

---

# **CHANGING SCANDINAVIAN BANKS' FOSSIL FUEL FINANCE**

The exploration of civil  
society organizations  
strategies and its  
outcomes

By Justina Anglickytė

**MASTER'S THESIS FOR THE  
ENVIRONMENT AND SOCIETY  
STUDIES PROGRAMME**

**NIJMEGEN SCHOOL OF  
MANAGEMENT**

**RADBOUD UNIVERSITY**

**2020 - 2021**



# Colophon

**Nijmegen School of Management - Radboud University  
Master's Thesis**

**Title:** Changing Scandinavian banks' fossil fuel finance

**Subtitle:** The exploration of civil society organizations strategies and its outcomes

**Author:**

Justina Anglickytė

Master: Environment and Society Studies

Specialisation: Local Environmental Change and Sustainable Cities

**Wordcount:** 24223

**Supervisor:** Dr. Maria Kaufmann

**Second reader:** Dr. Friederike Landau

**Internship organization:** CSO BankTrack

Address: Vismarkt 15, 6511 VJ Nijmegen, The Netherlands

Supervisor: Johan Frijns

**Date of submission:** 30-08-2021

**Radboud University**



**BANKTRACK**

## Preface

In front of you lies the final result of my one-year studies at the Nijmegen School of Management, Radboud University. The research took place from March till the end of August 2021. It was written during the Covid-19 pandemic which paralyzed the world and took students out of university halls to the online education environment. Yet, life goes on and hereby I represent my master thesis.

I would like to express my gratitude to my supervisor Dr. Maria Kaufmann. She was there for me when needed. She helped to delineate my thoughts on the topic I wanted to work with and guided me through the thesis writing process. Her insights helped to bring more structure and theoretical background to the research and to stay on track. However, it is weird I never had a chance to meet my supervisor in person just like most of the university staff and my groupmates.

The research topic was chosen co-creatively with internship organization BankTrack. Even though I met my internship colleagues in real life for the first time only after my internship ended, I still felt their virtual support. I am grateful for all the possibilities to participate in their internal and external meetings and their guidance. Being part of the climate campaigners team provided me with valuable experience and deepened my knowledge in the banking sector as well as the civil society field. Special thanks go to the director, Johan Frijns, who always has found time for me no matter how busy he was. I felt his trust from the start and it kept me going. Furthermore, I am very grateful to all the participants in the research for their time and insights into the topic. It was an honor to talk with the experts in the field.

Finally, I want to thank my “Zoom” study buddy Sabrina for mutual support during the ups and downs of the thesis writing process. My fiancé for motivation and taking care of life practicalities. My friends and groupmates who read parts of the thesis and left their insightful comments and the ones who allowed me to forget the thesis at least for a day when needed. And of course, my family, who provided me the possibility to even consider these studies and are waiting to finally meet me in person in my missed home country of Lithuania.

Hope the reading will be pleasant!

Justina Anglickytė,  
Eindhoven, August 2021

## Summary

Climate change mitigation requires the efforts of all economic sectors. The banking sector is not an exception and many banks are starting to acknowledge their role in climate change through their fossil fuel financing. However, the changes in the sector are slow. Civil society organizations concerned about the issues tend to push banks for full fossil fuel exclusions in their policies. This master thesis is focused on analyzing the policy arrangements in which Scandinavian banks and CSOs are operating, strategies and tactics CSOs are using and their possible impact towards the fossil fuel finance (lending and underwriting) of commercial Scandinavian banks. The research is based on the civil society organizations BankTrack (BT), Fair Finance Guide (FFG) Norway, Fair Finance Guide (FFG) Sweden, ActionAid Denmark as case studies. The study followed their recent joint report - "Banking on Thin Ice" and investigated FFG projects. The main research question was derived: "To what extent do the efforts of civil society organizations have an influence on the fossil fuel financing of Scandinavian commercial banks?". In this research, several qualitative research methods have been employed: a case study research which entailed interviews with CSOs and bank representatives, and a literature and document analysis.

The overall observations show that there are concrete and tangible results of CSOs work. Yet, the regarded scope of influence depends on the observer's point of view. If influence significance is measured by overall CSOs goals to completely stop fossil fuel finance, then their current impact may seem negligible. However, considering the limitations of CSOs, it is surprising how much they actually manage to reach within their leverage. In comparison to governmental authorities and their immense leveraging power, CSOs have managed to do much more with much less. CSOs directly increased general knowledge on banks' role in climate change in Scandinavia. They are holding banks accountable to their actions, influencing higher transparency in the field. CSOs campaigns have resulted in banks declining participation in some fossil fuel projects. Indirectly CSOs are able to influence banks through collaborations with banks' employees and empowering other actors to reach change. From this perspective CSOs might be regarded as one of the most influential agents of change in the finance industry. The findings of this Master thesis provide a new perspective on the banking industry from the eyes of CSOs targeting fossil fuel finance. This master thesis may be regarded as a useful addition to the general scientific knowledge on policy arrangements and CSOs' means of reaching change as well as its influence. Nevertheless, CSOs' influence is only a piece of the puzzle in fossil fuel financing issues. Currently their efforts are not enough to completely change fossil fuel finance. Further collaboration between civil, private and public sectors is crucial in order to produce actual solutions. Right now, as stated by respondents, the speed of changes is far from needed in order to reach the goals of the Paris agreement.

# Table of content

Colophon .....	2
Preface .....	3
Summary .....	4
Table of content .....	5
List of abbreviations .....	6
1. Introduction to the research .....	7
1.1 Research problem statement .....	7
1.2 Research aim and research question(s) .....	8
1.3 Scientific relevance .....	9
1.4 Societal relevance .....	9
2. Literature review .....	10
2.1 Commercial banks and their role in climate change .....	10
2.2 Civil society and CSOs .....	11
2.3 CSOs and private sector .....	12
2.4 Scandinavia .....	12
2.5 Literature overview .....	13
3. Theoretical framework .....	14
3.1 Policy arrangements approach .....	14
3.2 CSOs strategies and tactics .....	15
3.3 CSOs influence .....	18
3.3 Concluding conceptual framework and operationalisation .....	20
4. Methodology .....	22
4.1 Research philosophy .....	22
4.2 Research strategy and design .....	22
4.3 Case study selection .....	23
4.4 Data collection and analysis .....	25
4.4.1 Data collection .....	25
4.4.2 Data analysis .....	26
4.5 Validity, reliability and ethics of the research .....	27
4.5.1 Validity .....	27
4.5.2 Reliability .....	28
4.5.3 Ethics .....	28
5. Results .....	29
5.1 Policy arrangements .....	29
5.1.1 Actors .....	29
5.1.2 Power/Resources .....	30
5.1.3 Discourses .....	32
5.1.4 Rules .....	36

5.1.5 Dynamics of policy arrangements .....	37
5.2 CSOs strategies and tactics.....	38
5.2.1 Tactics of engagers.....	38
5.2.2 Tactics of confronters.....	40
5.2.3 Overview of strategies.....	42
5.3 CSOs influence .....	43
5.3.1 Influence and its conditions.....	44
5.3.2 Direct influence of CSOs.....	44
5.3.3 Indirect influence of CSOs .....	47
5.3.4 Overview .....	48
6. Conclusions.....	49
6.1 Conclusions and discussion.....	49
6.2 Recommendations .....	54
6.3 Limitations and reflections .....	55
7. References.....	56
Appendices .....	63
Appendix 1. Banks covered in the BOTI report.....	63
Appendix 2. Interview guide with CSOs.....	63
Appendix 3. Interview guide with banks.....	64
Appendix 4. Research coding scheme .....	65

## List of abbreviations

BOTI - Banking on Thin Ice  
 BT - BankTrack  
 CSO - Civil society organization  
 CSR - Corporate Social Responsibility  
 DK - Denmark  
 EC - European Commission  
 EU - European Union  
 GHG - Greenhouse Gases  
 GPF - Government Pension Fund  
 NFRD - Non-Financial Reporting Directive  
 NGO - Non-Governmental organization  
 NL - The Netherlands  
 NO - Norway  
 PRBs - Principles for Responsible Banking  
 SE - Sweden  
 UN - United Nations  
 UNFCCC - United Nations Framework Convention on Climate Change

# 1. Introduction to the research

Climate change, which is being highly accelerated by human activities (IPCC, 2018), is putting life at a high risk. In order to mitigate climate change, in December 2015, 196 parties signed the Paris Agreement which went into force on 4th November 2016. The core objective of the agreement is to keep “the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels (...)” (UNFCCC, 2015, p. 3).

To reach the goal, countries around the world have to bring their greenhouse gas emissions to zero by 2050 (UNFCCC, 2015). In order to do so, all economic sectors have to work together and the financial sector is no exception (Furrer, Hamprecht & Hoffmann, 2012). In this research, the focus will be on the civil society organizations (CSOs) targeting commercial banks’ fossil fuel investments. The reason behind it is the work of internship organization BankTrack. Together with other CSOs they are dedicating their time to track policy developments and investment decisions of the banking industry. They try to ensure that bank operations are in line with existing international commitments regarding environment and human rights (Buranatrakul & Swierczek, 2018).

The direct impact of banks towards global GHG emissions is relatively small when compared to producing industries. Nevertheless, the indirect impact of banks, their so-called financed emissions, is underestimated and typically not considered (Furrer et al., 2012). There is a lack of financed emissions data between financial institutions. According to a report presented by the NGO (Non-Governmental organization) CDP (2020), from 332 financial institutions (banks, asset owners, asset managers and insurance companies), only 25% report their financed emissions, while 49% do not disclose their portfolio climate impact. Banks and other financial institutions can guide investments and loans towards both low emission technologies and infrastructure or continue pouring money towards the most GHG emitting sectors (Furrer et al., 2012; Gangi, Meles, D’Angelo, Daniele, 2019). However, it would be naïve to expect all banks to drop their polluting clients in one day. That is why CSOs, as representatives of civil society, have a key role to play in guiding commercial banks to change their fossil fuel financing policies. As Edwards (2014) states, “NGO networks [are] becoming increasingly influential in challenging the policies of the international financial institutions and establishing new norms of accountability”. Although CSOs have acknowledged existing positive changes in the banking sector, they keep on pushing them to be stricter and advocating a ‘no harm’ approach, basing it on full exclusion on any fossil fuel investments (Coulson, 2009; BankTrack, 2021).

## 1.1 Research problem statement

Not all banks fully acknowledge their role in climate change mitigation. 60 biggest banks around the world collectively fueled \$3.8 trillion into fossil fuels industry since the Paris Agreement was adopted (2016-2020) (RAN et al., 2021). The same banks covered in the “Banking on Climate Chaos” report from 2021 have shown that their finance for fossil fuel companies has been growing annually since 2016. According to BankTrack et al. report (2021) “Banking on Thin Ice”, even banks in the Scandinavia region, which are often considered as sustainability role models (Strand, Freeman & Hockerts, 2015), have provided US\$ 67.3 billion

to fossil fuel sector (coal, oil & gas) projects since 2016. The 10 researched banks (Appendix 1) all have signed to United Nations (UN) Principles for Responsible Banking (PRBs), which means they have formally agreed to align their business strategy to the Paris Climate Agreement (UNFCCC, 2015). Despite that, none have introduced a group-wide commitment for reaching net-zero emissions in 2050. Moreover, only Jyske bank has publicly reported on its financed emissions (BankTrack et al., 2021).

This example illustrates that there is still much to do to push banks towards taking concrete actions and publishing tangible fossil fuel investment policies. Pressure from CSOs could be one of the ways forward (Mintrom & Norman, 2009). Their campaigning efforts can be seen as good complimentary tools to existing national and international governance methods. Regardless, CSO's impact is limited. They do not have vast resources or direct legal power to change banks policies (Beer et al., 2012). Furthermore, scholars still cannot agree on CSO's actions implications (Edwards, 2014) and there are meaningful doubts on how much civil movements can achieve at all (Bebbington, Hickey, Mitlin, 2008).

## 1.2 Research aim and research question(s)

### Research aim

As mentioned in the introduction part, this research focuses on CSO's actions towards Scandinavian banks' fossil fuel finance change (for detailed explanation, see *4.3 Case study selection* section). As it is not clear to what extent, and if any, change of fossil fuel finance happened due to the pressure from CSOs, here arises the research aim:

- to evaluate whether, and if so, to what extent, efforts of civil society organizations have an effect on fossil fuel finance activities on Scandinavian commercial banks.

This allows to better understand if CSO's efforts are meaningful, what kind of strategies and tactics are the most reasonable and what conditions are needed for relative success to accelerate global climate change mitigation actions of Scandinavian commercial banks.

### Research question

To fulfil the research aim, the main research question arises:

**“To what extent do the efforts of civil society organizations have an influence on the fossil fuel financing of Scandinavian commercial banks?”**

This question is followed by 3 sub-questions:

1. What are the policy arrangements affecting CSOs' work and banks' fossil fuel financing?
2. What kind of strategies are CSOs deploying in order to reduce fossil fuel financing by commercial sector banks?
3. What were the outcomes of CSO efforts to alter Scandinavian banks' fossil fuel finance?



## 1.3 Scientific relevance

Climate change risks have been evaluated in the majority of the financial sector, but commercial banks received relatively little attention (Georgopoulou et al., 2015; Gangi et al., 2018). When talking about commercial banks, they are seen as policy implementers or as business entities which have to respond to the climate crisis in order to minimize risks and maximize profits (Bowman, 2010). Consequently, research on commercial banks investments related to climate change is still limited and focused on banks corporate social responsibility (CSR) and its disclosure (Buranatrakul & Swierczek, 2018). The literature on divestment from fossil fuels is still scarce (Trinks, Scholtens, Mulder & Dam, 2018). Also, there is a lack of information on CSO's campaigning efficiency in general (Buffardi, Pekkanen & Smith, 2017; Rietig, 2016) although the interest of scholars on social activism targeting organizations is growing (Briscoe & Gupta, 2016).

The literature search was not successful in finding recent articles within these subjects. It allows to make a presumption that these knowledge gaps still exist. Therefore, this study will contribute to the literature on civil society organizations strategies, their possible impact as well as the private and civil collaborations.

## 1.4 Societal relevance

As mentioned in the introduction, human activities are accelerating climate change, which will have devastating consequences. Commercial banks have a critical role in this by being economic gatekeepers and financial intermediaries. Their activities position them to make a direct impact towards businesses responsible for intensive (GHG) emissions and also to promote low-carbon solutions (Bowman, 2013). The research contributes to the efficiency of civil society organizations targeting the commercial banks. The study evaluates which strategies can help to get more tangible results for the campaigns and if current efforts paid-off. It also adds up to the general awareness of fossil fuel finance issues and its solutions.

## 2. Literature review

In the following sections a review of commercial banks finance role in climate change mitigation, CSOs activities, CSOs and banks relations as well as Scandinavian context will be presented.

### 2.1 Commercial banks and their role in climate change

Global norms are changing towards fossil fuel-related activities and its prohibition is becoming more accepted in society (Green, 2018). It is no surprise that banking institutions are affected by changing discourse and being held accountable to their stakeholders (Bihari & Pradhan, 2011). Within the context of this thesis, commercial banks are the ones that “use the savings of individuals, organizations, institutions and companies to provide loans and other financial products to other individuals, organizations, institutions and companies.” as described in FFG methodology (2020, p. 3) and it has been chosen as the subject of CSOs campaigns and further in the thesis will be called ‘banks’.

Banks are interdependent with climate change issues by facing risks from it and having the ability to accelerate climate change mitigation and the transition to zero carbon economy through their policies and finance decisions (Bowman, 2013; Gangi et al., 2019). It can be done mostly through encouraging clients to invest in low-emission technologies and inhibit lending to GHG emissions intensive sectors (Bowman, 2013; Furrer et al., 2012; Gangi et al., 2019). Thus far, banks have been lacking effective initiatives on combating climate change (Caby, Ziane & Lamarque, 2020). The generalization is not feasible on existing banking sector approaches towards environmental concerns (Coulson, 2009). According to a study by Buranatrakul & Swierczek (2018), there are noteworthy disparities between climate change strategies within world regions. While Asian banks received lowest scores in all studied categories, Europe ranked first in emission reduction. At national level the highest scores were granted to German, the UK and Scandinavian banks. China, Japan and South Korea ranked the lowest in all subjects (Buranatrakul & Swierczek, 2018).

During the years, many voluntary initiatives and standards (for examples, see *5.1.4 Rules, table 3*) appeared for companies and banks. These initiatives are popular among banks and for some it is seen as a reputational gain to be named in as many as possible, while others limit themselves to a few or none at all. Still, these initiatives are not binding and their real effect is not clear. Without legal requirements it can become a tool for greenwashing and there could be a gap between the bank's public claims and actual implementation (Caby et al., 2020).

#### Risks to banks

Divestment from fossil fuels is not only beneficial to society in general, but it decreases banks' financial, regulatory and reputational risks (Georgopoulou et al., 2015; Nandy & Lodh, 2012). Financial risks consist of directly affected sectors by higher chances of extreme weather conditions such as real estate, agriculture and tourism (Bowman, 2010). Insufficient performance of bank's customers' businesses has an indirect impact on banks (Nandy & Lodh, 2012). Highly GHG-emitting sectors such as oil, coal, transport and others are being affected

by government policies on reducing emissions causing regulatory risks (Bowman, 2010). The consumer-bank relationship is crucial for bank existence and good reputation is the key to make the customers stay within a bank (Bowman, 2013; Gangi et al., 2019). Demonstrating attention towards sustainability issues can bring economic value by attracting more concerned corporate clients (Gangi et al., 2019). On the contrary to these gains, bank's engagements with firms which in the eyes of the public are seen as related to unsustainable practices can result in loss of reputation and cause trouble with stakeholders (Weber, Scholz & Michalik, 2010).

