Chinese: Bachelor Degree Thesis

How China and Nordic countries conceptualise Corporate Social Responsibility – A study of senior decision-makers’ statements within the banking sector

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Abstract:
The “statement” from senior decision-maker is a section in the sustainability report, where the most “senior decision-maker” of the institution (such as CEO, chairman, or equivalent senior position) gives the personal view about the relevance of sustainability to the institution and its strategy for addressing sustainability. Such a statement is one medium used by company leaders to communicate their attitudes and values to stakeholders in sustainability reports. Under commercial circumstances, sustainability is also referred to as Corporate Social Responsibility (CSR).

This paper analyzes Chinese and Nordics senior decision-makers’ perception of CSR within the banking sector. The research sample consists of statements of senior decision-makers from sustainability reports of four Chinese banks, respective four Nordic banks. Previous studies show that CSR conception is influenced by cultural and social backgrounds. By analyzing respective Chinese/Nordic senior decision-maker’s statement, this study is aiming to find out how Chinese/Nordic culture and social concepts are promoted in their respective bank institutions, and therefore lead to different CSR focus and strategies.

The results from the study show that Chinese senior decision-makers’ statements are strongly influenced by traditional Chinese philosophy and social background, especially Confucian and Taoism, as well as Xi Jinping’s guidelines delivered at the 19th National Congress of the Communist and the 13th Five-Year Plan. In relation to the Nordic senior decision-makers the gender equality and racial equality were noted. Senior decision-makers of Chinese banks mainly focus on “social stability and progress”, “economic responsibility”, and “customers”, while senior decision-makers of Nordic banks mainly focus on “economic responsibility”, “customers”, and “environmental protection”.

公司资深决策者(首席执行官，董事长，或同等级别)会在可持续发展报告中用一个章节来申明他们的观点。这个章节的内容涵盖可持续发展与该公司组织架构的相关度，以及该公司可持续发展的战略和对策。公司领导通过这种形式对股东传达公司的态度和价值观。在商业环境中，可持续发展也经常被称为公司社会责任(CSR)。

本论文分析了中国和北欧银行业资深决策者们对于企业社会责任的认知。本论文的研究对象是银行可持续发展报告中资深决策者的陈述观点，它们分别取自4家中国银行和4家北欧银行。现存的研究指出公司社会责任这一概念以及对其的认知受到文化和社会背景的影响。通过研究中国和北欧不同银行资深决策者在可持续发展报告中的陈述及观点，本论文意在深入理解文化和社会因素是如何在公司中得到，并最终影响公司社会责任的实践和战略。

研究结果显示中国传统哲学和社会背景深刻影响中国银行业资深决策者对于可持续发展的陈述和观点，特别是儒家思想，道家思想，和习近平在19大的报告，以及中国第十三个五年规划。而在北欧，可持续发展报告主要受到性别平等和种族平等等方面的影响。在银行可持续报告中，中国的资深决策者主要关注“社会平稳和发展”，“经济责任”，和“客户”，而北欧的资深决策者主要关注“经济责任”，“客户”和“环境保护”。

Keywords: sustainability report, sustainable banking, Chinese banks, Nordic banks, sustainability, Corporate Social Responsibility (CSR), Global Reporting Initiative (GRI), green finance, senior decision-maker, tone at the top, Chinese harmony, 13th Five-Year Plan
1 Introduction

1.1 Background

The Global Reporting Initiative (GRI) is an independent international organization that has issued a set of reporting guidelines that could be used by any institution that wants to report about their institutions’ impact on the economy, the environment, and society, through publishing an annual “sustainability report”. The “statement” from senior decision-maker is a section in the sustainability report, where the most “senior decision-maker” of the institution (such as CEO, chair, or equivalent senior position) gives the person’s view about the relevance of sustainability to the institution and its strategy for addressing sustainability. Further, the statement should include the senior decision-maker’s overall vision and strategy, key topics, broader trends, key events, achievements, and failures, outlook on the institution’s main challenges and targets with respect to Corporate Social Responsibility (CSR) performance (GRI, 2016).

The senior decision-maker’s statement to stakeholders in the sustainability report is one medium used by company leaders to communicate their attitudes and values. The study of the senior decision-maker’s statement could therefore give an important insight on the cultural and social concepts that is promoted in the institution. Previous studies show that CSR conception and acknowledgement are influenced by cultural and social backgrounds (Xu and Yang, 2010).

The studies of senior decision-makers’ views on CSR within banks are especially interesting due to the bank’s fundamental role in the economy. Banks have a central role within society by lending money to businesses and investing capital on behalf of their customers. Through integrating social and environmental protection as a requirement for lending decisions or investing activities, the banks will promote environmental protection and building of an ecological society.
1.2 Problem description

There have been several studies conducted about CSR reporting in developing countries, for example in China (Xu and Yang, 2010). However, few of these studies investigate the cultural dimension that influence CSR and reporting in those countries. This could be an issue since existing perception and CSRs indicators are originated from Western researchers (Wang & Juslin, 2009). In China, the sociopolitical context, political government, norms- and values, and business environment are different compared to the West, and they all have an influence on CSR concept and performance.

It is interesting to compare Chinese and Nordic banks since the Nordic countries have several decades of experience in green finance and the Nordic countries are top ranked for their environmental performance in accordance with the Environmental Performance Index (EPI) that is a scorecard that ranks countries based on 24 environmental indicators (EPI, 2018). China has had a rapid economic growth, but this came at a burdensome cost of the environment. Among the world countries, China is ranked as 120 of 180 (score 50.74) (EPI, 2018).

