

CASE STUDY

A Community Bank Shares its “Going Green” Story with Stakeholders

THE CLIENT:

A U.S.-based community bank

USERS:

The chief marketing officer and head of investor relations (IR)

Environmental, social, and governance (ESG) issues continue to gain the attention of consumers, investors, and other stakeholders who are putting pressure on businesses throughout the economy to take steps to help move to a low-carbon environment. In response, ESG metrics and reporting are fast becoming a business imperative for some of the largest banks in the U.S., but even smaller banks are beginning to realize the importance of having a green strategy in place.

This community bank had received positive press coverage for being environmentally friendly, since much of its business was done online versus through brick and mortar branches. The chief marketing officer and head of IR came together to discuss additional ways the bank could demonstrate its commitment to ESG issues. The two executives also wanted to uncover other ways the bank could improve its environmental stance to show customers and investors the progress that was being made.



Pain Points

The chief marketing officer and head of IR wanted to create a picture of what the bank was doing on the ESG front. To support this effort, they needed data on the bank’s environmental footprint, including having a measure of greenhouse gas (GHG) emissions and other pollutants arising from its operations. To benchmark the bank’s performance, the two executives also wanted to understand how the bank was doing relative to its immediate peer group. In particular, the executives wanted access to information that would enable them to:

- Look at the bank’s position with respect to: GHG emissions for Scope 1, 2, and 3; natural resource use; land, water, and air pollutants; water use and intensity; and waste disposal and intensity.
- Benchmark these factors relative to the bank’s peer group.
- Dig even deeper on peer group performance by comparing additional environmental factors, such as the eco-efficiency of operations, material sourcing, and packaging.
- Use this data for marketing and IR purposes to showcase steps being taken to further the organization’s environmentally-friendly position.

The bank saw the need to better understand and communicate its position on environmental issues, given the growing importance of a green economy for its key stakeholders.

The bank was already a client of S&P Global Market Intelligence (“Market Intelligence”) using the Market Intelligence platform, and asked to meet to learn more about relevant capabilities that could support this undertaking.



The Solution

Market Intelligence discussed a range of capabilities, including offerings by S&P Global Trucost to assess risks relating to climate change, natural resource constraints, and broader environmental, social, and governance factors. These capabilities would enable the bank to:



Better understand its position on environmental issues

Trucost Environmental Data measures environmental impacts across key dimensions for over 15,000 companies around the world. Metrics are standardized and presented through a financial lens using proprietary modelling. The data includes: Greenhouse gas (GHG) emissions for Scope 1, Scope 2, and Scope 3; natural resource use; land, water, and air pollutants; water use and intensity; waste disposal and intensity; revenue generated from each sector of a company's operations; and, fossil fuel reserves, power generation capacity, and associated carbon for approximately 1,200 companies.



Benchmark performance against peers

Robust screening capabilities for Trucost Environmental Data enable users to compare their company's data alongside other firms to understand areas of over- and under-performance.



Delve into additional "E" factors

S&P Global ESG Scores is an environmental, social, and governance data set that provides scores at: (1) a company level (one overall ESG score), (2) for each of the three dimensions (environmental, social, and governance scores), and (3) 23 criteria (e.g., biodiversity, environmental policy and management

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systems, packaging, and raw material sourcing), with additional breakdowns below each criterion. Scores are prepared for 61 industries and are based on the S&P Global Corporate Sustainability Assessment (CSA) process, which is an annual evaluation of companies' sustainability practices. Again, benchmarking capabilities enable users to evaluate their scores relative to others to identify areas of strength, as well as areas for further improvement.



Easily access this data alongside other information

The Market Intelligence platform provides access to data on global financial markets, companies, and industries. Daily workflows are streamlined with a wide range of analytical tools.



Key Benefits

The chief marketing officer and head of IR thought this highly-granular data could help the bank quantify how it was impacting the environment and verify that it was a leading green firm in the community bank segment. In particular, they saw value in having:

- Ready access to one source of **comprehensive and standardized environmental information.**
- **Screening tools** to quickly identify competitors and assess how these firms were impacting the environment.
- **A wide range of ESG scores** to evaluate the ranking of peers on an overall basis, as well as for very detailed environmental factors.
- **An understanding of the bank's current environmental position** to establish targets for improvements over time.
- **The ability for the marketing and IR teams to use the information externally** on IR/marketing materials, corporate reporting, and disclosures to show that the bank is concerned about environmental issues and taking steps to be even better in the future.

[Click here to explore some of the datasets mentioned in this case study.](#)

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