### Limitations to stop fossil fuel finance

Banks are starting to acknowledge their role in climate change mitigation, but there exists a handful of constraints of how much they can do. Zooming on borrower-lender interactions shows that banks have limitations on exerting power on their customers as it can be seen as inappropriate (Hunt & Weber, 2019). Furthermore, another constraint is the lack of international public climate regulations causing the heterogeneity of the banking sector (Coulson, 2009; Hunt & Weber, 2019). It is worth keeping in mind that market regulation and anti-monopoly policy does not allow banks to coordinate each other's actions (Coulson, 2009). The unsustainable thinking may be rooted in financial education which is based on the notion of short-term profit maximization and may cause overlooked social and environmental externalities (Fatemi & Fooladi, 2013). It is also important to highlight the fact that banks are not the only financiers of fossil fuel companies and projects. Multinational companies are capable of financing their own activities and there are other channels for securing project financing besides commercial banks (Coulson, 2009).

## 2.2 Civil society and CSOs

Some scholars suggest that the failure of traditional political systems accelerated the rise of global civil society (Castells, 2008; Hutter & O'Mahony, 2004). Civil society repeatedly is considered to be a counterweight for state and market power by requiring 'good governance' such as transparency and accountability (Edwards, 2014). The scaling up of civil society is now seen as an inseparable part of the shift from 'governments to governance'. From states doing both the 'rowing' and 'steering', to transferring the 'steering' to the market and civil society (Beer et al., 2012). Yet, the term *civil society* is very broad and encompasses different types of organizations (Bebbington et al., 2008; Castells, 2008; Edwards, 2014). CSOs are diverse regarding their missions, strategies and methods (Steurer, 2013; Winston, 2002). They are operating on different levels and varying power and resources (Beer et al., 2012). Small local CSOs are distinctive from and sometimes even dependent on international CSOs for resources, expertise or legitimacy (Beer et al., 2012; Gemmill & Bamidele-Izu, 2002; Green, 2018). International CSOs can be seen as initiators, supporters or controllers of local CSOs. Contrariwise, international CSOs are counting on local CSOs for national or regional information and insights (Beer et al., 2012). In the context of this thesis, the term "CSOs" will be used most often as it is broader and also incorporates NGOs.

### CSOs limitations

Framing CSOs as the source of only 'good' is problematic, it is worth keeping in mind their possible bias and limitations. It can neglect the role of the state and market initiatives. Moreover, it downplays the 'bad' in the civil society field, for instance racist organizations or

the ones sponsored by businesses and used as greenwashing tools (Bebbington et al., 2008). Furthermore, CSOs can be selective of issues and tend to choose the ones most fitting to get media attention and suitable for blame framing, leaving less 'scandalous' issues behind (Beer et al., 2012). CSOs are also facing the issue of capacity and financing their own activities. Receiving funding from governments or private donors might cause biased decisions and lost independence. The sector is based on voluntarism and 'soft law', it is unclear how much it can actually achieve without binding legislation (Beer et al., 2012). Pacheco-Vega & Murdie (2021) research suggested that NGOs can succeed only within suitable conditions and there is still much to work on in the civil sector.

## 2.3 CSOs and private sector

Bypassing the state, partnerships between companies and CSOs can help to tackle environmental and social issues (Strand et al., 2015). Businesses can provide technical expertise, access to finance and resources, established managerial practices, etc. Companies which engage in CSR activities can benefit from increasing compliance with local and international laws, better control over supply chain, safeguard their reputation and brand image and improve relationship with stakeholders (Belasri, Gomes & Pijourlet, 2020; Van Huijstee & Glasbergen, 2010; Jamali & Keshishian, 2009). CSOs can share their knowledge and are driven by their mission (Van Huijstee & Glasbergen, 2010; Jamali & Keshishian, 2009). Considering banks and civil society groups, CSOs concerned with climate change have been incited to act by lack of legislation, full transparency and the failure of most banks to veto fossil fuel finance (Buranatrakul & Swierczek, 2018; Coulson, 2009).

## 2.4 Scandinavia

Commonly Scandinavia refers to Denmark, Norway and Sweden. Finland sometimes is also included in the definition. The broader term 'Nordic' incorporates the formalized cooperation between governments of Denmark, Norway, Sweden, Finland, Iceland, Greenland, and the Faroe Islands (Strand et al., 2015). Though there are many differences between Scandinavian countries, comparing them with the rest of the world show that Scandinavians appear to have similarities with each other and share cultural, political and societal background (Klausen & Selle, 1996; Strand et al., 2015). Besides being one of the most advanced welfare states (Midttun, Gjølberg, Kourula, Sweet & Vallentin, 2015), Scandinavian countries lead in all possible CSR measurements and indicators (Midttun et al., 2015; Strand et al., 2015). The so-called 'Nordic model' is able to take advantage of social and institutional foundations, their management is based on cooperation, consensus building, participation and focus on stakeholder well-being (Midttun et al., 2015; Strand et al., 2015). Yet, even the Scandinavia region has its issues. Considering carbon, land usage, forests and other factors, Scandinavian countries (together with other developed countries) are high at the top of ecological impact ratings (the Guardian, 2014). In particular, Norway's wealth is largely based on oil and gas production, making the public turn a blind eye on the fossil fuel industry emissions (Capasso, 2021). Norgaard (2006) research suggested that people in Norway are aware about the climate change threats, yet they tend to ignore it and demonstrate public apathy (Norgaard, 2006).

## 2.5 Literature overview

Literature review provides insights that banks have a clear role to play in climate change mitigation. They are one of the main gatekeepers of financial resources for the fossil fuel industry. Yet, there are discrepancies between banks around the world regarding their willingness to confront these challenges. Commercial institutions' main purpose is to grow their profits and once CSR comes into conflict with it, companies are faced with hard decisions. Banks face financial, reputational and regulatory risks from climate change caused by industries they finance. Moreover, banks are not always capable of solving issues by themselves. Civil society, represented by diverse CSOs, keeps on pushing banks to voluntarily veto fossil fuel financing with regards to almost non-existing international regulations. They seek to mitigate climate change by targeting bank finance. The Scandinavian region has demonstrated suitable conditions for CSOs' and companies' synergies. Yet, CSOs are facing their own challenges. As Hutter & O'Mahony (2004, p.1) argue, "while CSOs have the potential for significant influence over business and government regulatory agendas, there are some serious issues which may limit their regulatory prospects." They lack capacity and financial resources as well as their organizational form does not always entail democratic values. Consequently, uneven ideologies, goals and power can create tension between the parties.

### 3. Theoretical framework

This section entails the explanations on used theoretical concepts and frameworks. The reasoning behind choosing it is explained as well as excluded theories listed.

#### 3.1 Policy arrangements approach

This research considers the influence of CSOs groups on commercial banks. To analyze this, a framework considering policy change and the context of the policies is needed. The policy arrangement framework provides the possibility to analytically analyze change in policies through the lenses of four different dimensions. The importance of the framework lies in its ability to comprehend the dynamic between the domains and its interrelations (Lieberink, 2006). It allows to respond to the first research sub-question (*What are the policy arrangements affecting CSOs work and banks' fossil fuel financing?*), creating the opportunity to capture possible structural transformations (Arts & van Tatenhove, 2006). The process of political modernization entails structural properties of policy arrangements and the constraining or enabling context for agencies actions. Agencies or actors try to influence policies by mobilizing resources, framing discourses, taking advantage of existing rules and building coalitions. However, it does not guarantee policy alterations (Arts & van Tatenhove, 2006).

Lieberink (2006, p.45) explained that “the overall objective of the policy arrangements approach is to analytically link changes in day-to-day policy practices to broader, structural changes in contemporary society”. To better understand change and stability, the investigation of actors and coalitions, resources and power, rules of the game and discourses is needed. The condition for the framework to work is the interconnection between all four dimensions. If any changes occur in one dimension it may alter others. The framework is illustrated with the shape of a tetrahedron (*figure 1*) (Lieberink, 2006) and the four domains are detailed below.

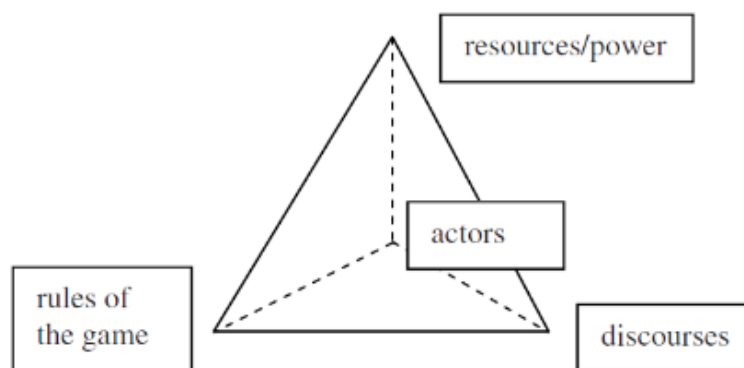


Figure 1. The tetrahedron, symbolizing the interconnectedness of the four dimensions of a policy arrangement (Lieberink, 2006, p.48).

#### *Actors*

Actors domain entails the analysis and categorization of all actors participating in the policy arrangements (Lieberink, 2006). The stakeholder theorists propose to include diverse groups'

views on business decisions. In his original work, Freeman (1984) draws attention to internal and external stakeholders, both cooperative and competitive.

### *Resources/Power*

Liefferink (2006, p. 47) explains this domain as “the division of resources between these actors, leading to differences in power and influence, where power refers to the mobilization and deployment of the available resources, and influence to who determines policy outcomes and how.” Actor roles and existing power can be dynamic and shift over time (Liefferink, 2006). Referring to stakeholder theory, the focus of managers on exact stakeholder groups depends on the internal stakeholder culture in the company, industry or organizational life cycle and can often be directed on the most powerful and legitimate stakeholders (Laplume, Sonpar & Litz, 2008). Stakeholders can influence firms by direct or indirect strategies (Frooman, 1999). Their influence depends on owned power or formed coalitions and its legitimacy, etc. (Laplume et al., 2008).

### *Discourses*

According to Liefferink (2006, p. 47) “discourses entail the views and narratives of the actors involved”. Discourses involve framing of the issue at stake. For instance, as delineated by Finnemore & Sikkink (1998) in Green (2018), for frames to be conceivable for the general public, firstly it should be factual and understandable, based on personal experiences or simple facts, regarding wide shared values instead of representing it in a complex manner. Secondly, it would be relevant to the audience and everyday lives. Thirdly, it should be delivered by reliable and authoritative actors (Green, 2018).

### *Rules of the game*

Liefferink (2016, p. 47) describes rules of the game as “formal procedures of decision making and implementation as well as informal rules and ‘routines’ of interaction”. It can be introduced by state legislation or other regulatory mechanisms (Liefferink, 2006). Steurer (Steurer, 2013, p.389, with reference to Jordana & Levi-Faur 2004, p.3) in its paper on governance suggested that regulations “can be understood narrowly as “authoritative rules” usually set by governmental institutions, it can also be understood broadly as an umbrella term for “all mechanisms of social control, by whomsoever exercised” (Steurer, 2013). Author suggested different types of regulations. Accordingly, regulation by governments is still often regarded as the main source of regulations and can be classified as mandatory (‘hard’) and voluntary (‘soft’) or also called ‘stick’ and ‘carrot’ (Steurer, 2013). Self-regulation by businesses entails rules, monitoring and enforcement created on their own without direct influence of state or civil society (Steurer, 2013). Co-regulation or tripartite regulation encompasses the ways how actors from contrasting domains engage in joint activities (Steurer, 2013). These forms of regulations illustrate the transition from ‘governments to governance’ (Beer et al., 2012).

## 3.2 CSOs strategies and tactics

In order to achieve change, CSOs have to choose the direction of its actions - a strategy. It includes concrete actions or tools - tactics (Bebbington et al., 2008; Buffardi et al., 2017). The concepts of different strategies are represented above to assist in answering the second research sub-question (*What kind of strategies are CSOs deploying in order to reduce fossil fuel financing by commercial sector banks?*).

The typology of strategies and tactics differ in works of scholars. Ählström and Sjöström (2005) divided CSOs by their strategies into 4 broad categories - the 'preservers' (tactics: cooperative projects, education, joint marketing), the 'protesters' (tactics: protests and campaigns), the 'modifiers' (tactics: demonstrations, appeals, scenarios) and the 'scrutinizers' (tactics: investigations, articles, publications, films). Briscoe & Gupta (2016) grouped the strategies as persuasive/influential (tactics: lobbying, educational seminars, etc.) and disruptive/protest (tactics: boycott, blockade, demonstrations, etc.). Beer et al. (2012) categorizes CSOs activities into advocacy, service provision and regulation without distinction of strategies or tactics. However, these classifications were not used in the research because most do not provide much explanation on distinctive features of the strategies or tools.

The classification of Winston (2002) seemed to be broad enough and includes diverse strategies and tactics. It was used in the research as the basis of and is complemented with suggestions from other authors. Winston (2002) suggested two broad strategy categories of engagers (embrace the dialog and persuasion) and confronters (prefer harsher activities such as stigmatization, "naming and shaming"). In many cases, one NGO can entail both strategy directions (Winston, 2002). Winston (2002) concluded that the distinction between confronters and engagers can be helpful towards reaching common goals and be regarded as a 'good cop - bad cop' act. Companies are pushed by stigmatization of their activities and economic pressure, while engagers help them to move further with CSR and ethical reasoning (Winston, 2002). The combination of tactics can also be called 'the carrot and the stick'. The existence of radical groups provides moderate groups the attractiveness as a partner in the eyes of the companies (Van Huijstee & Glasbergen, 2010). Nevertheless, Winston (2002) suggests that the isolation of these broad tactic categories can be the result of corporations' strategy to 'divide and rule'. They tend to label CSOs as 'responsible' or 'radical' and by engaging with 'responsible' organizations portray the 'radical' and their confrontational methods as illegitimate. It brings danger of companies using engagers for their own needs instead of really changing. On the other hand, confrontational means, if misused, can cause backlash from both CSOs and the general public (Winston, 2002).

## **Tactics of engagers**

### *Engagement and Support*

It entails drawing companies "into a dialogue in order to persuade them by means of ethical and prudential arguments to adopt voluntary codes of conduct" (Winston, 2002, p. 71). CSOs engaging with companies tend to employ moral and rational arguments as well as arguments from acclaimed researchers with a goal to push companies towards adoption of higher CSR standards and its compliance (Winston, 2002). Consequently, companies may alter their activities according to CSOs suggestions indirectly by checking policies before/afterwards the engagement or directly together deciding on issues (Van Huijstee & Glasbergen, 2008).

### *Social Auditing and Reporting*

CSOs tend to mistrust companies to self-monitor their compliance with voluntarily adopted ethical codes. Consequently, they establish independent observation units (Winston, 2002). CSOs initiate standards, monitoring means and certificates (e.g., Forest Stewardship Council, Roundtable on Sustainable Palm Oil) (Beer et al., 2012).



### *Shareholder activism*

Targeting shareholders is one more tactic. It uses shareholder interventions as a means of reaching change by engaging with them directly (Cundill, Smart & Wilson, 2018).

### *Lobbying*

Not mentioned in Winston (2002) typology, this strategy is still described by other authors. It entails engaging with the ones you wish to influence (Yanacopulos, 2005). It includes awareness raising by including media and addressing policy makers (Rashid & Simpson, 2019) and requires diplomacy, expertise and negotiation skills (Yanacopulos, 2005). This tactic was grouped with engagers strategy as it does not involve confrontational action and is directed towards a dialog. Yet, this tactic is different from *Engagement and Support* by targeting policy makers with the goal to influence policies and to reach the private sector indirectly by pushing legally binding regulations (Yanacopulos, 2005).

### *Forming coalitions and partnerships*

Winston (2002) does not exclude forming coalitions and partnerships as a separate strategy, yet other scholars do (Beer et al., 2012; Yanacopulos, 2005). As this tactic does not involve confrontation it is also grouped as engagers strategy. Collaborations strengthen the promotion of collective goals, encourage cross-society coalitions, mutual accountability and shared action-learning. It creates the conditions for representation of multiple interests, sharing of functions and capacities (Edwards, 2014; Jamali & Keshishian, 2009; Yanacopulos, 2005).

## **Tactics of confronters**

### *“Blaming and shaming”*

It revolves around the stigmatization of bad behavior (Winston, 2002) and is considered to be the core activity of NGOs by Beer et al. (2012). It can involve petitioning, demonstrations, articles, marches or even violent acts (King, 2008). Finding evidence and doing your own research can also be very useful for this tactic. It increases the legitimacy of claims (Bebbington et al., 2008). Most CSOs' research is applied nature and, in most cases, do not contribute much to the scientific field. Hence, CSOs research should be regarded carefully and with bias considerations (Hess, 2009). Using media attention in order to highlight certain issues related with companies can be also regarded as one of the most important activities by CSOs. Besides acquiring needed attention to the problem, public campaigning can improve the image of the CSO behind it, resulting in more donations and project funding (Yanacopulos, 2005). On the contrary to the blaming, CSOs may highlight the best practices in private industries. Yet, this is being done cautiously by many CSOs with regards to threatening their own independence and losing the leverage over companies (Winston, 2002).

### *Economic Pressure*

It includes boycotts and divestment based on possible adverse effects on companies' profits. This tactic is mostly used by labor unions and some NGOs, but engagers usually dismiss this tactic as harmful to the employees, difficulties in controlling it and the need for significant mobilization of the general public (Winston, 2002). As it became more difficult in the past years to attract people, consumer protest tactics have changed and now are more focused on receiving media attention instead of organizing mass events (Den Hond & De Bakker, 2007).