The development of green finance has been a gradual process in China. In the 13th Five-Year Plan (2016-2020), the People’s Republic of China has urged the reform of China’s financial sector, towards green finance (CPC, 2016). On June 1, 2017, the U.S. announced its withdrawal from the 2015 Paris Agreement, which has given China as the second economic superpower in the world, the global driver role on climate change (Financial Time, 2017).

The outcome of the study could be meaningful for stakeholders such as shareholders, governments, stock market regulators, media and researchers to understand China and Nordic’s unique dimensions of sustainability reporting within the banking sector.

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1 Rank 3 Denmark (score 81.60), rank 5 Sweden (score 80.51), rank 10 Finland (score 78.64), and rank 14 Norway (score 77.49).
1.3 Research question

The purpose of this study is to analyse Chinese and Nordics senior decision-makers perception of CSR within the banking sector based on previously performed research. The research question is: Which perception of CSR can be found in the senior decision-maker’s sustainability reports of Chinese and Nordic banks?
2 Literature review

2.1 Corporate Social Responsibility and Sustainability

“CSR” and “Sustainability” are two terms, which ideas are originated in the West around 1970s, and have been discussed throughout the world, resulting in a wide spectrum of definitions, concepts and comments. The two terms are used in practice in many ways and sometimes synonymous (Borglund, De Geer, Frostensson, Lerpold & Nordbrand, 2017). The GRI is an independent international organization with the aim to make CSR reporting as common and comparable as financial reporting. The GRI’s definition of Sustainability is “development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development encompasses three dimensions: economic, environmental and social” (GRI, 2018).

2.2 Cultural contexts into Corporate Social Responsibility

2.2.1 Confucianism and Taoism values

Even though the introduction of Western CSR started around the year 1995 in China, the main principles of CSR are not new to China, and have a long history in China (Wang & Juslin, 2009, pp 436).

Confucius values have strongly influenced the Chinese norms and thoughts. Common Confucian values are: filial piety [孝, xiào]; brotherhood, peer-ship and equality [悌, tì]; loyalty and fidelity [忠, zhōng]; trustworthiness [信, xìn]; courtesy and politeness [禮, lǐ]; righteousness, right conduct and courage [義, yì]; upright, honorable, integrity and character [廉, lián], and humility and shamefulness [恥, chǐ]. Confucius believed that when applying his values in interpersonal relationships, the five cardinal relationships (the ruler and subordinate relation; the father and son relationship; the husband and wife relation; the elder brother and younger brother relation; and the friend and friend relation) it
would lead to a harmonious society (Wang & Juslin, 2009). The five cardinal relationships were developed to modern business relationships (Wang & Juslin, 2009) – The relation between governmental administration, NGOs and company; the relation between customers and company; the relation between company and employees; the relation between managers and ordinary employees; and the relation between company and business partners.

Confucian harmony focuses on interpersonal harmony, while another Chinese ancient philosophy, Taoism, emphasizes harmony with nature (Wang & Juslin, 2009). According to Taoism, mankind and nature are harmonious united and mankind is a part of nature and can only survive and develop by being in harmony with his environment (Wang & Juslin, 2009). The right way to achieve the harmony with nature is “Love the world as yourself; then you can care for all things” (老子道德经13章“爱以身为天下，若可托天下”).

2.2.2 The harmony approach to CSR
The Chinese researchers (Wang & Juslin, 2009) found that Western CSR concepts do not adapt well to the Chinese market since the Western CSR concepts does not take the Chinese reality and culture into consideration. Since the traditional Chinese philosophies Confucian and Taoism have a historic influence on China, the Chinese researchers introduced a Chinese culture-specified definition of CSR, called the “harmony approach to CSR”. The harmony approach to CSR (Wang & Juslin, 2009) has been defined in relation to Confucian interpersonal harmony and Taoist harmony between man and nature and can be described as follows: “Companies should apply the concept of ‘harmony’ to their business and carry on their business in a harmonious way – both interpersonal (intercompany) and man–nature harmony. The overall goal for a company in implementing CSR is to cultivate the virtues of ‘humaneness’, ‘righteousness’, ‘ritual’, ‘wisdom’, ‘sincerity’ and ‘responsibility’, and to become a ‘superior enterprise’, in this way
to contribute to the construction of a harmonious society. In short, the harmony approach to CSR is ‘respecting nature and loving people” (p. 445).

2.2.3 Dimensions of CSR
The researchers (Xu and Yang, 2010) found that previous studies showed that CSR conception and acknowledgement are influenced by cultural and social backgrounds. The researchers discovered a research gaps since few Chinese scholars have conducted studies of CSR relevant to China’s unique social and cultural settings. They have therefore tried to fill the gap by identifying China’s domestic conceptual dimensions of CSR. The researchers’ data was based on an open-ended inquiry from 630 CEOs and business owners in 12 provinces in China. The data was screened for CSR dimensions as well as how often the CSR dimensions were mentioned. Thereafter the data was coded into CSR dimensions that were based on literature review of Western CSR concepts. The next step was to code the data into sub-classes of each dimension (for example “employees” is a major dimension, and the sub-classes of “employees” include “staff health and work safety”, “staff skill development and training”, “physical and mental health and work satisfaction”, “equal development and promotion opportunities”, and “assurance system and stable income”). The Chinese researchers found nine dimensions of CSR, among which six dimensions are similar to their Western counterparts (“economic responsibility”, “legal responsibility”, “environmental protection”, “customers”, “employees/people focused”, “donation and charity”). Three dimensions were never noticed in previous literature (“employment”, “good faith”, “social stability and progress”) according to the Chinese researchers. In addition, two of the widely used CSR dimensions in the Western world have no equivalent in China (“shareholders” and “equality”).
2.3 Green finance

“Green finance” refers to financial services, e.g. green financing, green investment, green bonds that encourage capital towards investment in green industries, such as green technology, energy saving, low carbon-emission and pollution governance industries, with the purpose to promote the sustainable development of industries (UN Environment, 2019). To promote green finance banks integrate social and environmental protection as a requirement for lending decisions, enable the transparency of environmental information and measures, and facilitating transparency and accountability of the lending procedure.

