compact.

#### **4.4. Sustainable Banking Practices in Canadian banks**

Many banks in Canada do various practices on sustainable banking. In this section eight Canadian domestic banks' sustainability reports have been analyzed. The Office of the Superintendent of Financial Institutions (OSFI) is an independent agency of the Government of Canada. OSFI regulates 81 Banks in Canada. There are 28 domestic banks 8 of which are in GRI's database. These banks are in alphabetical order Bank of Montreal, Laurentian Bank of Canada, Manulife bank, National Bank of Canada, Royal Bank of Canada, Scotiabank, The Canadian Imperial Bank of Commerce and Toronto Dominion Bank.

##### **4.4.1. Bank of Montreal (BMO)**

The Bank of Montreal provides services in the fields of commercial and retail banking in Canada. The Bank of Montreal, is one of the Big Five banks in Canada. It is the fourth-largest bank in Canada in terms of market capitalization and based on assets.

According to BMO's 2014 Corporate Responsibility Report; Bank of Montreal strives to be a leader in environmental sustainability. Whether Bank of Montreal is reducing its footprint, making responsible lending and investment decisions, developing products or providing financial support to organizations, the goal of its 'Clear Blue Skies' environmental strategy is clear: to integrate environmental considerations into everything it does.

Bank of Montreal's three-point strategy included limiting emissions from transportation and energy use; purchasing electricity from renewable energy sources; and purchasing carbon credits to offset remaining emissions.

Bank of Montreal which is a carbon neutral organization, is committed to the principles of sustainable development and, in particular, to the belief that the quality of its lives improves when economic growth is integrated with respect for the environment

The Bank of Montreal has been an Equator Principles signatory since 2005. Also The Bank of Montreal is a member of UNEP FI and Global Compact Network Canada (GCNC), the local chapter of the United Nations Global Compact.

The Bank of Montreal was involved in raising approximately \$2.8 billion of equity and debt in the capital markets for entities active in renewable energy across North America. In addition, it has approximately \$2.3 billion of lending capital committed to the sector globally. These figures include only those transactions and lending commitments directly associated with renewable energy or entities having a substantial interest in renewable energy (BMO, 2014).

The Bank of Montreal's report includes a GRI Content Index G4.

#### **4.4.2. Laurentian Bank of Canada**

Laurentian Bank of Canada is a Quebec banking institution operating across Canada. Laurentian Bank of Canada provides services in the fields of retail and business, B2B banking, Laurentian Bank Securities and Capital Markets.

According to Laurentian Bank's 2014 Social Responsibility Report; Laurentian Bank assigns prime importance to assuring the sustainable development of the institution with respect for the principles of transparency, integrity and ethical conduct.

Laurentian Bank has focused particular attention on its surroundings and on promoting awareness about environmental issues in order to reduce its ecological footprint.

A number of loans are granted by the Bank's Business Services sector for the financing of renewable energy projects. Business Services also finance the construction of residential buildings and office towers that respect LEED (Leadership in Energy and Environment Design) norms (Laurentian Bank, 2014).

Laurentian Bank of Canada report includes a GRI Content Index G4

#### **4.4.3. Manulife Bank**

Manulife provides financial products to the public through independent financial advisors, including high-interest bank accounts and investments, mortgage products and loans & lines of credit.

Manulife's key sustainability highlights from its 2014 Public Accountability Statement are listed below (Manulife, 2014).

- Manulife promotes environmental responsibility and conservation to all employees.
- Manulife distributes the policy and all relevant procedures to employees with applicable job accountabilities for their guidance and implementation into business practices.
- Manulife ensures the Company's risk analysis and risk management procedures including consideration of environmental matters.
- Manulife complies with all applicable environmental laws and regulations and, where possible, participate in the ongoing dialogue with government and industry to establish and promote practical environmental goals; and maintains procedures to ensure the effective implementation of the environmental policy.
- Manulife's new investments in renewable energy and energy efficiency projects totaled \$1.3 billion in 2014.
- Manulife adopted the Equator Principles in 2005.