### *Government - Imposed Standards*

This tactic is about focusing efforts on enforcing legal obligations with a belief that only the national government has enough power to reach for change (Winston, 2002). Furthermore, CSOs can demand full monitoring and enforcement of existing standards (Emel, 2002).

### *Advocacy of selective purchase laws*

It is a stronger form of economic pressure extending it to the law (Winston, 2002). Selective purchase law entails governmental agencies prohibition of buying from specific companies by expressing disapproval of certain activities. Actions like this also get attention from the media (Haass, 1997).

### *Litigation*

It involves suing companies for their or their partners' violation of human rights or environmental laws, etc. (Winston, 2002).

## 3.3 CSOs influence

To answer the third research sub-question (*What were the outcomes of CSO efforts to alter Scandinavian banks' fossil fuel finance?*) the concept of influence and its conditions are explained in this section. 'Influence' can be defined as "altering of what would otherwise have been the course of events in the absence of an influencing intervention" (Cundill et al., 2018, p. 610 - based on Coughlan et al. 2001). The term allows the description of diverse interactions between CSOs and companies without limiting the nature of the relationship (Cundill et al., 2018). From a historical perspective it is undeniable that people, governments and companies learn and change their exploitative or harmful practices over time (Emel, 2002). Consequently, organizational change can be affected by activists and regulators (Reid & Toffel, 2009). As stated by Gulbrandsen (2005, p.128) "a common-sense understanding would be that an institution is effective if it solves or alleviates the problem that motivated its creation". However, "measuring problem-solving effectiveness is not straightforward because in many cases it may be almost impossible to isolate the causal effects of a specific institution" (Gulbrandsen, 2005, p.128). Dart (2010, p.206) emphasized the difficulties with how to evaluate influence "when the activities of one organization are only one piece of a complex social change puzzle" and the perception of effectiveness is socially constructed. Moreover, different actors have different views on what is a success and they may overestimate or underrate their influence (Bernhagen, Dür & Marshall, 2014; Cutt & Murray, 2000).

### *Influence chains*

Van Huijstee & Glasbergen (2010, p. 9) suggest that one of the ways to 'measure' strategy success can be "maintaining a chain of evidence". In their study of NGOs working with Dutch bank the used criteria were a) NGOs wishes aligned with bank decisions and b) both bank and NGO recognized the influence (Van Huijstee & Glasbergen, 2010). In the case of this research similar thinking was chosen to identify possible influence, keeping in mind the complex reality and other possible influences besides CSOs. According to Frooman (1999), to have an effect on a company, stakeholders need to be in a resources dependency relationship to be able to negotiate its own terms and have influence. However, in most cases CSOs do not have this and are in a low power position. Then it can seek indirect influence by

convincing the actors who have the power to reach direct impact. Those actors can be consumers, shareholders, partners, etc. (Frooman, 1999; Zietsma & Winn, 2008). In the context of the research the influence is separated to direct and indirect to delineate it further. According to Bergman (2018, p. 4) “direct impacts are generally easier to attribute to social movements than broader and longer-term indirect impacts, while also acknowledging that distinguishing direct and indirect impacts is to some extent interpretive.” For this study, direct influence implies firsthand, clear consequences of the CSOs actions. Indirect influence describes possible effects by CSOs actions transferred through or in intended or unintended synergy with other actors or factors. However, the judgement of what is considered direct or indirect influence is done by the researcher and should be seen more as consideration and not as a black or white separation.

### *Direct influence*

One of the tools of civil society groups - public “naming and shaming” campaigns (explained above) - helps to draw public attention towards environmentally harmful practices. For instance, mobilization against fossil fuel projects sponsored by a bank can cause delays or abandonment of a project and reputational damage (Green, 2018). As suggested by Ayling & Gunningham (2017, p.14), the success of the campaign can be measured by the amount of media attention it managed to draw in a relatively short period (Van Huijstee & Glasbergen, 2008). However, there is still no clear evidence on media exposure impactfulness (Cundill et al., 2018). The direct outcome of businesses and CSOs dialog can result in improved relationships, increased understanding and trust. A long-term partnership can be formed. An exchange of knowledge and expertise is also considered as useful gains from engaging in CSOs-company dialog which possibly could alter corporate decisions and behavior (Van Huijstee & Glasbergen, 2008).

### *Indirect influence*

According to Edwards (2014), NGO networks' influence on financial institutions is escalating norms of accountability. CSOs are raising concerns on companies' morality and legitimacy instead of on legal requirements. They are pushing companies by acting through consumers, investors or governments (Steurer, 2013). The divestment movement could be an example of indirect CSOs impact. Straightforwardly it urges withdrawal of investments related to companies involved in exploration, production, market and/or exploitation of fossil fuels (Fischel, 2015; Bergman, 2018). Yet, campaigners do not consider the symbolic divestment numbers (Bergman, 2018) as a failure. It focuses more on indirect and normative effects (Ayling & Gunningham, 2017). Consequently, its indirect impact on culture, politics and finance is considered to be significant and outweighing direct divestment results (Bergman, 2018).

### *Influence conditions*

The literature analysis was not successful in finding consistent and extensive analysis of conditions needed for CSOs influence. Therefore, the fragments from different authors on influence conditions are represented. The possibility to attract needed attention to the subject can depend on the already existing visibility of the issue and timing (Rietig, 2016). Quantitative studies from Eesley and Lenox (2006), Kassinis and Vafeas (2006), King (2008) suggested that NGO attributes, its strategies and the features of the target all play a role in possible effect (Van Huijstee & Glasbergen, 2010). The wider stakeholder context and the dependence relations are important (Van Huijstee & Glasbergen, 2008; Cundill et al., 2018). Eising (2017) puts an emphasis on persistence and frequency of campaigns. The size of a company or its

environmental performance may influence the choice of tactics by CSOs or determine if the CSO will target it. CSOs might engage in a dialog with companies considered progressive and confront the ones which are seen as not doing so great (Cundill et al., 2018). As mentioned already in the policy arrangement's part, the perceptions of companies' employees towards CSOs depends on companies' culture, industry and the legitimacy of CSO (Laplume et al., 2008). The threat of possible regulations may result in greater response rates from companies causing managers perceptions of urgency (Reid & Toffel, 2009). Companies also tend to respond more towards coalitions and a higher number of concerned actors (Cundill et al., 2018). Steurer (2013, p. 397) suggests that the networking between CSOs is important in seeking change, but "the effectiveness of their networking relies ultimately on the ability to harness stakeholders representing market forces" (Steurer, 2013). Documentation of CSOs actions by media allows the capture of messages and its dissemination further (King, 2008; Rietig, 2016). Nonetheless, to reach media attention CSOs need to be able to 'frame' the issue as a clear and simple message (Den Hond & De Bakker, 2007; Yanacopulos, 2005). It is also important to expose injustice or provide a concrete villain (Yanacopulos, 2005).

### 3.3 Concluding conceptual framework and operationalization

The conceptual framework, as a definition, was explained by Miles and Huberman (1984, p. 33) as 'the current version of the researcher's map of the territory being investigated'. It provides structure and more clarity for the researcher as well as for the reader. As a result of scientific literature review and analysis of existing theoretical frameworks and concepts a conceptual framework corresponding to research question was created (*figure 2*).



Figure 2. Conceptual framework.

The framework consists of three basic blocks. First block, policy arrangement, includes policy arrangements around the subject which is analyzed to better understand existing context and dynamic between banks, CSOs and other related actors within the issue of fossil fuel finance. The stakeholder theory is mentioned in the *Actors* domain due to the delineation of actors to internal and external stakeholders and resource dependency relations. Actors' power dynamics is evaluated as well as actors' discourses. Framing of issues is explained in the discourses part. The existing regulations and rules surrounding the topic are explored. Their types are delineated. As these domains are interlinked and the framework would not work

without an element missing it is connected by a line. Stakeholder theory, framing and rule types are omitted from the conceptual framework figure to keep it as clear and simple as possible. Second block is affected by the policy arrangements and entails CSOs strategies (engagers and confronters) and selection of tactics (based on observation of commonly used ones in the internship CSO and found the most in the literature). In order to highlight the ability for CSOs to use both confronters and engagers strategies and employ both engaging and confronting tactics, these are connected in the framework with arrows. Finally, the third block encompasses CSOs' influence and shows if CSOs efforts are fruitful or not. Influence is being affected and is the result of the existing policy arrangements and the different strategies and tactics of CSOs. In the framework this is indicated by the arrows directed to the influence block. The indirect and direct impact is possible and the sum of both is showing the result of CSOs work.

With existing scientific knowledge there are many more frameworks, concepts and models which could be useful in this case study at least partly. Yet, the research is limited by the given time span and extent of the thesis format. The choices had to be made for what is the most feasible for chosen subject. As CSOs are seen as actors in the shift 'from government to governance' (Beer et al., 2012) it seems worth analyzing *multilevel governance theory*. Nevertheless, the theory is focused more on the role of the state and the transformation of the political system (Badie et al., 2011) which is outside of this research boundaries. *Policy entrepreneurship* framework (Mintrom & Norman, 2009) and a similar *norm entrepreneurship* framework (Finnemore & Sikkink, 1998) were considered to be used. Yet, in this research the frameworks would not be able to explain the outcomes of CSOs influence. Another relevant concept of *social movement* (Scott & Marshall, 2009) was considered to be analyzed further, yet it is directed towards unofficial networks and movements (e.g. divestment) and does not focus on individual organizations (Scott & Marshall, 2009) unlike this study. *Ecological modernization theories* (Mol, 2010) emphasized the change in environment and society relations directing more attention to human activities and its environmental impact. Yet, the theories are criticized as outdated and naive (Mol, 2010) and were not explained further in this research.

## 4. Methodology

In this section the research philosophy guiding the thesis is represented. The used research methods and its design are explained as well as the case study. Data collection and the means of the data analysis are presented. Finally, the reliability, validity and ethics of the research is explored.

### 4.1 Research philosophy

Research philosophy or paradigm lays the foundations for general theoretical thinking and guides the researcher towards obtaining knowledge (Moon & Blackman, 2014). There are two essential branches of philosophy in social science research: ontology and epistemology. Ontology is concerned about existence or 'being' and ways of acquiring knowledge about it. Epistemology encompasses the knowledge itself and how it is created, what there is to know (Moon & Blackman, 2014).

This research is guided by constructivism with elements from interpretivism. It is based on bounded relativism ontology. Relativists believe that reality is subjective to the human mind and depends on the individual perspective. The contrasting realism entailing that one true reality exists and it can be captured by scientists (Moon & Blackman, 2014) does not seem to grasp the existing dynamics between contrasting actors and their views. Yet, the ideas of relativism as having multiple realities and nothing else beyond seems too distant and too broad for a mind to comprehend. In this case the bounded relativism is used as providing the needed boundaries of culture and morality to the reality (Moon & Blackman, 2014). Constructivism entails that reality is continuously constructed and the investigator and the object are interlinked and the researcher itself presents its values to the subject as well as guides the research by it (Bryman, 2012; Guba & Lincoln, 1994). It draws the attention of possible bias of researchers and in this study case it might be the subjectivity coming from having personal work and internships experiences in CSOs, while not having any previous relations with the banking sector. The elements in the research from interpretivism appear in the form of acknowledging reality as an interpretation guided by cultures and history (Moon & Blackman, 2014). It helps to better understand the past and present context for interplay of studied actors and to analyse existing barriers to change fossil fuel finance.

### 4.2 Research strategy and design

Keeping in mind the research question, ontology and epistemology of the research, qualitative methods are used to grasp diverse perspectives and complexity of existing CSOs and banks relationships and ways of reaching change. It seems vital to understand the context of banks and CSOs employees, their own perspective of reality and to see it in a real-life setting which is commonly done using qualitative methods (Van Thiel, 2014). In this case knowledge cannot be measured by quantitative methods due to its complexity and lack of statistical means to grasp it.

Case study is used as a strategy to conduct the research. Though case study findings are difficult to generalise, it allows a very detailed and rich approach, focusing on depth not on breadth (Denscombe, 2007; Van Thiel, 2014). In addition, it provides the possibility to study

processes within their social settings, relationship between actors and its interconnectedness (Denscombe, 2007). Regarding the narrowness of the chosen research, these features of case study seemed fitting. Considering other strategies, for instance, a survey could have been beneficial due to its wide and inclusive coverage, generalizability and time efficiency. However, most data from surveys lacks the depth and detail as well as accuracy and honesty (Denscombe, 2007) which is crucial for the chosen subject. Consequently, this strategy was declined.

## 4.3 Case study selection

The decisions behind the choice of cases to investigate for this Master thesis are explained further. Due to the nature of internship organization and my own interest in CSOs and climate change issues the idea to further investigate CSOs work and its influence on fossil fuel financing was delineated. The “Banking on Thin Ice” (BOTI) report was co-creatively chosen with BT as a starting point to narrow the thesis subject to organizations targeting Scandinavian banks. The report (published on February 1<sup>st</sup> 2021) is one of the most recent publications led by BT. It includes the data of Scandinavian bank fossil fuel finance over the period of 2016-2020 since the Paris Agreement (BankTrack et al., 2021). CSOs who together worked on the report were selected as cases for the study.

Besides the recent report, there are a few other reasons why this thesis is focused on the Scandinavian region. First, the region can be seen as more or less homogenous with cultural and historical features as explained in the literature review (see 2.4 *Scandinavia*). Secondly, the chosen focus seemed suitable for the scope and timeframe of the Master thesis research. Thirdly, it is interesting to see how extensive can CSO influence be in a region which is considered to be the model of sustainability and leading the way in CSR policy ratings (Strand et al., 2015). The regions' leadership could create perfect conditions for CSOs to have less constraints and be more impactful. Finally, the literature analysis was not successful to identify any similar research focused on Scandinavian CSOs or Scandinavian banks fossil fuel finance.

Purposive samples with the embedded case consisting of four multiples heterogeneous CSOs were chosen. They are represented in *table 1* below. It includes BankTrack which led the report in Scandinavia mostly due to the funding opportunity from KR foundation (Denmark). Framtiden i våre hender is one of Norway's biggest NGOs working on ethical and sustainable consumption (Framtiden i våre hender, 2021). They are operating the Fair Finance Guide (FFG) project in Norway. FFG is an international project with local partners in over 100 countries “that seeks to strengthen the commitment of banks and other financial institutions to social, environmental and human rights standards” (FFG, 2021). Sveriges Konsumenter is a consumer organization and is running FFG in Sweden with partner organizations (Sveriges Konsumenter, 2021). The Mellefolkeligt Samvirke organization is focused on human rights and sustainable development (Mellefolkeligt Samvirke, 2021). The chosen organizations from Scandinavia are among the most well-known in the region and directly work on fossil fuel finance. There were two other organizations involved - Oxfam IBIS (Denmark) and Profundo (Netherlands) which are not included in the thesis. Profundo is not strictly a civil society organization, but a not-for-profit consultancy firm which provided the financial data for the report. An Oxfam IBIS contact person has left the organization and the efforts to reach him were unsuccessful. There were two other organizations involved - Oxfam IBIS (Denmark) and



Profundo (Netherlands) which are not included in the thesis. Profundo is not strictly a civil society organization, but a not-for-profit consultancy firm which provided the financial data for the report. An Oxfam IBIS contact person has left the organization and the efforts to reach him were unsuccessful. No other relevant organizations were identified during the research. The chosen organizations are being treated as one in most cases due to the similarities of their work methods and operating background. However, their distinctive features are highlighted where it seemed needed for clarification and focus of the research.

Table 1. Case study organizations and interview respondents list.

Name	Location, size	Short description	Respondents	Name in the research
<b>CSOs</b>				
<b>BankTrack</b>	The Netherlands, Nijmegen. 10 employees	"International tracking, campaigning and CSO support organization targeting commercial banks and the activities they finance." (BankTrack, 2021)	Johan Frijns, Director	CSO respondent 1 (NL)
			Daisy Termorshuizen, Climate Campaigner <i>at the time of the interview</i>	CSO respondent 2 (NL)
			Maaïke Beenes, Climate Campaigner	CSO respondent 3 (NL)
<b>Future In Our Hands (Framtiden i våre hender)</b>	Norway, Oslo. 50 employees	"Non-governmental organization promoting ethical and sustainable consumption (Framtiden i våre hender, 2021)	Embla Husby Jørgensen, Adviser on Sustainable Finance	CSO respondent 4 (NO)
			Jonas Ådnøy Holmqvist, Adviser on Sustainable Finance	CSO respondent 5 (NO)
<b>Swedish Consumer Association (Sveriges Konsumenter)</b>	Sweden, Stockholm. 16 employees	"Independent, non - profit organization that works for the benefit of all consumers" (Sveriges Konsumenter, 2021)	Jakob König, Coordinator of Fair Finance Guide in Sweden	CSO respondent 6 (SE)
<b>ActionAid Denmark (Mellempfolkeligt Samvirke)</b>	Denmark, Copenhagen.	"As part of the international organization ActionAid, we work with rights-based development" (Mellempfolkeligt Samvirke, 2021)	Eigil Johannisson, Sustainable Finance Advisor	CSO respondent 7 (DK)
<b>Banks</b>				
<b>DNB</b>	Norway, Oslo. 9 050 employees	"Norway's largest financial services group and one of the largest in the Nordic region in terms of market capitalization." (DNB, 2021)	Anne Margrethe Platou, sustainability and public affairs	Bank respondent 1 (NO)
<b>Anonymous</b>	-	-	-	Bank respondent 2



## 4.4 Data collection and analysis

### 4.4.1 Data collection

Literature review, observation of BT daily activities during the internship, bank policy documents, CSOs reports, international voluntary or binding standards content analysis and semi-structured interviews have been chosen to investigate the chosen case studies. Figure 3 visualizes the research strategy elements. Literature and document analysis is interconnected and shown in a closed circle. The interviews are out of the circle as distinct methods, yet still connected with previous ones and interlinked with each other.