Green finance had its roots in Western countries, which were the first to face widespread environmental problems from consumption of fossil fuels and industrialization. The understanding and exploration of green finance has been a gradual, evolving process in China (Green Finance Task Force, 2015). In the 13th Five-Year Plan (2016-2020), the People’s Bank of China has urged reform and development of China’s financial sector - and green finance is a key element of this plan (CPC, 2016).

2.4 The Global Reporting Initiative and Statement from senior decision-maker

At present, there is no obligatory reporting standard, but the most commonly used worldwide is the GRI framework, which are reported on by the world’s largest 250 companies (GRI, 2018). GRI is a non-profit organization that has issued a set of guidelines that could be used by any institution that wants to report about their impact on the economy, the environment, and society. The purpose with the GRI framework is to create a common language on CSR reporting that can be communicated and understood by organizations and stakeholders. A report in

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2 92 percent report on their sustainability initiatives and 74% of these (250 companies) use GRI’s Standards when reporting.
accordance with the GRI framework must follow the reporting principles for defining report content and quality. The reporting principles include requirements for preparing a sustainability report, specific information that needs to be disclosure, as well as guidance on how the GRI framework can be used and referenced (GRI, 2016).

The GRI Standards is the latest version of GRIs reporting disclosures and are based on the GRI G4 Guidelines. Institutions that claim adherence to GRI, must implement the GRI Standards at latest on 1 July 2018. The transition from GRI G4 to the GRI Standards deemed not to have a significant impact on this thesis since most of the disclosures in the GRI Standards are consistent with those from G4 and is more of a restructuring of the previous disclosing material.

In accordance with the GRI framework, a sustainability report should consist of a statement from the organization's most senior decision-maker, organization profile and strategy, performance indicators, and management approach. This thesis focuses on the first section of a sustainability report, the statement from senior decision-maker: “The reporting organization shall report the following information: A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability” (GRI, 2016).
3 Methodology

3.1 Research approach

The purpose of this study is to analyse Chinese and Nordics senior decision-makers perception of CSR within the banking sector. This study involves identifying, interpreting and comparing the sustainability report statements and therefore the qualitative method is more appropriate for this thesis. The advantage of using the qualitative approach is that it enables the author to achieve a deeper understanding and knowledge about the specific topic, for this thesis the CSR dimensions. In accordance with this, the thesis follows systematic steps of sorting, coding, and identifying the meanings of the textual data using predefined keywords, associated words and categories derived from the CSR list of Western and Chinese dimensions (Xu and Yang, 2010).

Although the study is based on textual data and identifying their meaning, a part of the data analysis is of a quantitative nature. This approach was used to count the frequencies of the reported dimension with the purpose to identify the patterns.

3.2 Data collection

The research sample consists of statements of senior decision-makers from sustainability reports of four Chinese banks and four Nordic banks. The samples were chosen from a list of the world’s top 100 banks, ranked on total assets based on adherence to the GRI G4 (Relbanks, 2018). The 2017 sustainability report published by the selected banks were considered for the thesis. The study was limited to information in the published sustainability reports and did not include information from websites and other corporate documents.
The reason to choose larger banks; four Chinese and four Nordic banks are due to that larger institutions have higher attention from stakeholders, governments, stock market regulators, media and researchers and are also key players and in front line to implement green finance. Table I shows banks included in this study.

Table I: Banks included in the study

<table>
<thead>
<tr>
<th>Rank</th>
<th>Bank name</th>
<th>Country</th>
<th>Total assets (US$ billion)</th>
<th>Balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Industrial and Commercial Bank of China (ICBC)</td>
<td>China</td>
<td>4,005.58</td>
<td>12/31/2017</td>
</tr>
<tr>
<td>2</td>
<td>China Construction Bank Corporation (CCB)</td>
<td>China</td>
<td>3,397.13</td>
<td>12/31/2017</td>
</tr>
<tr>
<td>3</td>
<td>Agricultural Bank of China (ABC)</td>
<td>China</td>
<td>3,232.68</td>
<td>12/31/2017</td>
</tr>
<tr>
<td>22</td>
<td>Bank of Communications (BoCOM)</td>
<td>China</td>
<td>1,387.79</td>
<td>12/31/2017</td>
</tr>
<tr>
<td>48</td>
<td>Nordea</td>
<td>Sweden</td>
<td>695.795</td>
<td>12/31/2017</td>
</tr>
<tr>
<td>87</td>
<td>Svenska Handelsbanken</td>
<td>Sweden</td>
<td>336.691</td>
<td>12/31/2017</td>
</tr>
<tr>
<td>90</td>
<td>DnB ASA</td>
<td>Norway</td>
<td>328.267</td>
<td>12/31/2017</td>
</tr>
<tr>
<td>98</td>
<td>Swedbank</td>
<td>Sweden</td>
<td>269.238</td>
<td>12/31/2017</td>
</tr>
</tbody>
</table>

The banks included in the study are considered as commercial banks. A commercial bank is defined as a bank that offers basic services e.g. deposit, account to the general public and companies (Investopedia, 2019).