#### **4.4.4. National Bank of Canada**

National Bank of Canada offers integrated financial services to consumers, small and medium-sized enterprises and large corporations. It operates personal and commercial banking, wealth management and financial markets.

National Bank follows some of the performance indicators included in the Global Reporting Initiative's Sustainability Reporting Guidelines in preparing its social responsibility report.

According to National Bank's 2014 Social Responsibility Report; National Bank strives to understand and reduce the impact of its activities on the environment as much as possible. Over the years, National Bank has introduced a variety of voluntary measures for calculating, reducing and offsetting its greenhouse gas (GHG) emissions.

The Bank took the first step in managing its carbon footprint in 2008 by measuring its GHG emissions and submitting the data to the Carbon Disclosure Project.

Through the use of advanced inventory taking, the Bank is aware of the volume and source of its emissions and is firmly committed to reducing them. To do so, it has taken a series of environmentally friendly actions.

The Bank has 'Energy efficiency program'. This program owes its success to an innovative web-controlled remote interface that allows us to centrally manage heating, cooling and ventilation in branches and cut annual energy consumption by as much as 30%.

National Bank recently implemented a process to screen its suppliers' practices in order to ensure a more sustainable and responsible approach to sourcing. Over time, the Bank will be able to assess its suppliers' impact on the environment and society and, consequently, will be in a better position to consider these aspects when making purchasing decisions.

The Bank joined the 'Espace québécois de concertation sur les pratiques d'approvisionnement responsable' (ECPAR), a Quebecbased multi-party organization whose mission is to mobilize supply chain stakeholders and promote responsible procurement.

National Bank was awarded LEED Canada-CI Gold certification for the interior design of its branch and offices in Sherbrooke, Quebec and its branch in the Quebec City suburb of Beauport, bringing its total LEED certifications to four in all. Other certification projects are underway.

Under an innovative agreement with the Sobeys supermarket chain, the Bank agreed to purchase 15,000 tons of certified carbon credits annually until 2015, which will enable it to fully offset its GHG emissions.

The Bank's commitment to carbon footprint management recently earned it Carbon Care™ certification from Enviro-access.

For the third consecutive year, National Bank was named one of the leading banking institutions in the world for its environmental performance, according to the 2014 ranking of the World's Greenest Banks by internationally renowned Bloomberg Markets magazine.

The credit policies of the Bank and some of its subsidiaries have included provisions and controls intended to assess whether clients comply with environmental standards and whether property taken as security is exposed to any environmental risks.

The Bank has been providing financial support to preserve representative areas of the Green Mountains in Quebec's Eastern Townships region (National Bank, 2014).

National Bank of Canada has a GRI profile but it is incomplete.

#### **4.4.5. Royal Bank of Canada (RBC)**

RBC is one of North America's leading diversified financial services companies, and provide personal and commercial banking, wealth management, insurance, investor services and capital markets products and services on a global basis.

RBC's key sustainability highlights from its Corporate Responsibility Report are listed below (RBC, 2014).

- RBC was the first Canadian bank to sign the Equator Principles in 2003.
- RBC became the first major Canadian bank to appoint a woman as Chair of the Board and increased its objective for representation of women on the Board to 30%.
- RBC Published the 2014 RBC Aboriginal partnership report.
- RBC introduced a new Professional Development Library to provide employees with access to high impact development offerings to strengthen their capabilities.
- RBC fosters a deeper understanding of the links between the environment, communities and the economy and work with its stakeholders and leading organizations to accelerate progress toward shared goals.
- RBC increased the amount of LEED certified office space.
- RBC Continued to identify and manage environmental and social issues that could lead to credit, reputation and legal risk by adhering to its suite of eight environmental and social risk management policies

RBC has GRI Content Index G3 report. RBC is a member of UNEP FI.