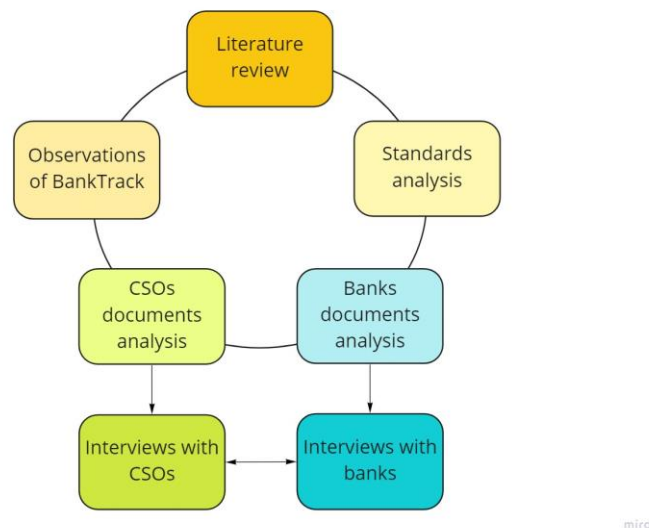


Figure 3. Research strategy elements and its interlinkage.

Content analysis of CSOs reports provides publicly available information about them. Observation of CSOs meetings with banks, weekly organizational meetings and ongoing campaigns allows one to get in-depth knowledge of CSO BankTrack daily activities and means of working. Banks annual CSR reports or policies provide an overview of current public status of their fossil fuel investment practices, their future plans and existing constraints for it to be reduced. Studying existing international standards and policies documents highlights existing sector regulations.

As one of the most often used methods for case study research (Van Thiel, 2014), interviews were conducted. Keeping in mind the constructivist approach, the study aimed to get a holistic description of phenomena (Harrison, Birks, Franklin & Mills, 2017) and interviews can assist in it. Interviews provide the flexibility and possibilities to receive non-factual information and background data, personal explanations and respondents' discourses (Van Thiel, 2014). Focus group research was declined due to Covid-19 pandemic restrictions for meetings and less effective way of doing it online and possibility of participants overshadowing each other (Breen, 2007). The main goal of interviews with CSOs representatives was to collect information about the strategies CSOs are using and how they evaluate their impact. Secondary aims were to get a deeper understanding of the institutional arrangement CSOs

and banks are operating. Interviews with banks granted the chance to analyze their perspective and better understand what is stopping them to veto fossil fuels finance.

Data for literature analysis and theoretical framework was collected by using online scientific databases - Radboud University library database and Google scholar search engine. Peer-reviewed scientific articles were the base for literature review and theoretical framework section. Scholars' work was analyzed using Atlas.ti software and coded by extracting relative information to ease its analysis later on. As grey literature, CSO's and banks reports and documents were used, as well as related voluntary or legal standards. All documents from banks, CSOs and institutions like EC or UN were found in public websites except the internal BT strategic plan which was obtained with the permission to refer to it. The information from these documents were mostly used for general knowledge and to get an understanding of diverse perspectives for the results section keeping in mind possible bias and that it is not a peer-reviewed scientific articles.

Interviewed CSOs and banks have already been described in the *table 1* above. All mentioned organization's employees who were related to the writing of the report were contacted by email and agreed to have an interview. For the Scandinavian banks, all ten banks (see *Appendix 1*) included in the report were contacted by email. Two bank representatives agreed to participate, one is from DNB bank in Norway, other preferred to stay anonymous. Others did not respond or declined the interview due to the shortage of time or the high number of other inquiries.

Interview data was gathered by asking related CSO's and bank employees to participate in a video call interview. 9 interviews were administered. Interviews with CSOs were conducted using online platform "Zoom". Interview with DNB bank representative was conducted through an audio call over "WhatsApp" mobile app. Interview with an anonymous bank representative was conducted over "Microsoft Teams" video call software. It was not feasible to do any interviews in person due to the Covid-19 pandemic measures and diverse geographical locations. Interviews varied between 30 min to 60 min span and were held in English. Interviews were recorded and transcribed shortly afterwards. The semi-structured interview type was used for both banks and CSOs. It allowed to keep the conversation on track. Yet, it still provided more flexibility than closed interviews and the ability to go in depth with subjects where more attention seemed needed (Van Thiel, 2014). The interviews with CSOs covered personal experiences, role in the report, CSOs strategies and tactics, its conditions, CSOs limits, willingness of banks to engage with CSOs and possible CSO influence. Interviews with banks were about motivation and limits to change, relations with CSOs and its impact on the bank (for full interview guides see *Appendix 2* and *3*).

#### 4.4.2 Data analysis

According to Denscombe (2007, p. 288), qualitative data analysis involves 5 stages (preparation of the data; familiarity with the data; interpreting the data; verifying the data; representing the data). It provides the guidelines for researchers (Denscombe, 2007). In this particular study the preparation of data consisted of finding relative documents for document analysis by using search engines and references from other scholars' work, internship colleagues' suggestions and previous knowledge. For interviews, data was gathered by recording it and afterwards transcribing it manually using the otranscribe.com tool. To

familiarize itself with data it was read through and notes were taken on what seemed important. Afterwards, to interpret the data, it was coded with Atlas.ti software (coding scheme presented in *Appendix 4*). The codes considering tactics were named according to Winston (2002) categorization and later on altered once needed. Other codes were created by analyzing the first three documents and following repeating patterns for further coding. Afterwards codes were grouped into 5 broad categories (*context, strategies, challenges, outcomes, solutions*). Keeping in mind the overlapping of some groups and due to the changed theoretical framework, it was reduced to 4 and *others* category was added for data which did not fit to others groups (*context, strategies, influence, other*) merging *challenges* to the *context* group and *solutions* to the *others* group. Codes in the groups were also edited afterwards all coding was finalized and merged or separated from each other. Even though *context* was changed in the conceptual framework to *policy arrangements*, it was not changed in the coding scheme. There was much overlapping between arrangement categories. It made it too complicated to split/merge codes and not beneficial timewise to redo coding again instead of analyzing and restructuring information to the results section by using previous code groups. The relationships between coded information were analyzed by looking for data patterns, themes and data confirming theoretical assumptions or appearing newly. The decisions were made to prioritize certain data regarding research questions and not focusing on not so relative insights from interviews or documents.

## 4.5 Validity, reliability and ethics of the research

One of the most important things for scientific research is that it should be trustworthy and ethical. This can be reached by validity and reliability. Validity stands for research credibility and accuracy, while reliability means the possibility to repeat the research and its neutrality (Denscombe, 2007).

### 4.5.1 Validity

It considers the precision of data and if chosen methods are suitable to answer research question. Scholars argue that it is not possible to prove the 100% rightness of qualitative research. Yet, it is possible to argue about reasonable accuracy (Denscombe, 2007). In light of this research, triangulation (contrasting sources of information is used) (Denscombe, 2007; Golafshani, 2003) helps to improve study validity. As information is gathered from peer-reviewed research, interviews and documents from both the banks and CSOs as well as credible international organizations like EC or UN, it might reduce the risk of receiving faulty information. Moreover, information is being sent to interviewers for checking their statements to be as precise as possible. Furthermore, data gathered is grounded extensively as 'fieldwork' such as interview transcripts were done manually and the time spent to do so provides the possibility for the researcher more 'contact' time to get deeper insights on it instead of using computer software or purchasing transcribing services. The vast amount of time spent on coding and analysis of data reduced the risk of omitting important details. The help of a supervisor from both university and internship provided the opportunity to fix inaccuracies. The feedback of fellow students to the research proposal, interview guide and other parts of the thesis provided diverse perspectives. Anyhow, the bias of own judgement to select the data to use or omit does not allow to claim that this research is without flaws.

### 4.5.2 Reliability

As Van Thiel (2014) states, the basis for reliability is accuracy. Used measurement tools should be available to inquire data as precisely as possible. Another element of reliability is consistency, referring to ability to repeat the research (Van Thiel, 2014). While acknowledging that accuracy is always limited and no research is without flaws (Kirk & Miller, 1986), this research still seeks as much accuracy as possible by indicating all actions taken, explaining all decisions and steps. Peer-reviewed literature is used, concise reference list is provided and possible bias in grey literature (e.g., bank policies and CSO's reports) are indicated. For repeatability of the research, the same structure for all interviews is used with few alterations, transcriptions are added as supplementary documents for usage if needed. In addition, the theoretical framework and methodology is explained in detail. Groups of codes are mentioned. In this way it is possible to repeat the research on banks in other countries or edit the questions and apply it on other subjects where civil society organizations would be willing to seek change.

### 4.5.3 Ethics

Not only reliability and validity are important to create trustworthy research. Ethics is also vital. Researchers should keep in mind rules for ethical research (beneficence, veracity, privacy, confidentiality, informed consent) (Van Thiel, 2014). With respect to these rules, it is my personal judgment that my research is not doing any harm to others. The research is straightforward and transparent with regards to its participants. The research aim and further interview data usage was explained to the participants in the introduction email and during the interview. The permission from participants to reveal their provided information and to allow recording the conversation was asked in advance before the interview started. Referencing participants' statements was done carefully by keeping their thoughts identical or as close to the original as possible. All used quotes have been sent to authors for confirmation. Agreement to use it was received. The disclosure of mentioned banks and CSOs contact people names is openly stated with the participants written or recorded oral agreement and preference. The anonymous bank representative information which might expose the identity of the person or institution is omitted from the transcript and in the thesis as asked by the participant. Almost all conversations with participants entail publicly available information which might be scattered over reports, strategic and policy documents, yet still available to everyone. Sensitive personal data was taken care of in accordance with General Data Protection Regulation (EU, 2016) rules.

## 5. Results

In this section the findings of the research are described by following the theoretical framework structure. Policy arrangements model elements in the chosen topic are described, the used tactics and strategies by CSOs are entailed and finally, possible direct and indirect impacts of CSOs work and its conditions are delineated.

### 5.1 Policy arrangements

In order to better understand policy dynamics and existing context of CSOs work targeting banks fossil fuel finance, the policy arrangement approach is being applied for the chosen topic. As suggested by the tetrahedron, (*figure 1*) four interrelated domains of actors, their power, discourses and rules are explored in the section below.

#### 5.1.1 Actors

In order to better understand actors involved in fossil fuel finance they were identified from banks' and CSOs' documents as well as through the interviews. The research focused on two main actors - banks and CSOs. Both of them are being affected or affecting other actors. For instance, banks have to be accountable to internal and external stakeholders as suggested by Frooman (1999). The banks which were included in the BOTI report mention many stakeholders in their documents. DNB (Norway) presented their materiality analysis which indicates customers and shareholders as their main stakeholders and the authorities, employees and society at large as the less influential (DNB, 2018). Danske Bank (Denmark) and Jyske (Denmark) identified them as customers, employees, society and shareholders (Danske, 2020; Jyske, 2020). Nordea (Finland) mentioned internal (management, the Board of Directors, owners, suppliers) and external stakeholders (academia, NGOs, investors and customers) (Nordea, 2020). According to bank respondent 2 view, "we as a bank don't care one way or the other way, we care because we are being engaged by different stakeholders and they have preferences and wishes and wants and interests and so forth." Besides the already listed stakeholders for banks, they can also be affected by central or transnational banks, trade unions, media, etc. All these groups have direct or indirect influence on banks. Also, banks are feeling more pressure from their stakeholders, including CSOs, in the past few years ("Over the last couple of years, we have seen heightened expectations on banks from customers, investors, regulators and other stakeholders to take responsibility and play their part in addressing the world's growing social and environmental challenges" (Nordea, 2020, p.11)). For instance, bank respondent 1 (NO) mentioned that for DNB, to be an attractive employee, they have to take sustainability seriously. They are often asked about sustainability at the bank during job interviews with younger generation candidates. In SEB (2020) sustainability report they mention that "in previous years the survey showed that customers want SEB to contribute to combating climate change" together with other issues. It shows that banks' stakeholders are concerned about climate change. Besides their own stakeholders, banks are also affected by peer pressure. CSO respondent 1 (NL) believes banks "don't want to lag behind". CSO respondent 2 (NL) disclosed it as "kind of a domino effect". She illustrates it with a recent wave of net-zero emissions announcements from the past years while one bank announcement was shortly followed by their direct competitors' announcements. CSO

respondent 5 (NO) shared a similar observation that 2020 - 2021 have been influential for net-zero commitments and there is going to be more of those.

CSOs also have their own stakeholders, however the list is less extensive than banks'. Internal ones include employees and board members. Donors, partners, society at large, media are external CSOs stakeholders.

## 5.1.2 Power/Resources

### *Banks*

Banks do have the financial and human resources to ensure their everyday operations. They also have the power to guide the finances and companies with it towards a carbon-free future. Most targeted banks demonstrate their power to reach change and to influence other actors in their annual or sustainability reports and websites. To illustrate, according to the Danske (2020, p.14) bank sustainability report, "Our most significant impact on society comes through our financing and investment activities." The report (Danske, 2020, p.14) also states that "the financial sector is increasingly taking a central role in the sustainability transition by facilitating sustainable financing and investing (...)". SEB bank demonstrates a similar stance - "Sustainable financing is an increasingly important driver in the transition to a low-carbon economy, both in the global market and in SEB's business" (SEB, 2020, p.46).

However, banks are dependent on already mentioned stakeholders, their perspectives and expectations. Banks have to keep the balance between all these groups, prioritize one over the other. As bank respondent 2 puts it, "we have the job to try to reconcile that". Another constraint for banks is the existing world economy dependency on fossil fuel-based economies. Bank respondent 2 points out the fragility of the economic system. Every change in it might have extreme consequences. As CSOs push for drastic changes, banks tend to stay on the conservative side. CSO respondent 3 (NL) points to the higher management of banks and contemplates that they are not always the most progressive. As bank respondent 1 (NO) from DNB bank explains, "there are many factors when we are stepping down from fossil fuels, and we need to be sensible" while talking about ongoing fossil fuel financing. As bank respondent 2 points out, many people are dependent on bank decisions. CSO respondent 2 (NL) feels banks have to consider "how to transition fairly for your workers, but also for the climate on the timeline that is also on a line with Paris [agreement]". Banks also mention the lack of information and legislation on climate change. SEB sustainability report suggests that evaluation of financial risks from climate change is "still relatively new" (SEB, 2020, p.13). Jyske bank report entails that there is "the lack of completeness" in climate change issues (Jyske, 2020). In the Sydbank CSR report it is noted that there is a lack of data from companies needed for new EU Taxonomy reporting (Sydbank, 2020). As entailed by CSO respondent 5 (NO), banks "say themselves that it's hard to get reliable data. Because now there is a lot of reporting and there are agencies giving this information. But they are not uniform. So, they say that they are randomly different so what to trust? They are still in a field where they don't know how to handle the data and what to ask for". These statements are confirmed by bank respondent 2 - "we don't really have the expertise to, we don't have the knowledge base to address these issues." Bank respondent 2 also adds that "we don't know the ins and outs and I don't think that BankTrack knows all the ins and outs."

## CSOs

CSOs are mentioned by the banks as one of their stakeholders. According to BT strategic plan (2019), CSOs resources include research skills, connections, training tools, experience, audience and mobilization power. Their role as representatives of the general public, expertise and gathered knowledge allow CSOs to take part in the fossil fuel finance discussions. It also adds to the CSOs reliability in the eyes of the public, governments and banks.

Nevertheless, CSOs are limited by their financial situation and tend to lack the capacity. As CSO respondent 1 (NL) puts it, “we are always on a tight budget.” Many respondents emphasized the lack of human resources to implement CSOs goals. According to CSO respondent 3 (NL), “you always need to set priorities”. To illustrate, in Sweden only two people are working on FFG projects. In Denmark, the only stopping factor to begin FFG implementation is also lack of funding. BT's strategic plan states that their “current team size is not sufficient to cover all organizational tasks, and certainly not in line with our ambitions.” Instead of only focusing on campaigns, smaller or medium sized CSOs have to direct much of their attention towards applying for grants, projects funding, crowdfunding, etc. It creates the lack of financial security for employees and threatens organization stability. CSO respondent 7 (DK) draws attention to the vicious circle of funding going to the established players. Yet there are no established players targeting banks' climate efforts causing the shortage of knowledge in the field in Denmark. The respondents from Norway were the ones suffering less from the lack of capacity due to the size of their organization. Still, CSO respondent 5 (NO) mentioned the difficulties to prioritize financial topics over the others in their organization. Nevertheless, having more resources is counterbalanced by the difficulties resulting from the lower public concern about fossil fuels in Norway.

It is also difficult to reach the wider general public. Mobilization of attention also requires human and financial resources. (“And that's probably the difficult part, getting things like this to the bigger audience, to the wider public, how do you reach them? - CSO respondent 2 (NL)). The recognition of the CSOs brand allows it to reach a bigger audience and provides credibility while reaching out to banks. Yet, it takes a lot of time and effort to build public trust. The issue at stake is also not the most popular one. CSO respondent 3 (NL) suggests it is very specific and might be seen as ‘nerdy’ by the general public. CSO respondent 4 (NO) believes it is difficult for people to understand the financial system. Consequently, according to her “it's challenging to hold financial institutions accountable.” And the sector is often able to hide away from public outrage, able to avoid or transfer the responsibility. According to CSO respondent 2 (NL), CSOs are willing to work together which may help to increase their joint resources and power, yet the field remains competitive due to the overlapping funding sources. CSO respondent 1 (NL) adds up to her statement saying that the coordination between organizations is minimal. From his point of view, “the field is a little more competitive rather than cooperative.” For instance, sometimes there is a race to be the first to release press statements, announce news, etc.