3.3 List of Western and China’s CSR dimensions

To be able to find out which dimension that were used by the senior decision-maker, a table with listed domestic conceptual dimensions based on previous research were used (Xu & Yang, 2009). The Table II consists of both

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3 Relbanks, 2018. Even though Danske Bank was ranked on position 57, the bank was excluded from the study since the bank didn’t adhere to GRI G4.
4 On 1 October 2018 Nordea changed its domiciliation to Finland.
common Western and China’s CSR dimensions, which are: “economic responsibility”, “legal responsibility”, “environmental protection”, “customer orientation”, “employees/people focused”, and “charity”. The table also consists of Western’s two unique dimensions, which are “shareholder” and “equality”, as well as China’s three unique CSR dimensions, which are “employment”, “good faith”, and “social stability and progress”. In addition, the list also contains the sub-classes associated to each CSR dimension e.g. within the “economic responsibility” CSR dimension, one of the sub-classes for China is “boost economic benefit, create wealth”.

**Table II: Western and China’s CSR dimensions** (Xu & Yang, 2009)

<table>
<thead>
<tr>
<th>Common dimensions</th>
<th>Western CSR dimensions</th>
<th>China’s CSR dimensions (China’s unique dimension is underlined)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic responsibility</strong></td>
<td>Create wealth and profit</td>
<td>Economic responsibility Boost economic benefit, create wealth</td>
</tr>
<tr>
<td></td>
<td>Provide valuable products and services to society</td>
<td>Efficiently provide quality products and services</td>
</tr>
<tr>
<td></td>
<td>Economic growth and efficiency</td>
<td>Promote national and local economic development</td>
</tr>
<tr>
<td></td>
<td>Ensure corporate sustainability</td>
<td>Corporate sustainable development</td>
</tr>
<tr>
<td></td>
<td>Abide by laws and regulation/conduct operation by law</td>
<td>Emphasize technology and innovation</td>
</tr>
<tr>
<td><strong>Legal responsibility</strong></td>
<td>Operate within the bounds permitted by law</td>
<td>Abide by laws and regulation/conduct operation by law</td>
</tr>
<tr>
<td><strong>Environmental protection</strong></td>
<td>Not act at the expense of environmental deterioration and ecological damage</td>
<td>Strengthen environmental protection, reduce pollution</td>
</tr>
<tr>
<td></td>
<td>Assume responsibility for solving environmental and ecological problems</td>
<td>Boost effort to harness environmental pollution</td>
</tr>
<tr>
<td></td>
<td>Conserve resources and boost resource utilization rate</td>
<td></td>
</tr>
</tbody>
</table>

14
<table>
<thead>
<tr>
<th></th>
<th>Environmental protection</th>
<th>Customer orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customers</strong></td>
<td>Product and service quality</td>
<td>Product quality and safety</td>
</tr>
<tr>
<td></td>
<td>Consumer safety in using products</td>
<td>Quality is the life of corporation</td>
</tr>
<tr>
<td></td>
<td>Provide no false ads, make information disclosure</td>
<td>Consumer rights and interests</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Genuine goods at fair prices</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>Staff health and work safety</td>
<td>People focused</td>
</tr>
<tr>
<td></td>
<td>Staff skill development and training</td>
<td>Safe production and occupational health</td>
</tr>
<tr>
<td></td>
<td>Physical and mental health and work satisfaction</td>
<td>Staff learning and education</td>
</tr>
<tr>
<td></td>
<td>Equal development and promotion opportunities</td>
<td>Ban on child labor</td>
</tr>
<tr>
<td></td>
<td>Assurance system and stable income</td>
<td>Staff’s legitimate interests, welfare, and insurance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum wage rates and timely wage payment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Union and human rights</td>
</tr>
<tr>
<td><strong>Social donation and charity</strong></td>
<td>Actively conduct charitable activities</td>
<td>Charity</td>
</tr>
<tr>
<td></td>
<td>Actively participate in charitable causes</td>
<td>Donation and charity</td>
</tr>
<tr>
<td></td>
<td>Pay attention to underprivileged social groups</td>
<td>Support and participate in social charity</td>
</tr>
<tr>
<td></td>
<td>Support education, culture and arts</td>
<td>Pay attention to underprivileged people and schools of hope</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Unique dimensions</strong></th>
<th><strong>Western unique CSR dimensions</strong></th>
<th><strong>China’s unique CSR dimensions</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shareholders</strong></td>
<td>Create profits for shareholders</td>
<td>Employment</td>
</tr>
<tr>
<td></td>
<td>Information transparency, prevent trade corruption</td>
<td>Increase job opportunities</td>
</tr>
<tr>
<td></td>
<td>Protect the interests of small and medium shareholders</td>
<td>Reemploy lays-off</td>
</tr>
<tr>
<td></td>
<td>Improve governance structure</td>
<td>Ease national employment pressure</td>
</tr>
<tr>
<td><strong>Equality</strong></td>
<td>Racial equality (racial discrimination)</td>
<td>Good faith</td>
</tr>
<tr>
<td></td>
<td>Gender equality (gender discrimination)</td>
<td>Comply with business ethics</td>
</tr>
<tr>
<td></td>
<td>Equal opportunity for underprivileged groups</td>
<td>Operate in good faith, honor contracts</td>
</tr>
<tr>
<td></td>
<td>Equal opportunity for regional development (monopoly)</td>
<td></td>
</tr>
</tbody>
</table>
3.4 Data analysis method

The data analysis consisted of two procedures. The first procedure in the data analysis was to search through the senior decision-makers statements, using the search function in Word. The reason for using the search function tool is to achieve objectiveness and manage a large amount of textual data in sorting, categorizing in accordance with the Table II: Western and China’s CSR dimensions (see above). The data hits were coded to facilitate classification of qualitative data per dimension with reference to the Table II. Some items were eliminated due to ambiguous meanings, e.g. “national” from “promote national and local economic development” (the “economic responsibility” dimension) in “the 19th CPC National Congress”.