#### **4.4.6. Scotiabank**

Scotiabank is a leading financial services provider in over 55 countries and Canada's most international bank. Through its team of more than 86.000 employees, Scotiabank and its affiliates offer a broad range of products and services.

Scotiabank's key sustainability highlights from its Corporate Responsibility Report are listed below (Scotiabank, 2014).

- The Bank conducted an environmental, social and governance (ESG) materiality issue analysis in 2014 to identify the issues considered to be of significance to the organization and its stakeholders.
- The Bank carried out a voluntary internal audit of its adherence to the Equator Principles in 2013
- All employees and directors of Scotiabank and its global subsidiaries must annually acknowledge their compliance with the Bank's Guidelines for Business Conduct.
- Scotiabank's culture encourages open, honest and direct communication.
- Scotiabank's programs and policies are designed to attract, retain and engage a diverse workforce.
- Scotiabank has a global Environmental Policy that sets out environmental objectives and priorities, and creates a foundation for the Bank's environmental initiatives.
- Scotiabank takes action through its climate change related policies, lending practices, scenario planning, green business initiatives and consumer programs.



- Banking officers of Scotiabank assess the effect of climate change on the borrower's operations and prospects, and comment where the impact.
- 'Scotiabank Bright Future' is the Bank's global philanthropic program. The program aims to be relevant and responsive to the needs of local communities at the grassroots level across six pillars: social services, health care, education, sports, arts and culture and environment.

Scotiabank has GRI Content Index G3 report and 2013 UN Global Compact Chart. Scotiabank is a member of UNEP FI. Scotiabank is a signatory of and participant in the CDP.

#### **4.4.7. The Canadian Imperial Bank of Commerce (CIBC)**

CIBC is one of Canada's chartered banks, fifth largest by deposits. CIBC is a leading Canadian-based financial institution. Through its three main business units – Retail and Business Banking, Wealth Management and Wholesale Banking – CIBC provides a full suite of financial products and services in Canada and around the world.

CIBC manages and reports on a number of key environmental performance indicators. Since 2002, CIBC has responded to the Dow Jones Sustainability Indexes (DJSI) and has been listed as a component in the DJSI World Index. DJSI tracks the financial performance of the world's leading companies in terms of economic, environmental and social criteria.

CIBC's key sustainability highlights from its Corporate Responsibility Report and Public Accountability Statement are listed below (CIBC, 2014).

CIBC has been an annual respondent to the Carbon Disclosure Project (CDP) since its initial launch in 2003. Since 2005, CIBC has also been a signatory to the CDP information request. CIBC has also been included on the Jantzi Social Index since its inception in 2000 and the FTSE4Good Index since its inception in 2001. In 2014, CIBC was among the top 20 greenest banks in the world according to Bloomberg Markets magazine and was the only Canadian bank among the top 100 in Newsweek's World's Greenest Companies ranking.

CIBC has a 'Climate Change, Energy and Greenhouse Gas (GHG) Emissions Management' system. CIBC continues to find ways to reduce and eliminate paper use where possible. CIBC also encourages paperless banking methods such as pre-authorized bill payment, online transfers, direct deposit programs, eDeposits and telephone and online banking.

In addition to paper, CIBC encourages recycling of aluminum cans, glass, plastics, organics, toner cartridges and batteries where available in our office buildings and select branches. CIBC's Green IT focus continues to enhance its IT infrastructure to provide environmental benefits across CIBC. When travel is required, CIBC employees are asked to combine trips and meetings to make each business trip as efficient as possible. Bank's travel policy also encourages employees to walk, bike, carpool and use public transportation or hotel shuttles whenever possible. To improve fuel economy and reduce emissions, CIBC employees are required to rent economy size or compact vehicles.

CIBC supports UNEP FI. CIBC applies the Equator Principles to project finance, project finance advisory, project-related corporate loans and certain bridge loans. CIBC has GRI Content Index G3 report. CIBC Asset Management (CAM) Proxy Voting Guidelines that are applied to all equity accounts are consistent with the PRI.