CSO respondent 3 (NL) mentioned the possibility of cultural and language barriers occurring. CSO respondent 6 (SE) highlights the differences of standards and methodologies between countries. Yet, it was not the case with the BOTI report due to the similarities of Dutch and Scandinavian cultures. Lack of financial knowledge can also be in the way for CSOs to engage with banks. From CSO respondent 6 (SE) experience, bank representatives might try to use their financial knowledge as a way to get away from CSOs' claims, to “mix the cards”. Yet, as

having personal working experience in the financial sector, CSO respondent 6 (SE) feels equipped to talk with banks in an even manner and is able to share his knowledge with colleagues. Another constraint for CSOs' is the availability of financial data. From many respondents' point of view, banks can hide behind the regulations and client confidentiality. Bank respondent 1 (NO) says "we are not allowed to disclose customer data, unfortunately" keeping in mind bank regulations. CSOs can only reach some data from financial databases. Furthermore, databases access is paid. Keeping in mind tight CSOs budget it results in lack of data on transaction and portfolio level. Finally, CSOs can have their own bias. They do not always have all the answers and may misjudge situations. Their credibility may always be questioned like any other institution.

### 5.1.3 Discourses

#### *Banks*

Scandinavian banks differ between each other on their stance on climate change issues, other sustainability concerns and their role in it. It depends on diverse factors such as banks mission, business strategy, clients, risk considerations, regulations, morality, sustainability commitments and peer pressure (BankTrack, 2019). Some excerpts of banks sustainability reports are presented further to illustrate differences in banks positions.

Handelsbanken (Sweden) report (2020, p. 41) suggests that the bank "work actively with advisory services to support and speed up our customers' sustainable development through dialogue and advice, within the framework of financing, in discussions regarding savings and in building relationships with our customers". The bank can be regarded as aiming for dialog with customers. Handelsbanken is aiming to reach net zero emissions by 2040 (Handelsbanken, 2020) which is an ambitious target with regards to most banks plans to reach net-zero by 2050. Jyske bank report (2020, p. 4) states the bank's "focus is concentrated on the climate" and it is based on the view that "all progress counts" implying the discourse of praising small steps without mentioning transformative change. Danske bank puts emphasis on sustainability as a key component for future revenues - "We regard sustainable finance as a strategic lever for Danske Bank to succeed commercially" (Danske, 2020, p. 5) highlighting the importance of profits and the discourse on climate change as a possibility to increase it. DNB annual report (2020, p. 49) entails that "the world is going to need oil and gas in the energy mix for years to come – even in low-emission scenarios where we achieve the targets set out in the Paris Agreement". The report explains further that "in Norway, the energy restructuring process will be largely driven by the oil and gas industry's expertise, innovation power and willingness to invest." Bank is involved in ongoing discussions about hydrogen, carbon capture and storage, floating offshore wind technologies (p. 49). The report suggests that DNB plans to rely on emission reduction on future technologies. The examples show the discrepancies between banks' perspectives on climate change; however, it also shows that all included banks do consider sustainability issues. Yet, so far it is hard to evaluate the extent of their interest and effect of their efforts.

Regarding banks' perspective on CSOs, they tend to describe the relationship as beneficial. Banks demonstrate the willingness to receive their stakeholders' input ("It is key for us that our stakeholders provide us with input about what they expect from us and what we should do better." (Danske, 2020, p. 13); "NGOs are a very important part of the civil society and also influence the people living in that society. And also influencing many of our, at least personal,



clients. So understanding the perspective of NGOs is extremely valuable.” (Bank respondent 1(NO)). Bank respondent 2 “recognize the need for civil society organizations to actually hold up the mirror and say that this is something that is happening and you are contributing to it and it's really bad and you should stop. There is a fundamental need for that role.”). Zooming in on the CSOs-banks relationship, bank respondent 2 shared an insight that while talking with CSOs there is a “big difference between the narrative you get in the media and discussions you have when you actually talking with people”. Accordingly, the dialog happening in the media becomes more negative. From bank respondent 2 perspective, CSOs tend to make things sound too dramatic. While bank respondent 2 agrees that climate change issues are truly dramatic, still points out that it might be pushing towards unwanted ‘solutions’ and explains it by the possible increase in support for climate engineering. Bank respondent 1 also feels that CSOs tend to paint everything as black and white and sometimes lack attention to nuances.

### CSOs

Studied CSOs tend to share similar discourses between each other on fossil fuel finance. According to their website, BT’s mission is to “to stop banks from financing harmful business activities; to promote a banking sector that respects human rights and contributes to just societies and a healthy planet; and to support fellow civil society organizations in their engagement with banks.” (BankTrack, 2021). FFG International goal is “to strengthen the commitment of banks and other financial institutions to social, environmental and human rights standards.” (FFG, 2021). Both of these goals do not entail complete veto of fossil fuel finance. Yet, the observations of BT daily activities showed that in many cases activists seek this. In their perspective any new fossil fuel project or old one’s expansions is not in line with the Paris agreement. CSO respondent 1 (NL), while commenting on bank fossil fuel policies, states that BT’s “goal is to shrink that space of what they are willing to finance to zero”. FFG takes a wider approach and includes more sustainability aspects in their guidelines. All interviewed participants were mostly not happy about existing banks’ engagement with fossil fuel finance. CSO respondent 5 (NO) likewise said that “if the financing in this sphere is to reach the goal of the Paris agreement, they have to be altering their funding and their financing faster than what they do now.” From his perspective some banks are starting their way within the right track, but not many. He adds that they have seen more progress with new fossil fuel related policies, but there is a lack of its implementation. From his point of view, they are “just in the start of pushing them to more concrete implementation.” CSO respondent 1 (NL) elaborates that it is getting difficult to track all the positive initiatives and commitments. Yet, he thinks “that’s good, that’s encouraging, but compared with the speed that these things should change it’s not enough. Not nearly enough. He shares the feeling of optimism, because he sees things happening, “on the other hand you can be deeply pessimistic because it does not lead to an actual decrease in financing of the fossil fuel industry. Which is at the end of the day, the ultimate criteria.” According to CSO respondent 1 (NL), banks “exist to create shareholder value, they exist to continue to exist and to make a profit”. And fossil fuel companies are still profitable. Banks had fossil fuel clients for years and it is difficult to neglect them all at once. CSO respondent 1 (NL) suggests that “there are people who get fat bonuses” to keep clients within the system. As CSO respondent 2 (NL) emphasizes, to tackle this fully one bank or CSOs efforts is not enough. To add, she feels banks often do not want transformational changes.

### *BankTrack*

Respondents from the Netherlands CSO perceive Scandinavian banks relatively open. CSO respondent 2 (NL) regards the Scandinavian government as progressive. Even though in the BOTI report they are portrayed as having much fossil fuel finance, in comparison with other banks most Scandinavian ones are small players in fossil fuel sector financing, according to CSO respondent 1 (NL). He sees Nordic banks as more transparent while comparing with other world regions, especially Asian banks or South America banks. They are more willing to engage with CSOs. In addition, they are used to being directly contacted by stakeholders in contrast, for instance, with closed up banks in China. CSO respondent 3 (NL) does not label Scandinavian banks as leaders (she believes so far there are no leaders in the sphere, all banks have much work to do to be considered as leaders), but according to her “they are not the laggards”. She states that “being better than others is not necessarily good enough” (CSO respondent 3 (NL)).

### *FFG Sweden*

CSO respondent 6 (SE) feels that in Sweden the general public is highly aware and cares about climate issues. Yet, people lack the knowledge about banks' relations with climate change and FFG provides it. Banks in Sweden are sensitive to public opinions and to be associated with ‘bad’ things hurts them. When CSO respondent 6 (SE) compares FFG work with their partners, for instance in Asian countries, he believes it is much easier for them to implement FFG in Sweden. He suggests that engaging in a constructive dialog might be part of Nordic culture. CSO respondent 6 (SE) adds that “even if we disagree or if we have different roles and perspectives we can still talk and try to focus on the solutions instead of fighting and rejecting each other.” He states that in Sweden they do not need to use strong language. There is no need to explain why climate change is an issue to the banks. They can focus on upgrading existing banking systems instead of directing efforts towards awareness raising.

### *FFG Norway*

CSO respondent 4 (NO) and CSO respondent 5 (NO) share similar feelings about Nordic societies and their openness. Their impression is that banks and the government respect them and welcome their inputs. However, Norway stands out from Denmark and Sweden due to its reliance on the fossil fuel industry. In the BOTI report DNB, the bank from Norway, scored the highest due to its fossil fuel finance, mostly oil and gas. CSO respondent 5 (NO) provides the example of Storebrand asset manager to illustrate the differences between countries. Storebrand has a daughter company in Sweden which has much stricter policies on all fossil fuels than the main company in Norway. CSO respondent 4 (NO) believes the public awareness on climate change is different here and lagging behind in comparison with neighboring countries. As CSO respondent 5 (NO) explains, “we do see the big industry is influencing people to just have wishful thinking”. Even governmental institutions are forming the discourse of Norwegian energy being the cleanest of all and it calms down the general public. Consequently, here the BOTI report did not receive so much attention from the media like in Sweden and Denmark. As CSO respondent 4 (NO) says, “we are so dependent on fossil fuels, that for many people it makes sense that Norwegian finance is also exposed to fossil fuels”. She notes that it seems unrealistic for Norwegian banks to veto all fossil fuel finance soon. However, CSO respondent 4 (NO) is positive about Norway's potential to change.

### *Action Aid Denmark*

CSO respondent 7 (DK) work with financial institutions is in its infancy. CSO respondent 7 (DK) said he was surprised to find out how little it has been done to address climate change in the financial sector before the BOTI report. However, CSO respondent 7 (DK) has already been in contact with banks and started a dialog. He sees the willingness to communicate from the bank's side. For instance, the Danske bank (DK) sustainability report describes their ambition "to promote a culture in which problems are discussed, handled and resolved openly and responsibly" (2020, p.4). This statement adds up to the claims of other campaigners about the openness of Nordic societies. Yet, CSO respondent 7 (DK) believes that Denmark's banks are "not at all where they should be." He sees banks creating policies around their existing clients and actually not changing as much as they claim to do.

### *Framing*

Discourse framing entails the ways to reach change. CSO respondent 3 (NL) put an emphasis on storytelling and uncovering complex issues by showing affected people and expressing it through their personal experiences ("if you can show that human side it can move people" (CSO respondent 3 (NL)). Targeting people's emotions and empathy goes together with getting more media attention and higher impact. From CSO respondent 6 (SE) point of view, the reason behind the FFG project being popular with the media is the narrative of "when a little dog jumps on the big dog". He also gave an example of the BOTI report Arctic drilling part as they made a visual (figure 4) with a polar bear picture and oil dripping text. It caught a lot of attention possibly due to its simplicity and ability to enact human emotions.



Figure 4. Arctic drilling part of BOTI report launch visual in Sweden (translation: 'What is your money doing in the Arctic?').



Figure 5. the BOTI report launching visual in Sweden (Translation: in yellow - *your bank is this dirty*, in the smoke - *Swedish banks fossil fuel finance after Paris agreement*)

The launch of the BOTI report in Sweden included an infographic visual with stylized chimneys (figure 5). It was another success according to CSO respondent 6 (SE) - their most shared visual on social media. CSO respondent 6 (SE) highlights its simplicity and 'share friendliness'. Framing the issues as broken promises also allows to receive more attention. If banks do not live up to their promises or their actions do not align with their policies it's another risk to their reputation. The BOTI report itself frames the issue as failure of banks to align with the Paris agreement ("Since the signing of the Paris Agreement in December 2015, Scandinavian banks have provided US\$ 67.3 billion in loans and underwriting to companies engaged in the fossil fuel sector." (BankTrack et al., 2021, p. 3)). According to the report text frames, banks are the ones who do not address the issue properly ("The results of this analysis show that although each of the banks recognizes the urgency of the climate crisis and the role of the financial industry in addressing it, most of them continue to finance coal, oil & gas companies and have no plan in place to phase out those relationships." (BankTrack et al., 2021, p. 8))

However, the framing used by CSOs in some cases might be considered over dramatic. For instance, the sub-title of the report ("Exposing Scandinavian Bank Finance for Fossil Fuels") implies the idea that banks are hiding their finance from the public. Yet, they are partly restricted from sharing the data by regulations. Furthermore, the numbers of finance are not put into perspective and might exaggerate the real impact of Scandinavian banks. Moreover, simplified framing omits nuances which are left unknown to the reader and can cause biased perception of the problem.

#### 5.1.4 Rules

##### *Banks*

Banks are highly regulated institutions. However, considering fossil fuel finance there is a lack of mandatory governmental regulations. The European Union (EU) has mandatory social and environmental information disclosure for companies with over 500 employees. Directive 2014/95/EU referred to as the Non-Financial Reporting Directive (NFRD) – provides the rules on disclosure of non-financial and diversity information. It is supplemented by non-mandatory guidelines introduced in 2017 to help companies disclose environmental and social information. Later on, in 2019 EC published guidelines on reporting climate-related information as an additional supplement. On April 21st, 2021, EC adopted a proposal to extend the scope of NFRD requiring more detailed reporting, its auditing, etc. First set of standards will be introduced in 2022 (EU, 2021). Due to the lack of shared language and definition on sustainability, the EU introduced "EU taxonomy" to classify sustainable economic activities. "Taxonomy Regulation" establishing the basis for the taxonomy was enforced on 12 July 2020. On July 6, 2021, a 'Delegated Act' was adopted by the EC and defines the content and methodology of "EU taxonomy" (EU Taxonomy, 2021). Nevertheless, the research had no success in identifying any international laws prohibiting fossil fuel financing. Yet, banks can voluntarily join self-regulating, co-regulating or tripartite regulations. A vast amount of voluntary international standards and agreements related to the banking sector were identified during document content analysis. Some examples where Scandinavian banks are members include Task Force on Climate-related Financial Disclosures (TCFD) (Danske, DNB, Handelsbanken, Nordea, Nykredit, SEB, Swedbank), Partnership for Carbon Accounting Financials (PCAF) (Danske, Nordea), UNEP FI Principles for Responsible Banking (PRB) (All

studied banks) and the most recent one released in 2021 - Net-Zero Alliance (NZA) (SEB, Handelsbanken). Other relative initiatives are the Equator Principles, 2030 Agenda and the UN Sustainable Development Goals, UN-supported Principles for Responsible Investment, UN Global Compact, OECD Guidelines for Multinational Enterprises, etc. The joint statement from CSOs on the launch of the Net-Zero Banking Alliance described the variety of voluntary standards as “the existing alphabet soup of bank initiatives on climate change” (BankTrack, 2021).

From a DNB bank's representative perspective, EU regulations and a sustainable finance action plan has a major impact on their work. As bank respondent 1 (NO) states now they have to report “to a much higher degree than before on sustainability matters”. Bank respondent 2 is missing stricter regulations and feels there is a need for higher restrictions for the financial sector and policymakers should accept higher levels of responsibility instead of leaving it on voluntary agreements and commitments. Voluntary standards are usually criticized by CSOs due to its unbinding nature and lack of consequences for banks not aligning with their promises. It may be even regarded as greenwashing (“I don't know how many years that multiple banks have signed all of those, but nothing really has changed” (CSO respondent 2 (NL)). Looking into country specifics, in Norway, banks are relying more on national regulations and are closely following the Government Pension Fund (GPF) which uses the revenues from petroleum industry (Government.no, 2021). According to CSO respondent 5 (NO), the regulations for GPF sets minimum normative standards for banks. Still, being the fund for revenues from fossil fuels industry GPF does not seem to be in a place to discard fossil fuel finance. Yet, CSOs see the value of these standards and tend to track its implementation or support it as long as there are no binding regulations (“BankTrack can also take part in consultation processes set up to improve such standards, monitor compliance of adopting banks with such standards, and expose violations or non-compliance” (BankTrack, 2019, p. 13)).

### 5.1.5 Dynamics of policy arrangements

All described domains were represented above as distinctive features for research purposes. In real life setting all actors, their discourses, power and rules affecting them are interrelated (Liefferink, 2016) as already explained in the theoretical framework. Banks include CSOs into their stakeholders list suggesting that CSOs have the ability to make influence on bank decisions. CSOs may increase their leverage by forming coalitions and partnerships. CSOs are not dependent on banks for their existence which gives them the freedom to criticize and ‘attack’ banks’ image. From these statements it may be implied that CSOs have the power over banks. However, CSOs resources and power are much more limited in comparison with banks. It can depend on CSO size, credibility, previous accomplishments. Moreover, CSOs can push banks towards complete ban on fossil fuel finance, yet banks have different discourse on the subject. While they tend to agree on how important climate change is and how their policies and activities have a big role to play in mitigating it, they are not obligated to respond to all CSOs requests. Still, the Nordic context provides suitable conditions for CSOs and banks to engage in dialog. Banks in Scandinavia tend to be open to CSOs’ suggestions. But as long as there are no legally binding regulations on fossil fuel finance banks are free to act by their own judgement. The financial, reputational and regulatory risk coming from climate change provides the ammunition to CSOs to form influence chains and reach banks through them. Already planned or future regulations may also increase the legitimacy of CSOs

suggestions directed at banks activities. At this moment, banks can see CSOs as the source of their reputational risk as well as valuable partners in changing their practices. Even though the main study actors have different discourses on the urgency and means of needed climate change action, in Scandinavia they tend to agree that it is an unavoidable necessity. Yet, not one actor has all the answers and power on their hands. The summary of found policy arrangements is represented below (*table 2*).