The second procedure was to read though the senior decision-makers statements to find the dimensions not captured by the search function in Word. This process was done by reading through the statements and subsequently noting the words, which are associated with dimension in accordance with Table II e.g. “green” is associated with the “environmental protection” CSR dimension. Also, this data was coded to facilitate classification of qualitative data per CSR dimension.

In the search, stemmed words were used, which increased the possibility to broaden the search results, i.e. search on “environ” instead of “environmental”.

<table>
<thead>
<tr>
<th>N/A</th>
<th>Social stability and progress</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ensure social stability and harmony</td>
</tr>
<tr>
<td></td>
<td>Serve and repay society, promote social progress</td>
</tr>
<tr>
<td></td>
<td>Support culture, science and education</td>
</tr>
<tr>
<td></td>
<td>Patriotism, promote national prosperity</td>
</tr>
</tbody>
</table>
3.5 Research limitation

One limitation in the study could be that Svenska Handelsbanken, DNB ASA, and Swedbank had issued combined annual reports that contain sustainability reports. This could lead to a less focus of the sustainability information presented by the senior decision maker’s in their statements, compared to only issue a statement for a sustainability report. However, since the statement from the senior decision-maker with its GRI requirements in disclosure 102-14 is a core disclosure, their statements should still fulfill the minimum requirements stated in the disclosure (GRI, 2016).

Another limitation in the selection is that three of the Nordic banks are domiciled in Sweden. Danske Bank that is domiciled in Denmark is ranked on place 57 (Relbanks, 2018), but do not adhere to GRI G4 and was therefore not included in the study. However, both Nordea and Svenska Handelsbanken have a strong Nordic home market, and should therefore still be able to represent the Nordic approach.
4 Analysis

Those CSR dimensions that were most frequently used in the senior decision-makers statements are illustrated in Diagram I (horizontal axis shows CSR dimensions and the vertical axis shows frequency used). In Diagram II (frequency used CSR dimensions in percent), the most frequently used CSR dimensions were “economic responsibility” (35 percent), “customers” (16 percent), and “social stability and progress” (15 percent).

Diagram I: Use of CSR dimensions
The first common dimension, as well as the most widely used one by both Chinese and Nordic banks are “economic responsibility”. The “economic responsibility” dimension was mentioned 189 times by Chinese banks and 106 times by Nordic banks, accounting for 35 percent of the total CSR dimensions. The “economic responsibility” dimension requires a corporation to provide valuable products and services to the society, create wealth, and realize profits.

A difference from the researchers (Xu and Yang, 2010) result was that “technology and innovation” were highly in focus for the Nordic companies. Words used by the senior decision makers were “digital”, “robot”, “virtual”, “big data”, and “intelligent”. Also, two Nordic companies mentioned important collaborations, for example Swedbank mentioned the payment service company “PayEx” and DNB ASA mentioned the mobile payment application “Vipps”. All the four Nordic banks mentioned the challenges ahead with the digital transformation, including digitalization of loan process, fewer employees needed in the future due to increase efficiency, impact on the banks business model, and large IT investment cost. According to the author of this thesis, a reason for the Nordic banks to highly focus on “technology and innovation” could be due to that the banking sector in the Nordic countries are in a digital transformation. In
addition, the Chinese banks also linked their “technology and innovation” work as part of strengthening China’s development. It is worth mentioning that one of Xi Jinping’s aims is to build a digital China and a smart society (Xi, 2017).

A similarity with the researchers (Xu and Yang, 2010) result is “promote national and local economic development”. The Nordic banks did not mention “promote national and local economic development”, but the Chinese banks did. The Chinese bank's obligation to implement Xi Jinping’s guidelines delivered at the 19th National Congress of the Communist Party of China (Xi, 2017) were noticed in the statements by the words “three capabilities”, “three tasks”, “emerging strategic industries”, “real economy”, “supporting the development of small and micro businesses”, “supply-side structural reform”, “modern economy”, “five high-priority tasks (reducing overcapacity, eliminating excess inventory, deleveraging, lowering costs, and strengthening areas of weakness)”, “regional development strategy”, “new industries”, “new forms of business”, “new modes”, “Belt and Road Initiative”, “Beijing-Tianjin-Hebei”, “Yangtze River Economic Belt”, “Xiong'an New Area”, “four Regions”, “three Supporting Belts”, “infrastructure construction”, ”water conservancy project”, and “urban renovation project”. The reason for the Chinese banks’ to focus on the dimension “promote national and local economic development” could be because it is a political driver for developing CSR in China (Wang & Juslin, 2009). The building of a Harmonious Society is the current and primary socioeconomic aim to be achieved by Xi Jinping.

It is worth noting that “corporate sustainable development” were not mentioned by the Chinese banks, but mentioned by Handelsbanken and Nordea. The reason why could be that the Nordic banks don’t have a stable state owner like the Chinese banks.
The second common dimension is “legal responsibility”, which requires corporations to operate within the bounds permitted by law, abide by, and maintain law and order. This dimension was rarely mentioned, Nordic banks mentioned it 15 times while Chinese banks mentioned it 32 times, accounting for 6 percent of the total CSR dimensions. Words used by the senior decision makers were “regulation”, “risk prevention and control”, “compliance”, “capital management”, and “financial crime”. All the Chinese banks senior management stressed the banks obligation as a “major state-owned bank” and the CEO of Nordea mentioned its responsibility as a “major player in the tenth largest economy” to mitigate risk, improve resilience, making the financial system safer and secure.

