
SÁNDOR ZSOLT KOVÁCS: THE WAY OF FINANCIAL SERVICES TOWARDS SUSTAINABILITY

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Since the second half of 20th century in society the consciousness started to rise about that the Earth's capacities are limited, so began a kind of social responsibility practices, which are now linked to the financial institutions as well. Nowadays, we can see a new view at the financial institutions (banks, savings banks). Their long-term commitment towards meeting the critical needs of local communities and society have increasingly materialized by the integration of social, environmental as well as economic concerns in their business operations and stakeholder relations. Banks and savings banks have thus adopted a balanced and comprehensive approach to socially and environmentally responsible practices, covering a whole range of aspects, including economic (e.g. regional development, financial inclusion), social relations (e.g. workforce life-long learning, training), and environmental (e.g. preservation of natural heritage, protection of the environment campaigns) issues (the so-called "triple bottom-line" approach). According to the literature a bank is green bank, if the eligible activities serve the environmental protection. The aims of ethical banking go beyond economic benefits to include social objectives, assuming that both are relevant in a socio-economic model. In some cases, traditional banks incorporate ethical and social aspects through CSR, which can be another way to add value. CSR contributes to value, and thus to a competitive advantage to the company. This is a self-regulating mechanism whereby financial entities monitor and ensure their adherence to law and international norms, specifically in terms of the triple-bottom line comprising people, planet and profit, but it does not involve directly ethical commitments around financial decision-making.

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