Table 2. Policy arrangements.

Policy arrangements surrounding CSOs targeting banks fossil finance			
Actors	Power/Resources	Discourses	Rules
Primary: CSOs	CSOs part of banks stakeholders	Fossil fuel financing veto	Sees lack of banks policies and voluntary standards implementation
	Unstable financial resources resulting in lack of capacity, competition with other CSOs, restricted access to databases	Banks not doing enough	
Primary: Banks	Banks have more resources and power	Open for dialog - Nordic culture	No overarching mandatory legislations
	Banks depend on stakeholders, profit, balancing societal and business considerations	Acknowledge their role with considerations of risks	EU reporting and taxonomy regulations
	Dependent on fossil fuel based economical model	Commercial gain - most important	Engage in self-regulation and co-regulation

## 5.2 CSOs strategies and tactics

In order to better understand CSOs' activities, this section follows the already listed classification of tactics and strategies in the theoretical framework. During the interviews and document analysis most of the tactics have been identified. The tactics of different CSOs are presented jointly as they tend to be used by most of the studied CSOs. If it is not the case, then it is indicated. Therefore, the findings are listed in the same order as in the conceptual framework.

### 5.2.1 Tactics of engagers

#### *Engagement and Support*

Having private talks with banks and engaging with them was mentioned by all respondents (for instance, while talking about the work on the BOTI report, respondents mention that they "talk to banks individually about our assessments, about our findings in reports, sending letters to banks about our findings" (CSO respondent 2 (NL)); and had "a lot of direct engagement of banks" (CSO respondent 1 (NL)). It is a part of daily work of researched CSOs. They meet bank representatives and their main contact people in the bank frequently are sustainability teams or higher management people.



On the discussion level, CSO respondent 4 (NO) draws attention to their changing narrative that “the finance industry is moving away from only 'to do no harm' that we have been concerned about in the past. Now we are looking at 'do good'”. She says that what they ask is “sector specific analysis from the banks with projections that are in line with the climate goals in 2050 and with targets on the way to get there.” Furthermore, CSO respondent 3 (NL) shed a light on the importance of working with bank policies to stop harmful behavior in the future, not only for isolated cases. Having a dialog with targeted banks is often used together with “blaming and shaming” methods and mentioned by few participants as complimentary with each other. It provides the balance between being a ‘watchdog’ and a partner. As CSO respondent 4 (NO) explains, “it's not always the goal to criticize them as much as possible.” In many respondents' view they often applaud steps to the right direction and don't stick only to the negative side of the picture (“BankTrack is trying to be fair about what is happening. If something is not good enough, we will say so, if someone takes steps in the right direction - then we will also say so.” CSO respondent 2 (NL); “it's a combination of sticks and carrots.” (CSO respondent 6 (SE)) Keeping the balance seems important for both CSOs and banks. On the other hand, bank respondent 2 states that they miss the encouragement and have not seen it happening much.

### *Shareholder activism*

This method is rarely used by chosen CSOs. CSO respondent 3 (NL) suggested that it is time consuming and difficult to do it well, and BT do not have enough capacity at this moment to engage in this to reach a proper result. Still, BT had plans to work more on this during annual general meetings of the banks. Due to the pandemic these plans had to be cancelled. BT also has a small number of shares in around 10 banks which allows them to ask questions during meetings, but CSO respondent 1 (NL) believes they could use this more efficiently. Other CSOs did not mention that they are working with bank shareholders.

### *Lobbying*

BT does not involve lobbying and advocacy in their work. FFG coordinators in Sweden and Norway are working with politicians, as well as ActionAid Denmark. For example, in Norway they are working with the Parliament. CSO respondent 5 (NO) emphasized the possibility to use more advanced commercial bank policies as an example to show politicians that these policies could be applied to the GPF as well. And once it is done for GPF it usually trickles down on other commercial banks working in Norway. In Denmark, CSO respondent 7 (DK) said they are still creating grounds for lobbying tactics. They already had some meetings with regulators, but the work is still in its infancy.

### *Partnerships and coalitions*

Another strategy for CSOs to reach their goals is to find allies and work together. Almost all respondents mentioned forms of working with other organizations in one way or another. Considering the specializations of different CSOs and lack of capacity it would be difficult to have influence on banks with resources of only one CSO. The CSO sector is diverse and every group has experience in different aspects. As CSO respondent 1 (NL) puts it - “We don't want to compete with people that we consider our allies and who do these things better than us.” From his perspective, “there is informal division of labor between groups and we try to fit in, contributing our own capacity.” For instance, BT is working internationally and their focus is wider than the banking sector in the Netherlands. According to BT website and respondents, they specialize in research, bank engagement and CSOs support, but are not actively

campaigning on the streets or on local level. The FFG project is international. It is more focused on the local level and every country has its own active chapter focused specifically on its own banking sector. CSO respondent 6 (SE) indicates global policy assessment and scoring methodology in FFG but states that it is a national focused initiative. He feels that it should stay as it is now and says that “it’s smarter that we have different approaches and complement each other”. In the case of BOTI, respondents claimed that the chosen working form of BT coordinating the work and taking the role of writing it, while local CSOs assist in launching the report on local level and providing feedback has resulted in a successful collaboration. CSO respondent 6 (SE) presumes that without strong leadership reports like BOTI are not happening. CSO respondent 1 (NL) have emphasized the groundwork already done behind the report by local Scandinavian CSOs with FFG and other initiatives and said that they “build on their work.” One more positive aspect was noticed by CSO respondent 2 (NL) - increased credibility to the CSOs claims. Having more reliable partners or endorsers provides higher reliability and exposure through more channels. However, within partnerships some negative features appear. As already mentioned, CSOs are non-profit organizations and have to compete with each other for project funding and donors as well as for their importance in the field.

## 5.2.2 Tactics of confronters

### *“Blaming and shaming”*

The usage of the so-called “blaming and shaming” tactics was the most common between respondents. This tactic is a combination of diverse methods. According to the BT director (CSO respondent 1 (NL)), “We need to be able to create trouble”. For instance, BT considers their work with “dodgy deals” - projects, which are in various degrees harmful to the environment, as one of their main priorities. Campaigning against these projects consists of diverse actions which include creating a profile for the project with the data gathered as well as pushing the story to the press and social media, helping local activists, creating or signing petitions, letters against it and contacting banks involved in the projects. CSO respondent 2 (NL) mentioned using influential people as a possibility to spread the message about banks in social media networks, yet they do not use this. CSO respondent 3 (NL) said “having bad press is one of the things that pushes banks to do things better.” CSO respondent 6 (SE) highlights the fact that the relation between banks and climate is still not high on the agenda and people are not aware of this (“They don’t know that there is a problem. So then they don’t actively seek solutions”). And that’s the role for CSOs - to show what banks are doing. An example of reporting and rankings is the international project Fair Finance Guide (FFG) - tool for ranking and comparing banks on their sustainability scores with complimentary case studies. The tool allows to engage bank customers, the general public and the media. CSO respondent 3 (NL) mentioned peaceful civil disobedience. She stated BT is not using this tactic as they are “mostly online campaigners”. However, this tactic could be seen as used by CSOs’ partners like Extinction Rebellion after BT or FFG reports and rankings are being published and used by them.

Although it could also be seen as part of the ‘blaming and shaming’ strategy. It also applies to the tactic mentioned by CSO respondent 3 (NL) of peaceful civil disobedience. She stated BT is not using this tactic as they are “mostly online campaigners”. However, this tactic could be seen as used by respondents CSOs partners like Extinction Rebellion after BT or FFG reports



and rankings are being published and continue 'blaming and shaming' work. Other less used strategies are explained further.

### *Standards*

In general, it is difficult to use this tactic due to the already mentioned lack of governmental legislation for fossil fuel finance (Coulson, 2009; Hunt & Weber, 2019). CSO respondent 3 (NL) believes that countries will soon start to adopt binding and concrete measures. Consequently, it is still possible to use the argumentation that if it doesn't exist now, it might occur later and the financial sector should be aware of it. Seeing it from a different angle it is also possible to make an argument for policy makers that if a commercial bank has higher standards and still has profits it is possible to make stricter legislation. As CSO respondent 3 (NL) states, "if you are doing lobbying and advocacy towards law makers and you can point at them saying hey, financial institutions are already leaving the fossil fuel industry, even they understand that this is bad business." But BT does not engage in this type of action. CSO respondent 4 (NO) believes that the Paris Agreement provided "the need to shape finance toward the solutions of the climate crisis." She continues to explain that there are many other initiatives and voluntary agreements (see 5.1.4 rules section). CSO respondent 2 (NL) mentioned that BT checks existing standards, laws and regulations for their case study research ("dodgy deals") and if there is something being violated it gives valid arguments against a project or a company. BT likewise has a separate campaign for UN PRB. While PRBs' are not binding, it poses the risk of being seen as unreliable by not following the PRB agreements.

### *Economic pressure*

One more tactic for CSOs to target companies is economical pressure. Although this tactic is commonly used by Sweden and Norway CSOs respondents, it is not being used by researched CSOs in the Netherlands and Denmark. The justification for this comes with the fact that in Sweden and Norway respondents run FFG which is a tool for consumers to compare their banks. CSO respondent 3 (NL) states that it is not part of BT work and they leave it to other organizations. One of the reasons is that BT do not focus on individual consumer level and work more with institutions, banks and other organizations. CSO respondent 3 (NL) explained that mobilizing enough people to actually make a difference takes a lot of time and resources and in the end, it is not always worth it. She mentioned that "if you get a hundred people to say that they are leaving it's annoying, but it doesn't cost them as much money as we want them to." CSO respondent 7 (DK) shares the insight of how difficult it can be. He says that their targeted banks are very established players in Denmark and already have a wide customer base. It makes it hard to shift people, also there are not many alternatives in a small country to choose from. Nevertheless, they keep on pushing the banks and try to raise the cost for engaging in fossil fuel projects and activities.

### *Litigation and complains*

Interviewed CSOs did not use litigation as a tactic. The reason behind is the lack of basis to sue banks and it goes back to the lack of concrete regulations on fossil fuel finance. Another reason is the need for capacity, the process takes long and the results are not always worth all the struggle, according to CSO respondent 1 (NL). In BT the closest they got to litigation was filing a joint complaint with other CSOs against ING bank for Organization for Economic Co-operation and Development local point in the Netherlands in 2017. The complaint provided confirmation that ING was in violation and it provided a base for further campaigning.

Nevertheless, CSO respondent 1 (NL) says they often regret this and do not suggest doing similar actions to other CSOs. CSO respondent 3 (NL) believes it is more efficient for separate cases or specific projects. Scandinavian CSOs respondents did not mention engaging in complaints or litigations.

### *Social auditing and reporting*

FFG could be seen as a way of CSOs based reporting on specific criteria decided by CSOs. Still, it does not fit the actual definition as it is not an actual audit. Interview respondents did not mention this tactic.

## 5.2.3 Overview of strategies

It can be claimed that the choice of tactics depends on the goals of campaigns and there is no straightforward answer as to what works best. CSO respondent 2 (NL) thinks that the “combination [of tactics] is always useful, but it also very depends on the type of thing that you want to achieve or the type of case that you're talking about”. It depends on the bank's willingness to communicate with CSOs or implement its suggestions, their clients, management, etc. In some cases, issues can be solved without confrontations in the public. In other contexts, contacting the press is the only leverage for CSOs to reach their targets. CSO respondent 3 (NL) highlights that it allows to reduce the number of needed participants for demonstrations, etc. once you are able to mobilize the media. CSO respondent 7 believes “what has been most effective so far was these reports that have gotten the media attention. I think it's good to have inside dialog and it's very nice not only for this specific objective to get a result, but for understanding. So, when we launch the next report, it will be better, I mean, more to the point if we know how their thinking is. But the media pressure has been the most successful approach so far”. CSO respondent 2 (NL) generalized the synergy between tactics - “you can also do it all at the same time. And I think that happens a lot. And they are probably all needed.” The summary of all strategies and tactics is represented below (*table 3*).

Table 3. Summary of found strategies and tactics.

Common CSOs strategies and its tactics			
Engagers' tactics	Features	Confrontation tactics	Features
<b>Engagement and Support</b>	Exchange of knowledge	<b>"Blaming and shaming"</b>	Include diverse methods
	Creating relationship		"Dodgy deals"/Case studies
	Balancing together with "Blaming and shaming"		Tracking, reporting, exposing, categorising
<b>Shareholder activism</b>	Rarely employed	<b>Standards</b>	For case studies
	Time consuming		Lack of regulations
	CSOs as shareholders		Paris Agreement
<b>Lobbying</b>	BT does not engage in it, FFG and ActionAid do	<b>Economic pressure</b>	BT, ActionAid does not engage in it, FFG do
	Respected by the government		Time and resources consuming
<b>Partnerships and coalitions</b>	Increases credibility		'Nerdy' issue
	Sharing of expertise and resources		No alternatives
	Unwillingness to be coordinated		

### 5.3 CSOs influence

In this section the possible impacts of CSOs work are described and analyzed. It illustrates existing effects following the theoretical framework. As literature review and respondents imply, it is very challenging to measure the effect of CSOs efforts. Considering so many diverse stakeholders involved it is not feasible to claim all occurring changes in the banking industry to CSOs. As suggested by CSO respondent 2 (NL), in some cases the impact can be very clear, while in others it is completely unclear. "It's always very difficult to say that there is a direct causal link from what we did to the outcome. But we try to see if it's a likely outcome" according to CSO respondent 7 (DK). CSO respondent 1 (NL) explained that it was easier to allocate successes to BankTrack once it was a network consisting of campaigning organizations targeting banks. Now most respondents were very cautious to assign any successes to their own campaigning. However, in the boundaries of this thesis, possible influence is being described as perceived by CSOs employees, banks representatives and data in the documents. Therefore, it is the interpretation of collected data.

### 5.3.1 Influence and its conditions

In general, from both CSOs and bank respondents' perspectives CSOs do have an influence on banks' fossil fuel finance. According to FFG International (2020, p. i) methodology, "The burden of the negative social and environmental effects of financial institutions loans and investments is carried disproportionately by people living in poverty. Until now it is mostly civil society organizations that report on these issues and are holding companies and financial institutions accountable for this."

CSO respondent 2 (NL) believes "that there is always a part that you played". CSO respondent 1 (NL) stated that "collectively we see how things change. We see one bank after the other announcing net-zero targets and interim targets and joining voluntary agreements and excluding sub-sectors from fossil fuels. This is all happening." Respondent 3 (NL) said "I think just from looking at examples you can see that there is definitely an impact. Banks definitely change what they do because of civil society pressure. But to quantify that would be very difficult". She is positive on the meaningfulness of their work efforts - "I am convinced that what we do does move banks from time to time." (Respondent 3 (NL)). According to CSO respondent 4 (NO), "we can tell that there is an effect although it is not that easy to measure what was us, what was other organizations or economic incentives".

From overall study observations, it seems that higher general awareness of the climate change issues helps CSOs to reach change. The features of Scandinavian countries create suitable conditions for CSOs and banks to start a dialog and engage in collaborations. High climate change awareness of Scandinavian people helps CSOs as well. The exception is Norway as people there tend to be more nuanced in fossil fuel topics. The ability of CSOs to frame the issue in an understandable manner also adds up to their influence. CSO respondent 1 (NL) thinks that "the repetition and the sustained effort creates change". According to him, "pressure on banks has to come from many sides." CSO respondent 3 (NL) shares similar feelings ("overtime all sorts of pressure leads to the bank in the end changing"). A balance is needed with confrontation and engagement ("I think it's always important to have both the inside and the outside. If you just do internal talking then you will probably won't get the results that you want fast enough because it stays a bit too friendly so you need the outside pressure for them to also feel the pressure to move" (CSO respondent 3 (NL))).

### 5.3.2 Direct influence of CSOs

#### *Increased knowledge*

CSOs can help to reduce knowledge gaps around fossil fuel finance. The work of CSOs' adds up to the increased awareness of the issue. It builds up to the anti-fossil fuel norms in society. Every report, every campaign reduces the knowledge gaps or reaches people who were previously not aware about the issues. The BOTI report was "the first systematic analysis of Nordic banks, there was no such report before" (CSO respondent 1 (NL)). It supplemented the existing work of FFG in Norway and Sweden and boosted the beginning of such work in Denmark. As CSO respondent 1 (NL) states, it is "providing ammunition". It creates content for media, for CSOs own communication channels and it can be referred to once talking with banks. It can also increase peer pressure and create "the race to the top" as CSO respondent 1 (NL) has told. He elaborates that they "deliberately put banks on the leader or laggard category and hope they will feel uncomfortable to sit in the laggard company, while their colleagues on the other side of the street are in the leader company". As CSO respondent 2

(NL) puts it, “it’s important that you have the facts, the actual information and it’s very powerful to have access to that, the numbers, the policies and to have that as a starting point”. Releasing reports and factual data allows to build up the campaigns around it. FFG is also beneficial to the banks providing them a comparison to others and insights on what banks can do better. The project has been successful in both Norway and Sweden as it gets relatively a lot of media coverage and reactions from consumers. As mentioned by CSO respondent 4 (NO), banks prefer to receive higher scores and FFG team has witnessed highly positive change in the banking sector environmental and human rights policies throughout the years.