In line with the researchers (Xu and Yang, 2010) result, the obligation of “tax payment” was only mentioned by one Chinese bank, especially the Zhao Huan [赵欢], President of ABC stated that the bank has paid taxes of RMB 67.72 billion. The reason for Chinese corporates to count tax payments as an important dimension of CSR could be that it is seen as that the company accept social responsibility (Wang & Juslin, 2009).

The third common dimension is “environmental protection” for which corporation is obligated to protect and treat the environment and pursues growth not to the cost of environment and ecology. Contrary to the researchers (Xu and Yang, 2010) result, this dimension was more frequently used by the Chinese banks (73 times) in relation to Nordic banks (32 times). Words used by the senior decision makers were “green bond”, “green finance”, “green office work”, and “green industry”. Worth mentioning is that Chinese banks also highlighted the banks own environmental effort, for example “paperless”, “emission”, “carbon”, and “energy saving”. Often adherence to principles were mentioned by both the Nordic and Chinese banks, for example the UN 2030 Sustainable Development Goals, UN Global Compact initiative, and Principles for Responsible Investment.
The fourth common dimension is “customer” focus for which corporation is obligated to ensure product quality and consumer usage safety. In accordance with the researchers (Xu and Yang, 2010) paper, this dimension was generally more recognized by the Nordic banks, mentioned 99 times, while Chinese banks were mentioning it 40 times, accounting for 16 percent of the total culture dimensions. All the Nordic banks stressed the challenge to stay relevant for the customers in the future and how the interactions with customers are changing due to the digitalization. The sub-class “consumer rights and interests” were only mentioned by Chinese banks, for example both ABC, ICBC, and CCB expressed that they have enhanced their consumer rights and interests protection system work by education and advocacy, strengthened the supervision and management of customer complaints.

It is worth mentioning that the characteristics of “provide no false ads and make information publicly known” and “genuine goods at fair prices” have not been mentioned by either Chinese or Nordic banks.

The fifth common dimension is “employee or people focus” on which corporation is required to pay attention to staff safety and health as well as employees’ legitimate interests. Nordic banks mentioned it 22 times while Chinese banks mentioned it 34 times, accounting for 7 percent of the total CSR dimensions. The employee or people focus were of special interest of Handelsbanken, ICBC, CCB, and ABC. The CEO of Handelsbanken highlighted some employees by their names, for example Paul Brooksbank, Tarja Suvisalmi, and Anne Marie Dahlstedt. According to the author of this thesis, the reason why could be that Handelsbanken is managed as a decentralised bank that are relying on their staff in the bank offices (Handelsbanken, 2019). The Chinese banks included terms in line with the researchers’ paper (Xu and Yang, 2010) as “staff learning and education”, “staff’s legitimate interests, welfare, and insurance”. However, in contrary to the previous research, (Xu and Yang, 2010) the key Western dimensions of “staff promotion”
and “meaning and satisfaction of work” were not mentioned in the Nordic senior manager decision makers’ statements but were reflected by the Chinese ones.

It is worth mentioning that the statements as “safe production and occupational health”, “ban on child labor”, “minimum wage rates and timely wage payment” and “union and human rights” were not mentioned in either the Nordic or Chinese banks’ statements. The reason could be that these employee dimensions are not that common within the banking sector.

The sixth common dimension is “charity” undertaking, including charitable activities, public donation, and paying attention to underprivileged groups. Chinese banks mentioned it 33 times, while Nordic banks mentioned it 9 times, accounting for 5 percent of the total culture dimensions. The only Nordic bank mentioned “volunteering” were Nordea. Words often used by the Chinese senior decision makers were “inclusive finance”, “public welfare projects”, and “community building”.

Handelsbanken and DNB mentioned the Western unique dimension “equality”, especially “gender equality” and “racial equality”. For example, the CEO of Handelsbanken mentioned the importance to attract, recruit and develop employees with different backgrounds and experiences since Handelsbanken then will become an even better bank and enhance their ability to adapt to a constantly changing society. The reason for the Nordic banks to mention these dimensions could be because the Nordic countries are multicultural and have a high attention on gender issues.

The Chinese unique dimension “good faith” requires corporations to operate in good faith, honor contractual obligations, and provide genuine goods at fair prices. Nordic banks mentioned it 20 times while Chinese banks mentioned it 10 times, accounting for 3.5 percent of the total culture dimensions. In contrary to the researchers (Xu and Yang, 2010) paper, “good faith” has received utmost attention from a Nordic bank, Nordea, since Nordea’s CEO mentioned it 17 times
in his statement. Words used by Nordea’s CEO were “acting and behaving responsible”, “the right thing to do”, “take responsibility for our actions and behavior”, “a company also must adhere to social norms”, “purpose and values”, “business ethics”, and “is it the right thing to do”. The reason for Nordea’s CEO to highlight the “good faith” could be since Nordea has launched new corporate values and is going through a cultural transition. All the four Chinese banks mentioned their responsibilities “as a major state-owned bank” and duties as a “corporate citizen”.

It is worth mentioning that “honor contracts” was not mentioned by either Nordic or Chinese banks.

The Western unique dimension “shareholders interest” was mentioned 7 times by Nordic banks and 3 times by Chinese banks. The reason for Nordic banks to mention their shareholders more frequent could be that they have several shareholders, while the Chinese banks are state-owned.

The Chinese unique dimension “employment” requires corporations to provide more job opportunities and ease China’s employment pressure. Only BoCOM was mentioning their support to micro- and small enterprises to support employment.