#### **4.4.8. Toronto Dominion Bank (TD)**

TD offers a full range of financial products and services to approximately 24 million customers worldwide through three key business lines. TD provides services in the fields of personal banking, small business banking, commercial banking, insurance, asset management, wholesale banking, auto financing, investing and direct investing.

TD's key sustainability highlights from its Corporate Responsibility Report are listed below (TD, 2014).

- TD has been a signatory to the Equator Principles since 2007.
- TD was the first North-American based bank to go carbon-neutral and the journey to reduce its impact continues. TD's key areas of focus in managing the environmental footprint of its business operations are; reducing greenhouse gas (GHG) emissions, improving energy efficiency, reducing paper use, reducing waste volumes and water use, greening its supply chain.
- TD has a web-based gamification platform that inspires employees to pledge and accomplish 'green acts' in the workplace, at home or in the community.
- TD Tree Days provides TD employees, their families and friends, and members of the community the opportunity to demonstrate their commitment to forest stewardship.
- TD takes an integrated approach to diversity and inclusion, with initiatives for employees, customers and communities.
- TD Bank ranked 18 in the Environmental Protection Agency's Green Power Partnership National Top 100.
- TD was the only Canadian bank recognized on the CDP's 2014 A List.

TD has GRI Content Index G4 report. TD is a member of UNEP FI.

#### 4.5. Comparison of Turkish and Canadian Banks Sustainability Activities

**Table 4. Comparison of Sustainability Activities**

	<b>Turkish Banks</b>	<b>Canadian Banks</b>
<b>Environmental Sustainability</b>	<ul style="list-style-type: none"> <li>• Renewable energy investment is given priority.</li> <li>• Energy and Climate Friendly processes within the organizations.</li> <li>• More detailed environmental footprint measurement.</li> <li>• More recycling projects.</li> <li>• More credit provided to the agriculture sector.</li> </ul>	<ul style="list-style-type: none"> <li>• Renewable energy investment is given priority.</li> <li>• Energy and Climate Friendly processes within and outside the organizations.</li> <li>• More efficient practices for footprint measurement.</li> <li>• More technological recycling.</li> </ul>
<b>Social Sustainability</b>	<ul style="list-style-type: none"> <li>• More national social responsibility projects</li> <li>• Each bank has a social risk assessment strategy and accessible.</li> <li>• Social activities sponsorship.</li> <li>• Employee satisfaction is important.</li> <li>• Human rights are important to both customers and employees.</li> <li>• More projects for social development.</li> <li>• More enabled banking activities.</li> </ul>	<ul style="list-style-type: none"> <li>• More concentration for social sustainability.</li> <li>• More international social responsibility projects</li> <li>• Some banks have a social risk assessment strategy or inaccessible.</li> <li>• More comprehensive sponsorship for social activities.</li> <li>• Employee satisfaction is important.</li> <li>• Human rights are important to both customers and employees.</li> <li>• Less information about social development.</li> </ul>

<b>Economic Sustainability</b>	<ul style="list-style-type: none"> <li>• Renewable energy investments are significance.</li> <li>• Main commercial loans are: Micro business, agriculture, SME, commercial and corporate loans.</li> <li>• Support for the agriculture sector is given priority.</li> <li>• Raising awareness SME's and supporting their development.</li> <li>• Innovation support</li> </ul>	<ul style="list-style-type: none"> <li>• International microfinance investments.</li> <li>• International financial literacy trainings.</li> <li>• Aboriginal Banking is given priority.</li> <li>• Renewable energy investments are significance.</li> <li>• Credit for small business, supporting community economic development, initiatives, and supporting innovation and entrepreneurship.</li> <li>• Supporting for economic development programs that meet basic needs and help people become more self-reliant.</li> <li>• Contribute to government revenues through taxes.</li> <li>• Innovation support</li> </ul>
<b>Sustainable Governance and Risk Management</b>	<ul style="list-style-type: none"> <li>• Transparent corporate governance.</li> <li>• Effective risk management and internal control.</li> <li>• Ethical banking.</li> <li>• Secure banking.</li> <li>• Anti-Corruption.</li> <li>• Relations with shareholders and beneficiaries.</li> <li>• Integrating sustainable banking into operations in line with the bank identity and culture.</li> <li>• Environmental and social risk management in loans.</li> </ul>	<ul style="list-style-type: none"> <li>• More female representation in top management.</li> <li>• Transparency and accountability in governance.</li> <li>• Legislative compliance management frameworks.</li> <li>• Anti-Bribery and Anti-Corruption.</li> <li>• Anti-Money Laundering and Anti-Terrorism Financing.</li> <li>• Ethical banking.</li> <li>• Behavioral standards.</li> <li>• Encouraging employees to volunteer.</li> <li>• Environmental and social risk management in loans.</li> </ul>