### *Raising accountability*

CSOs also demand banks to be accountable about their financed companies and projects before society. For instance, FFG is a tool to inform consumers and empower them. FFG has a function for citizens to send pre-written letters of satisfaction or dissatisfaction which can reach banks directly. It is relatively easy and has been widely used by people. According to CSO respondent 6 (SE), in Sweden around 33 000 letters have been sent out to banks since the beginning of the FFG project. In comparison, while he was working in the banking sector, it used to be only a few letters a year from clients. Furthermore, CSOs can clearly evaluate the media attention to their actions. CSO respondent 3 (NL) suggested that “media attention itself is not really an outcome. It is a means of achieving change in the bank.” However, BT respondents as well as the ones from Sweden and Denmark were positive about the noticeable amount of media exposure of the BOTI report (“One of the main objectives of research like this is always to get more public awareness and there was quite a lot of media attention for the report and in the Scandinavian countries themselves” (CSO respondent 3 (NL))). According to CSO respondent 6 (SE), the outreach of BOTI related campaigns was significantly higher in comparison with other FFG Sweden campaigns. There were around 2500 emails sent out to banks from the public to banks showing disagreement on fossil fuel financing. The related infographic (*figure 5*) became FFG Sweden’s most shared infographic so far, also shared by politicians. BOTI report data has inspired the *Kalla Fakta* TV program investigation on SEB bank coal financing activities in Germany. There were many other news items surrounding the report in Sweden. The report also received media attention in Denmark. For instance, CSO respondent 7 (DK) mentioned that the story was covered in the second biggest newspaper in Denmark. He added that “Danske bank replied with an article themselves (...) I’m sure they had preferred not to go into the media, not to make this article” (CSO respondent 7 (DK)). Yet, the report did not receive as much attention in Norway as in the other Scandinavian countries, due to aforementioned reasons for the country’s reliance on fossil fuels. Bank respondent 1 (NO) mentioned that DNB still received some attention from the NGO’s and the general public after the Banking on Thin Ice report.”

The importance of media and public attention is the aforementioned fear of ‘bad press’ (“You can make assumptions that banks don’t want to ruin its reputation and if you are doing a lot of public naming and shaming then you probably had a part in changes if there are any changes” (CSO respondent 2 (NL))). Without legal obligations, publicity might be considered the main way to make banks accountable towards the environment and society.

### *Increased transparency and FFG scoring*

Once asked if the reports like the BOTI have an impact on their bank, bank respondent 2 said yes. He added - “I mean it motivates the bank for sure. It is not used to motivate a bank, it probably is used to bully, to push as to act. Because our other stakeholders pick up this kind of stuff and it’s really important to them” (Bank respondent 2)). Since the implementation of

FFG Norway, CSO respondent 4 (NO) has witnessed the improvements in banks' scores. From a bank perspective, bank respondent 1 (NO) shares her thoughts on their progress - "our guidelines have improved substantially in the past years. Everyone is scoring relatively quite well in FFG as compared to a couple of years back." She adds that they "see much less interest in FFG the past two years than in 2019 or 2018. The main reason for that is not the lack of interest of the public, the main reason is that Norwegian banks, and I say that for us and also the other ones, we rose up to the challenge." (Bank respondent 1 (NO)). CSO respondent 5 (NO) guessed the banks' scores developments might be caused by the public opinion and customer pressure. Bank respondent 1 (NO) mentioned that after FFG reports they receive "a little bit" more inquiries from investors. She thinks that "FFG is a better approach [in comparison with BOTI] because it looks into direct guidelines (...) They really incentivize the banks to be more transparent and to publish their guidelines. And they encourage us to have comparable guidelines. So you can compare one bank to the other. That I think is a good idea." According to CSO respondent 3 (NL), sometimes it is possible to identify your own suggestions incorporated into the policies of banks ("Sometimes you can see that your suggestions were taken into the text of the policy."). Even though banks are not willing to publicly state that they are following CSOs demands, CSO respondent 4 (NO) says sometimes they do suggest it in private conversations. Bank respondent 2 explains further that reports like BOTI "puts certain topics on the agenda". Nevertheless, bank respondent 2 did not recall any specific changes made in their policies after the BOTI report. "But for this specific report, Banking on Thin Ice, it didn't change any of our guidelines because they are already at the high level. However, they encourage us to be more vocal about the guidelines." (Bank respondent 1 (NO)) It can be suggested that banks regard CSOs campaigns seriously and that the BOTI report and FFG ratings are incentivizing banks to reconsider their policies or represent their actions more clearly to the public.

However, policies are the result of long periods of work and CSOs impact is not always significant ("There was already a text you gave an input, but there was the whole process up till even starting to write a policy text" (CSO respondent 3 (NL)). After the release of the report "there have been a few policy changes" (CSO respondent 3 (NL) but it is difficult to evaluate to what extent it was influenced by the report or CSOs activities in general. CSO respondent 3 (NL) is doubtful that a single report would have changed the bank's policies ("I guess the report itself won't have that direct of an impact").

### *Stopping banks from financing projects*

CSO respondent 1 (NL) mentions the direct impact of their campaigns on concrete case studies or 'dodgy deals'. Once they address specific projects and the bank publicly announces to be backing off from it, it is highly likely the reason for it was due to CSOs pressure. As stated in BankTrack (2021) website, "Over the years, campaigns conducted by BankTrack and our civil society allies have stopped banks from funding projects that are devastating to the environment or harmful for human rights." For instance, Scandinavian banks DNB and Nordea withdrew their finance related to the Dakota Access Pipeline project in 2017 after CSOs campaigns (BankTrack, 2021). "We do have the power to some extent to move some money away from the bad companies", CSO respondent 4 (NO) suggests. But banks do not always stop their activities just because CSOs are not happy about it. There are lots of considerations in their decisions. However, it is possible for CSOs to pressure banks with high media exposure and cause public outrage as mentioned in the *Raising awareness and accountability* section.



### 5.3.3 Indirect influence of CSOs

#### *Relationship building and change of perspectives*

CSOs work with banks creates opportunities to engage with each other. The sharing of competences may indirectly affect banks' policies and employees' perspectives, inviting them to rethink existing practices and together search for solutions. Bank respondent 1 (NO) shared her memories of working in the energy sector. According to her, 15 years ago "nobody really expected banks or capital to be part of the solution" and today she sees it as a big movement. Bank respondent 2 likewise witnessed the change of discussions surrounding sustainability issues. Sustainability became a part of business strategy along with profit considerations. There has also been a change in perceptions on the coal industry. It has become mainstream in Scandinavia to exclude the coal sector.

CSO respondent 6 (SE) is happy about the changing relationship with banks. During his career there have been some bank representatives who used to neglect environmental concerns, these employees were not willing to engage with FFG Sweden. Now the situation has changed for the better. CSO respondent 3 (NL) emphasized the benefits of developing better relationships with Scandinavian bank's employees. It allows one to get to know bank policies better and provide feedback in return. CSO respondent 4 (NO) mentions improved communication with DNB even though the bank did not fully agree with BOTI report data. CSO respondent 3 (NL) highlights the benefit of engaging with a bank to get to know their policies better and provide input. Moreover, she adds that "it helps to build the relationship with the people working at the bank (...). And if you can convince them with your message in a way that also touches them more, they will also work harder to be better." CSO respondent 6 (SE) shares his insight on the importance of relationship between CSOs and banks sustainability team with a suggestion that CSOs "existence makes their role more important within the bank". He states that even though civil society pressure is not pleasant to people working within a bank, it is one of the reasons to have a sustainability department. In addition, according to CSO respondent 2 (NL), one of the other reasons for banks to be in contact with BankTrack is to learn from them. Both bank respondents mentioned that they sometimes lack specific knowledge and CSOs have the needed expertise. CSO respondent 5 (NO) is positive about FFG as a tool to get in touch with banks and keep the dialog going. He said that "banks have given us much more insight into what they do, but also a much better opportunity to have a dialog with them." CSO respondent 7 (DK) highlighted the benefits of getting informed on banks' thinking, their progress and learning best ways to approach them.

#### *Platform for other actors*

The studied CSOs' work can be useful to other concerned groups. CSO respondent 6 (SE) shared an example how grassroots movements like Extinction Rebellion and Greenpeace added up to the success of the BOTI report in Sweden taking the report 'to the streets' and campaigning by the bank offices. It showed non-direct collaboration by one group using others' data and pushing it even further by using its own resources and helping each other. In Denmark, the BOTI report has been also disseminated further by some grassroots organizations ("you can see Extinction Rebellion using some data from these reports" (CSO respondent 7 (DK)). CSO respondent 6 (SE) shared insights on their collaborations with CSOs not related to finance and being able to help them by sharing expertise in the field. The examples included their work with human rights with Amnesty International Sweden and on

climate change with Swedish Society for Nature Conservation where FFG provides knowledge for the financial sector.

### 5.3.4 Overview

The most noticeable direct impacts originating from CSOs work was adding up to the general awareness about fossil fuel finance, media attention directed at banks, increased accountability and transparency in the reporting and policies, FFG scoring improvements and stopping specific projects. Identified indirect influences were better relationships with bank representatives which may lead to higher inclusiveness of CSOs in the future and the support to other concerned actors. The claims of CSOs have been mostly supported by responses from bank representatives. They tend to feel positive outcomes from engaging with CSOs - receiving input and sharing of knowledge, feeling both the pressure to do better and receiving support. On the other hand, bank's representatives did not provide concrete examples of when CSOs actions were affecting their policies or finance. The influence from their perspective is more of a norming nature and adds up to other stakeholders' pressure. The influence is summarized below (*table 4*).

Table 4. Researched CSOs influence summary.

CSOs influence			
Direct	Features	Indirect	Features
<b>Increased knowledge</b>	BOTI - first report of its kind in Scandinavia	<b>Relationship building</b>	Better communication with banks' employees
	Starting point for campaigns		Insights to banks policies
	Platform for general public		
<b>Raising accountability</b>	Directing media attention to banks' financing		
<b>Increased transparency and FFG scoring</b>	FFG scores improving	<b>Platform for other actors</b>	Information for grassroots movements
	Puts topics on the agenda		
	Encouraging transparency		
<b>Stopping projects</b>	'Dodgy deals' stopped		



## 6. Conclusions

Highlighting the main research question (“To what extent do the efforts of civil society organizations have an influence on the fossil fuel financing of Scandinavian commercial banks?”) this research investigated policy arrangements and the ways in which CSOs can possibly have an impact on commercial banks’ fossil fuel finance and what type of the impact there is. It was done by employing qualitative research methods. The summary of the overall findings is presented in *figure 6* below. In this section the main research question is answered, policy and future research recommendations as well as recommendations for banks and CSOs, research limitations are represented.

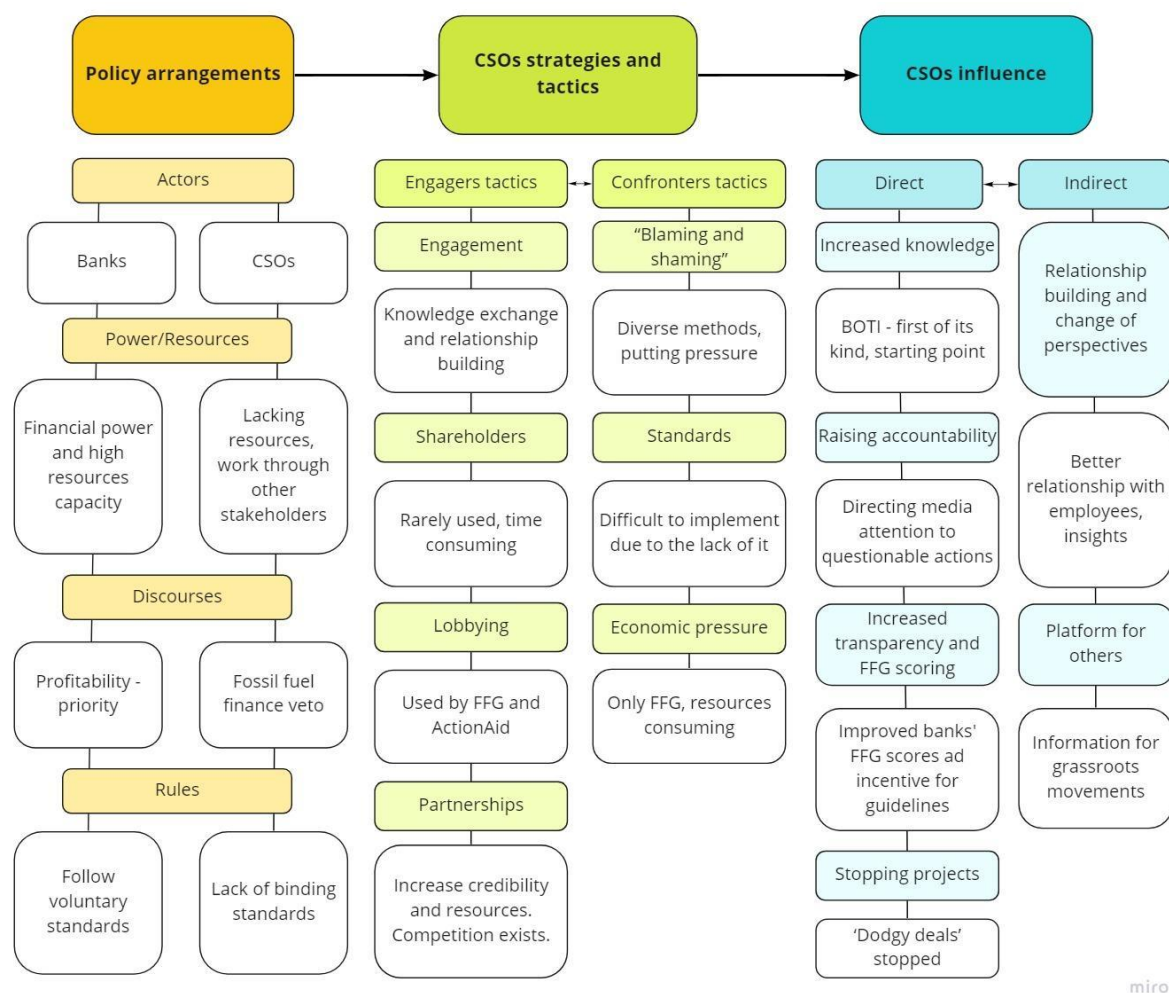


Figure 6. Summary of the results within the conceptual framework.

### 6.1 Conclusions and discussion

The study adds to the claims of Edwards (2014) that civil society actors seek ‘good governance’ to counterbalance state and market. Researched CSOs are operating in order to avoid social and environmental externalities of banks’ activities or compensate for the lack of state interference. Yet, as suggested by Beer et al. (2012) and hereby confirmed by

respondents, CSOs are very limited. Nevertheless, the study identified a diverse type of influence that originated from CSOs efforts. It can be claimed that CSOs had a role to play in Scandinavian fossil fuel finance. However, the study is limited in providing tangible measurement of this influence.

### *Policy arrangements inhibiting or reinforcing CSOs' influence*

The thesis shows that CSOs work outcomes are highly dependent on every bank's consideration of financial, reputational and regulatory risk (as explored by Georgopoulou et al., 2015; Nandy & Lodh, 2012). Scholars (see 3.3 CSOs influence > *Influence conditions*) stated that influence of CSOs depends on diverse factors. It may be the targeted bank size, inner discourses on climate change, CSR, stakeholder engagement practices, their existing dependency on fossil fuel related clients, etc. Some of these claims have been verified by the research. The explored policy arrangements illustrate that the influence of CSOs might be affected negatively by uneven power distribution. Banks do have more decisive leverage and financial power. On the other hand, CSOs are facing the lack of human and financial resources as mentioned by most CSOs. Yet, resources are not everything. FFG Norway project team is working within one of the biggest Norway's NGOs. Still, the study observations showed it did not exceed Sweden's success with the BOTI report in the media, even though FFG Sweden had significantly less resources. Most probably the attention received by FFG Norway was inhibited by the country's dependency on fossil fuels as suggested by scholars (Capasso, 2021; Norgaard, 2006) and respondents. Furthermore, the findings that banks are considering climate change issues through their profit considerations is not surprising and aligns with general perception of the profit driven financial sector (Fatemi & Fooladi, 2013).

The study adds valuable understanding on how Nordic culture is affecting the work of CSOs'. All studied banks have a lot in common with their stance about climate. This might be explained by the common cultural background (Strand et al., 2015). Both banks' and CSOs interviewees tend to confirm the claims of scholars (Midttun et al., 2015; Strand et al., 2015) about the tendencies of engaging in the open dialog and the willingness to collaborate in the Scandinavian region. Furthermore, all studied banks, being part of Scandinavian societies, have deep CSR traditions (Midttun et al., 2015; Strand et al., 2015). Considering the differences between countries, the research entailed that Norway society is more tolerant towards fossil fuels as suggested by Capasso (2021) and Norgaard (2006). According to the BOTI report findings, the biggest fossil fuel financiers in the region is DNB bank which is headquartered in Norway. Respondents from both CSOs and banks explain this by Norway's economic dependency on fossil fuels. It is reflected in Norway's banks' policies and practices. On the contrary, Sweden society seemed to be highly sensitive towards fossil fuel finance. Significant media attention, BOTI report results shared by politicians, TV programs, etc. caused a big fuss in the country. The report received a lot of interest in Denmark as well. These two countries are not relying so much on the fossil fuel industry for prosperity. One more distinction between Norway and two other studied countries was found within their sustainability reports regarding climate engineering. DNB (NO) was the only bank positive about its implementation. These findings tend to align with theory suggesting existing discourses between different banks on sustainability issues vary to some extent (as also entailed by Buranatrakul & Swierczek, 2018).