The Chinese unique dimension “social stability and progress” includes characteristics as “‘ensure social stability and harmony’”, “‘serve and repay society’”, “promote social progress”, “‘support culture, science, and education’”, and “‘patriotism, promote national prosperity’”. The researchers (Xu and Yang, 2010) explains this characterization as attributable to the Confucius legacy of “‘Getting rich without paying lip service to state affairs’” and “‘Holding everybody responsible for the rise and fall of our country’” (Xu and Yang, 2010, pp 330). This dimension was mentioned 116 times by the Chinese banks, but only 8 times by the Nordic banks, accounting for 14.5 percent of the total CSR dimensions. The Chinese bank's obligation to implement Xi Jinping’s guidelines delivered at the
5 Conclusion

In line with previous research (Xu and Yang, 2010), all the common Western and China’s CSR dimensions categories were found as “economic responsibility”, “legal responsibility”, “environmental protection”, “customer orientation”, “employees/people focused,” and “charity”. Western unique dimensions which are “shareholder” and “equality” as well as China’s unique CSR dimensions, which are “employment”, “good faith”, and “social stability and progress” were also identified. However, there was a large difference in how frequent the dimensions were mentioned. The Chinese banks’ senior decision-makers’ mainly mentioned “social stability and progress”, “economic responsibility”, and “customers”. The Nordic banks’ senior decision-makers’ mainly focused on “economic responsibility”, “customers”, and “environmental protection”.

In line with previous research (Xu and Yang, 2010) the table has been adjusted to fit the banking sector, which can be seen in Table III.

<table>
<thead>
<tr>
<th>Common dimensions</th>
<th>Western CSR dimensions</th>
<th>China’s CSR dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic responsibility</td>
<td>● Emphasize technology and innovation e.g. “digital”, “robot”, “virtual”, “big data”</td>
<td>● Promote national and local economic development e.g. “three capabilities”, “three</td>
</tr>
<tr>
<td></td>
<td>and “intelligent”</td>
<td>tasks”, “emerging strategic industries”, “real economy”, “supporting the development of</td>
</tr>
<tr>
<td></td>
<td>● Create efficiency and profit e.g. “cost efficiency”, “IT efficiency”, “profit”,</td>
<td>small and micro businesses”, “supply-side structural reform”, “modern economy”, “five</td>
</tr>
<tr>
<td></td>
<td>“efficient bank”, “GDP growth”, “fund’s growth”</td>
<td>high-priority tasks (reducing overcapacity, eliminating excess inventory, deleveraging,</td>
</tr>
<tr>
<td></td>
<td>● Corporate sustainable development e.g.</td>
<td>lowering costs, and strengthening areas of weakness), “regional development strategy”,</td>
</tr>
<tr>
<td></td>
<td>“something that lasts overtime”, “resilience”</td>
<td>“new industries”, “new forms of business”, “new modes”, “Belt and Road Initiative”,</td>
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<tr>
<td></td>
<td></td>
<td>“Beijing-Tianjin-Hebei”, “Yangtze River”</td>
</tr>
</tbody>
</table>
| Economic Belt”, “Xiong’an New Area”, “four Regions”, “three Supporting Belts”, “infrastructure construction”, “water conservancy project”, and “urban renovation project”) | Legal responsibility  
● Emphasize technology and innovation e.g. “internet”, “big data”, artificial intelligence”  
Legal responsibility  
● Operate within the bounds permitted by law e.g. “regulation”, “risk prevention and control”, “compliance”, “capital management”, “financial crime”  
Legal responsibility  
● Abide by laws and regulation/conduct operation by law e.g. “regulation”, “risk prevention and control”, “compliance”, “capital management”, “financial crime”  
Legal responsibility  
● Pay taxes  
Environmental protection  
● Assume responsibility for solving environmental and ecological problems e.g. “Green bond”, “UN 2030 Sustainable Development Goals”, “UN Global Compact initiative”, “Principles for Responsible Investment”  
Environmental protection  
● Strengthen environmental protection, reduce pollution e.g. “green bond”, “green finance”, “green office work”, “green industry”, “UN 2030 Sustainable Development Goals”. Chinese banks also highlighted the banks own environmental effort, for example “paperless”, “emission”, “carbon”, and “energy saving”  
Environmental protection  
● Pay taxes  
Customer orientation  
● Consumer rights and interests e.g. consumer rights and interests protection system work by education and advocacy, strengthened the supervision and management of customer complaints  
Customer orientation  
● Pay taxes  
Employees  
● The CEO of Handelsbanken highlighted some employees by their names.  
Employees  
● Staff learning and education e.g. “create a broad platform for employee development”, “strengthened staff training and education”  
Employees  
● Staff learning and education e.g. “create a broad platform for employee development”, “strengthened staff training and education”  
Employees  
● Staff learning and education e.g. “create a broad platform for employee development”, “strengthened staff training and education”  
Employees  
● Staff learning and education e.g. “create a broad platform for employee development”, “strengthened staff training and education”  
Employees  
● Staff learning and education e.g. “create a broad platform for employee development”, “strengthened staff training and education” |
<table>
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<tr>
<th>Social donation and charity</th>
<th>Charity</th>
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</thead>
<tbody>
<tr>
<td>● Actively conduct charitable activities e.g. “volunteering”</td>
<td>● Donation and charity e.g. “inclusive finance”, “public welfare projects” “community building”</td>
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</tbody>
</table>

<table>
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<tr>
<th>Good faith</th>
<th>Good faith</th>
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<tbody>
<tr>
<td>● Comply with business ethics e.g. “acting and behaving responsible”, “the right thing to do”, “take responsibility for our actions and behavior”, “a company also must adhere to social norms”, “purpose and values”, “business ethics”, and “is it the right thing to do”</td>
<td>● Comply with business ethics e.g. “as a major state-owned bank”, “duties as a corporate citizen”</td>
</tr>
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</table>