Table 4. shows sustainability comparison of Turkish and Canadian Banks in four categories.

## 5. Summary and Conclusions

Sustainability activities also affect the banking sector, as it affects every sector. The integration of sustainability with their strategies in not a luxury; it has become a necessity for the banks.

In environmental sustainability, renewable energy sources have quite much importance in terms of a livable world. Banks are required to provide credit support to the renewable energy sector. Now that credit institutions and the ones who invest in bank shares attach importance to the environmental sustainability. In addition, banks are required to perform measurements of carbon footprint in an efficient manner. Especially in Turkey transition to the paperless banking is a necessity and also internet banking should be encouraged. Fuel usage, electricity and water consumption should be minimized. The technical equipment used must be replaced with energy-efficient. The bank workers should use efficient vehicles for business trips. The technical equipment should be replaced with energy-efficient ones. The use of common vehicles should be encouraged. Both Turkish and Canadian banks are found to exhibit similar characteristics in terms of environmental sustainability. But the sustainability practices of Canadian banks especially outside the bank building stands out Turkish banks.

In terms of social sustainability the banks are required to increase their support for social responsibility projects and to sponsor them, to measure the social risks correctly, and to ensure the satisfaction of their employees. They should call attention to human rights and should not ignore disabled employees and customers. In this way, sustainable activities will

be carried out as well as the bank will gain credibility for the country, customers, investors and employees. While mostly national studies are being carried out on social sustainability the international activities stand out in Canada. It is easier to access the information about social risk assessment strategies of Turkish banks. Disabled banking on Turkish banks stands out while the Canadian banks are performing more productive activities of human rights.

Economic sustainability can be achieved with environmental sustainability activities. In particular, it is important to ensure investment support for renewable energy sources. In addition, micro-finance, innovation support in one of the basic elements of economic sustainability. Turkish and Canadian banks were found to have committed similar activities on the issue of economic sustainability. Turkish banks mostly make investment on national basis while Canadian banks carry out international micro-finance activities. Aboriginal Banking has also gained importance in terms of Canada. A similar activity cannot be carried out in Turkish banks.

The Sustainable Governance and Risk Management should be integrated into of the whole process of the bank and the bank's culture. It is necessary to ensure transparency, effective internal control and risk management in banking. It is important to keep ethical values forefront for the image of the bank and it should not be ignored. Anti-Corruption should be achieved as a whole. Appropriate relationships with employees, customers and shareholders should be established and satisfaction should be ensured. Environmental and Social Risk Management should be achieved in Loans. Such activities can be seen in both Canadian and Turkish banks. However especially the number of female managers are much more in Canadian banks and more attention should be given to this issue. Moreover, Anti-Bribery has gained more importance in Canadian banks.

Sustainability activities should be provided in banks around the world. All in all if sustainability can be achieved in the banks which is the heart of financial institutions, those activities will accordingly affect entire business chain. It is a necessity to consider the future of humanity and to act accordingly by putting sustainability in the corporate culture. International organizations in this regard must operate effectively and to have enforcement powers. Sustainability should be encouraged and made compulsory.

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