<table>
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<tr>
<th>Shareholders</th>
<th>Shareholders</th>
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<tr>
<td>● Create profits for shareholders e.g. “shareholder value”</td>
<td>● Create profits for shareholders</td>
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<tr>
<th>Unique dimensions</th>
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<tbody>
<tr>
<td>Western unique CSR dimensions</td>
</tr>
<tr>
<td>Equality</td>
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<tr>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Racial equality (racial discrimination)</td>
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<tr>
<td>Gender equality (gender discrimination)</td>
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<td>N/A</td>
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The Chinese trust in harmony, which is derived from Confucius (Wang & Juslin, 2009). Confucius especially emphasized harmony in interpersonal relationships, which is so called five cardinal relationships (the ruler and subordinate relation; the father and son relationship; the husband and wife relation; the elder brother and younger brother relation; and the friend and friend relation). This could explain
why the Chinese senior decision-makers are more often considering a large number of stakeholders e.g. customers, government, employees in their statements. In the Chinese research paper (Wang & Juslin, 2009) the five cardinal relationships were developed to modern business relationships (the relation between governmental administration, NGOs and company; the relation between customers and company; the relation between company and employees; the relation between managers and ordinary employees; and the relation between company and business partners).

Another Chinese ancient philosophy, Taoism emphasizes harmony with nature that also was mentioned in the Chinese senior decision-maker’s statements.

The close relationship between the Chinese banks and its main shareholder, the Chinese state had an important influence on the senior decision-maker’s statements, where Xi Jinping’s guidelines delivered at the 19th National Congress of the Communist and the 13th Five-Year Plan were often quoted or referred to (Xi, 2017).

The result of this study gives an important insight on the cultural and social concepts that influence the banks due to Nordic and China’s unique cultural backgrounds. Hopefully the study will widen our perception and be more acceptable to the Chinese CSR dimensions according to its own characteristics. The outcome of the study could be meaningful for stakeholders such as shareholders, governments, stock market regulators, media and researchers to understand China and Nordic’s unique cultural dimensions of sustainability reporting.

As a next step in this research, it would be important to make a comparative study of CSR for different types of firms based on their ownership, for example, state-owned enterprises, domestic private enterprises, and foreign-invested enterprises.
A limitation to the study is that the data analysis has been conducted by only one author with no possibility to discuss and check consistency in the classification work with help with a second author.
6 Statements from senior decision-makers in the banks' sustainability reports

Yi Huiman [易会满], Chairman (ICBC, 2017)
“2018 is the 40th anniversary of China’s reform and opening up, and the first year of ICBC implementing a new round of development plan in accordance with the CPC’s and the nation’s strategic deployments.”

Tian Guoli [田国立], Chairman (CCB, 2017)
“In the past year, the 19th CPC National Congress was convened successfully, and it drew up a magnificent blueprint for the country’s development in the new era.”

Zhou Mubing [周慕冰], Chairman (ABC, 2017)
“2018 is the first year that we will put the policies from the 19th CPC National Congress into action. In compliance with the new goals, tasks and requirements proposed by the 19th CPC National Congress, we are going to define what it means to be a modern socialist country.”

Zhao Huan [赵欢], President (ABC, 2017)
“We will fully implement Chinese President Xi Jinping’s leadership and adhere to the consciousness of the need to maintain political integrity, think in big-picture terms, uphold leadership, and fortify our confidence in the socialist path, theories, system and culture. We will work harder and make more contributions to secure a prosperous society.”

Niu Ximing [牛锡明], Chairman (BoCOM, 2017)
“Entrepreneurship, responsibility, and innovation are a central part of how we operate and how we fulfill social responsibility and socialism with Chinese characteristics. We will continue to build a prosperous society to achieve the Chinese Dream of national rejuvenation.”

Casper von Koskull, President and Group CEO (Nordea, 2017)

“Sustainability is multi-dimensional and is part of everything we do at Nordea. It is about mitigating risk, improving resilience and creating opportunities. It is quite simply, the right thing to do. Nordea is a major player in the tenth largest economy in the world. We touch every part of society and need to take responsibility for our actions and behavior.”

“Going from “can we do this” to “should we do this”? and asking ourselves if what we do in order to help solve an issue for the customer, is it the right thing to do.”

Anders Bouvin, President and Group Chief Executive (SHB, 2017)

“One example of this is our view of gender equality and diversity. For decades we have been working to foster an inclusive work environment based on trust and respect for every individual.”

“Handelsbanken will without doubt continue to support and work with international initiatives for corporate sustainability, such as the Principles for Responsible Investment (PRI), the Sustainable Development Goals in the 2030 Agenda, and the United Nations Global Compact.”

Rune Bjerke, Group chief executive (DNB ASA, 2017)
“We have identified goal number five on gender equality, and eight on decent work and economic growth, as the areas in which we have the best chance of making a difference, and where we will face the greatest challenges in the future.”

Birgitte Bonnesen CEO and President (Swedbank, 2017)

“We have improved our positions in the area of sustainability by issuing our first green bond and building a greater understanding of how Swedbank can contribute to the UN’s sustainable development goals (SDG).”
7 Abbreviation

**ABC** – Agriculture Bank of China

**BoCOM** – Bank of Communications

**CCB** – China Construction Bank Corporation

**CSR** – Corporate Social Responsibility

**EPI** - Environmental Performance Index

**GRI** – Global Reporting Initiative

**ICBC** – Industrial and Commercial Bank of China

**SDG** – Sustainable Development Goals
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