Furthermore, the demonstrated discourses between banks and CSOs were not so contradictory as entailed by Coulson (2009). 12 years have passed since Coulson (2009)

research and as both banks' and CSOs' respondents suggest, their discourse has changed immensely. Consequently, all researched banks do publicly claim their sustainability concerns and acknowledge their role in climate change mitigation. Nevertheless, banks' public discourse does not always guarantee real actions. Until now legal requirements for banks to stop fossil fuel finance did not improve significantly since Coulson (2009) research. Yet, the situation may change due to the upcoming EU legislation concerning financial institutions (EU, 2021). It can possibly influence other regions' banks. Voluntary agreements also add up to the ongoing banks' progress. However, CSOs' respondents are skeptical on how much unbinding regulations can actually achieve as already mentioned by Caby et al. (2020).

These examples show the existing policy dynamics which can affect the choice of strategies and tactics of CSOs. As expected from the theory on policy arrangements framework (Liefferink, 2006), the boundaries of actors, their power, discourses and rules are blurry and domains tend to be interconnected. While some arrangements reinforce the work of CSOs, others inhibit significant outcomes.

### *Strategies and tactics*

The most used tactics of case study CSOs included engagement with banks, CSOs coalitions building and 'blaming and shaming'. As mentioned in literature review on strategies (Van Huijstee & Glasbergen, 2008; Winston, 2002), banks tend to embrace collaborative partnerships. It may be beneficial to them in reducing risks or providing competitive advantages, etc. This tactic also provides the possibility for CSOs to direct efforts towards bank employees' perceptions and target them by ethical and moral arguments. In most cases CSOs tend to start from these types of activities before confrontations. Theoretical claims of the advantages of this tactic (Van Huijstee & Glasbergen, 2008) were confirmed by all CSOs employees and regarded as one of the keys to success.

Besides regarding the engagement and support as a tactic, interestingly it is also regarded as an outcome by many participants. Strong connection with bank representatives is regarded as an essential background for constant communication and higher possibility for the influence. For instance, FFG project leaders' constant work with Scandinavian banks resulted in increased legitimacy and involvement in banks' decisions. Consequently, it provides CSOs with the voice and direct influence on banks. Furthermore, CSOs' partnerships are considered beneficial by all CSOs respondents. Even though the research uncovered many limitations for CSOs to engage in collaborations (competition for funding and acknowledgements, different working means, etc.), respondents claim it facilitates the sharing of expertise, resources and provides more credibility. This corresponds to the theory (Edwards, 2014; Jamali & Keshishian, 2009; Yanacopulos, 2005).

Turning to confrontational tactics the most extensively mentioned in the interviews and literature was "blaming and shaming" tactics. It proved to be a valuable way to reach media and general public attention by studied CSOs'. CSOs' claims verify Beer et al. (2012) praises for this tactic. The efficiency of the tactic might be explained by the banks fear of reputational damage as already elaborated by Bowman (2013) and Gangi et al. (2019). In addition, the results of the thesis complement the suggestions by King (2008) and Rietig (2016) on how publicity may amplify the influence. Consequently, in order to receive more attention, the framing of messages comes handy as stated by scholars (Den Hond & De Bakker, 2007; Yanacopulos, 2005). Nevertheless, there is always a possibility that the media will not be

interested in the CSOs' news due to other ongoing issues in need of attention. In the case of the BOTI report it may have gotten even more attention if not Covid-19 pandemic.

Another confrontational tactic identified in the theory (Winston, 2002) and during interviews was economic pressure. It is used by the FFG project. The project is regarded as a big success by CSOs respondents. Surprisingly, it is also acknowledged as beneficial by banks' respondents. FFG significantly increased transparency and boosted environmental policies in Scandinavian banks according to banks' and CSOs' respondents' claims. This progress reflects within higher scores of banks' policies in FFG ratings. Yet, the economic pressure tactic is not used by all respondents due to difficulties in attracting mass of people (suggested by Den Hond & De Bakker (2007)). One of the explanations to add to the existing knowledge could be that the subject is not interesting enough for the general public. Besides this, other difficulties to massively pressure banks may include limited banking alternatives, unwillingness and struggles to switch banks as entailed by CSOs respondents.

Furthermore, shareholder activism tactics were not popular between researched CSOs due to its time consuming nature. BT respondents expressed their regret of not employing this tactic as much as it could be potentially valuable as entailed by the research of Cundill et al. (2018). BankTrack respondents mentioned the cancellation of planned demonstrations targeting banks' shareholders due to the Covid-19 pandemic. While Scandinavian CSOs respondents did not share any information on their engagement with stakeholders, they are involved in lobbying tactics. For instance, Norway CSOs are content about the respectful relationship with governance actors. Their work with GPF may further influence banks' guidelines. It illustrates the influence chains (Van Huijstee & Glasbergen, 2010) created by CSOs. The tactics of referring to and holding companies accountable to the standards proved to not be used much by CSOs in this case. It comes back to the lack of mandatory regulations (Coulson, 2009; Hunt & Weber, 2019). Approaching new legislation may increase the usage of this tactic in the future.

The research results entail that engagers and confronters strategies work well together providing a diverse toolbox of tactics (combination of 'carrot' and 'stick') as expected from the theory entailed by Winston (2002). They can reinforce each other and be used interchangeably. For instance, reports add to the increased knowledge and awareness raising as well as providing material for other stakeholders. Due to the importance of reputational risk (Bowman, 2013; Gangi et al., 2019) banks do tend to regard their position in reports seriously. Comparison of banks creates peer pressure and the 'race to the top' as suggested by CSOs respondents. Engaging in reporting also provides the opportunity for CSOs to get in touch with bank employees in advance before the releases of reports and create better relationships. These diverse gains from one campaigning tool illustrates how all strategies and tactics are interconnected and sometimes the distinction of them is not possible. However, CSOs must be cautious with their chosen strategies. More confrontational means may backlash and engagement may not be effective. During the interviews, Banks' respondents expressed their concerns on lack of nuances of CSOs claims. Nevertheless, the suggestions of Winston (2002) that companies tend to classify CSOs as 'responsible' or the 'radical' and portray the latter as illegitimate was not proven in this case study. Banks respondents mentioned that CSOs claims may be too dramatic in some cases, yet they understand where it comes from and do not neglect confronting CSOs.

## *Influence*

Many scholars (Bernhagen et al., 2014; Cutt & Murray, 2000; Dart, 2010; Gulbrandsen, 2005) suggest it is difficult, if not impossible, to 'measure' influence originating from work of CSOs. This research adds up to these claims. CSOs respondents do recognize the difficulties to evaluate their efforts'. When it comes to the diversity of actors (governments, scientists, media, civil society, etc.) involved in the field, it would be unfair to assign all progress in the banking sphere only to the work of CSOs'. Another reason for the result 's vagueness could be the normative nature of CSOs efforts.

Gulbrandsen (2005, p.128) suggested that "(...) institution is effective if it solves or alleviates the problem that motivated its creation". Following this idea, the research answer would be that there was no influence. Banks still finance fossil fuels and most of them do not have credible (in the eyes of CSOs') plans to stop it soon. Yet, it seems appropriate to claim that CSOs played a role in changing Scandinavian banks' fossil fuel finance. At least from CSOs and banks' respondents' perspective. Over the years CSOs have been engaging with as well as shaming banks over their lack of climate action and it adds up to the pressure to change (for more details, see 5.3 CSOs *influence*). Nevertheless, it is not clear how much of it was influenced by CSOs, higher general awareness, other actors and how much by banks own initiatives. It can be suggested that all of these different actors' actions while working together or separately are having an influence in banks' finance decisions. The topic of climate change and fossil fuels as its driving force have been widely escalated by the media in the past few years. It increased public awareness of the issue, including banks' stakeholders. It might be one of the main reasons for the banks to pay more attention to their fossil fuel finance. Possibly, CSOs had a role to play in increased media attention to the topic by forming influence chains (CSOs > Media > Stakeholder groups > Banks). Alternative explanations could be that the attention may be also caused by alarming scholarly research. Recent youth climate strikes could have added to the increased attention towards climate inaction of state and market actors. The rise of social media empowered banks' stakeholders to express their concerns more vocally than before.

## *The answer to the research question*

To conclude, this research provides a new perspective on the banking industry from the eyes of CSOs targeting their fossil fuel finance. It entails a comprehensive overview of banks' and CSOs' policies arrangements which was not done in other research before. This master thesis may be regarded as a useful addition to the general scientific knowledge about CSOs means of reaching influence. The overall observations showed that there are concrete and tangible results of CSOs work and the scope of the influence depends on the observer's point of view. If influence significance is measured by overall CSOs goals to completely stop fossil fuel finance, then their current impact may seem negligible. However, considering the limitations of CSOs, it is surprising how much they actually manage to reach within their leverage. In comparison to governmental authorities and their immense leveraging power, CSOs have managed to do much more with much less. CSOs directly increased general knowledge on banks' role in climate change in Scandinavia. They are holding banks accountable to their actions, influencing higher transparency in the field. CSOs campaigns have resulted in banks declining participation in some fossil fuel projects. Indirectly CSOs are able to influence banks through collaborations with banks' employees and empowering other actors to reach change. From this perspective CSOs might be regarded as one of the most influential agents of change in the finance industry. Nevertheless, CSOs influence are only the piece of the puzzle in fossil



fuel financing issues and it is not enough. The collaboration between civil, private and public sectors is crucial in order to produce actual solutions. Right now, as stated by respondents, the speed of changes is far from needed in order to reach the goals of the Paris agreement.

## 6.2 Recommendations

### *Recommendations for banks*

To begin with, the direct way for banks to avoid CSOs 'blaming and shaming' is to carefully check all the projects and companies they engage with. Considering long-term profitability, it seems wise to always include financial, regulatory and reputational risks in every transaction. Further suggestion derived from this thesis would be for banks to engage in collaborations with civil society more often. Constructive dialog and sharing of expertise proved to be valuable so far and could be strengthened even more. In addition, early responses to direct CSOs inquiries might allow banks to avoid confrontations with CSOs in media channels. Banks, which still do not do it, could start calculating financed emissions and disclose it openly. CSOs' representatives could be more included in the process of alternating or formulating sustainability related policies. providing more leverage to banks' own sustainability department could be fruitful in the long run. As banks do feel the lack of credible data on climate change, they could embrace the role of facilitators and financiers of filling in the knowledge gaps by partnering with CSOs and scholars. Lastly, banks can solve the lack of overarching legislation by working more closely with voluntary agreement facilitation and implementation.

### *Recommendations for CSOs*

Firstly, CSOs may increase their influence by embracing more collaborative behavior within the civil society field. Higher levels of coordination between groups could increase their leverage. Secondly, the balance of engaging and confronting may be reconsidered in some cases. Apparently, banks are missing the encouragement of their steps towards the right direction. Thirdly, Civil society's actors could also put more effort into establishing common influence measurement methods. Furthermore, the existing financial models within CSOs' tend to lack long-term sustainability. It may be improved by prioritizing effort towards fundraising and further diversifying financial resources.

### *Recommendations for further research*

Firstly, there is a significant lack of scientific research on banks' role in fossil fuel finance. Secondly, there are huge knowledge gaps considering CSOs influence and strategies effectiveness. Regarding this concrete research, it could be facilitated further by observing CSOs activities in other Europe or world regions concerning banks. It seems valuable to more thoroughly explore the role of governments and international voluntary agreements. The analysis of banks policies and its actual implementation would add up to knowledge gaps. The evaluation of existing banks' progress significance probably deserves throughout research. Regarding CSOs, a deeper look at their motivation and accountability to donors could be implemented. The comparison of CSOs targeting different sectors' strategies and tactics influence could provide more insights on tactics effectiveness and the context of failure or success of CSOs methods. Moreover, the actual awareness of the general public and their willingness to act against their money being used for fossil fuel finance could be analyzed. The exploration of possible impacts of phenomena such as Covid-19 pandemic or the rise of

social media on CSOs' work would be interesting. It was lightly touched here; yet more explicit studies could entail important insights.

## 6.3 Limitations and reflections

The implemented research is not without its flaws and specifics. The master thesis scope allows one to analyze the chosen subject profoundly and I feel I managed to capture a lot of subject aspects. However, the limited period of time might have caused some omitted details. The rush to start implementing interviews to make it on time, within the planned timeline and the lack of a strong theoretical framework before starting the interviews caused some missed opportunities for questions. Furthermore, using qualitative methods allowed to capture the complexities of diverse topics, however the used methods are the subject to researcher perceptions and judgment (Van Thiel, 2014) which might have caused biased results. It could have been even more exaggerated by my work at the internship organization, personal work experience within the CSOs field and engagement in climate change activism activities. The qualitative research form may have reduced the possibility of the generalization of findings to other types of CSOs or its targets. The existing context is much interrelated with the geographical location and contrasting with less developed countries CSOs' reality.

The fact that I did this type of research for the first time may explain the high number of changes and rewriting of parts. Furthermore, CSOs respondents might have been more positive on their effort outcomes than it could be regarded by an outsider. Banks' documents may include politically correct and expected answers. Another constraint of the study is the limited number of interview respondents, mostly from banks. Even though public banks' document analysis might compensate for this partly, still it did not provide as much details and depth as an interview could have. Also, public documents and policies do not entail much information. Most engagement happens behind closed doors resulting in difficulties to evaluate its outcomes. The fact that all study and internship periods were done online due to the Covid-19 pandemic did not ease the thesis writing process. Implementing interviews online may have caused less openness from the respondents and it was impossible to track their body language.

## 7. References

- Ählström, J., & Sjöström, E. (2005). CSOs and business partnerships: Strategies for interaction. *Business Strategy and the Environment*, 14(4), 230-240.
- Arts, B., & Van Tatenhove, J. (2006). Political modernisation. In *Institutional dynamics in environmental governance* (21-43). Springer, Dordrecht.
- Ayling, J., & Gunningham, N. (2017). Non-state governance and climate policy: The fossil fuel divestment movement. *Climate Policy*, 17(2), 131-149.
- Badie, B., Berg-Schlosser, D., Morlino, L., & Sage Publications. (2011). *International encyclopedia of political science*. SAGE.
- BankTrack (2021). BankTrack website. Retrieved on March 5, 2021 from: <https://www.banktrack.org/>
- BankTrack (2019). Moving Forward. Strategic Plan 2019-2021. Not available publicly.
- Bebbington, A. J., Hickey, S., & Mitlin, D. C. (Eds.). (2008). *Can NGOs make a difference? The challenge of development alternatives*. Zed Books Ltd.
- Beer, C.T., Bartley, T. and Roberts, W. T. (2012) NGOs: Between Advocacy, Service Provision, and Regulation. *Oxford Handbook of Governance*, Oxford University Press: 325-338 13.
- Belasri, S., Gomes, M., & Pijourlet, G. (2020). Corporate social responsibility and bank efficiency. *Journal of Multinational Financial Management*, 54, 100612.
- Bergman, N. (2018). Impacts of the fossil fuel divestment movement: Effects on finance, policy and public discourse. *Sustainability*, 10(7), 2529.
- Bernhagen, P., Dür, A., & Marshall, D. (2014). Measuring lobbying success spatially. *Interest Groups & Advocacy*, 3(2), 202-218.
- Bihari, S. C., & Pradhan, S. (2011). CSR and Performance: The story of banks in India. *Journal of Transnational Management*, 16(1), 20-35.
- Bowman, M. (2010). The role of the banking industry in facilitating climate change mitigation and the transition to a low-carbon global economy. *Environment and Planning Law Journal*, 27, 448.
- Bowman, M. (2013). Corporate care and climate change: Implications for bank practice and government policy in the United States and Australia. *Stanford Journal of Law, Business & Finance*, 19(1), 1-38.
- Breen, R. L. (2006). A practical guide to focus-group research. *Journal of geography in higher education*, 30(3), 463-475.
- Bryman, A. (2016). Social research methods. Oxford University Press.
- Buffardi, A. L., Pekkanen, R. J., & Smith, S. R. (2017). Proactive or protective? Dimensions of and advocacy activities associated with reported policy change by nonprofit organizations. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 28(3), 1226-1248.



- Buranatrakul, T., & Swierczek, F. W. (2018). Climate change strategic actions in the international banking industry. *Global Business Review*, 19(1), 32-47.
- Caby, J., Ziane, Y., & Lamarque, E. (2020). The determinants of voluntary climate change disclosure commitment and quality in the banking industry. *Technological Forecasting and Social Change*, 161, 120282.
- Capasso, M. (2021). Degrowth or Green Growth: A Reflection on the Recent Public Discourse in Norway. *Sustainability*, 13(2), 698.
- CDP (2020). Financial Services Disclosure Report 2020. The Time To Green Finance Disclosure Insight Action. Retrieved on July 16, 2021 from: <https://www.cdp.net/en/research/global-reports/financial-services-disclosure-report-2020>
- Coughlan, A.T., Anderson, E., Stern, L.W. and El-Ansary, A.I. (2001). *Marketing Channels*, 6th edn. Upper Saddle River, NJ: Prentice Hall.
- Coulson, A. B. (2009). How should banks govern the environment? Challenging the construction of action versus veto. *Business Strategy and the Environment*, 18(3), 149-161.
- Cundill, G. J., Smart, P., & Wilson, H. N. (2018). Non-financial shareholder activism: A process model for influencing corporate environmental and social performance. *International Journal of Management Reviews*, 20(2), 606-626.
- Cutt, J., & Murray, V. (2000). *Accountability and effectiveness evaluation in nonprofit organizations*. Routledge.
- Danske bank (2020). Sustainability Report 2020. Retrieved on May 10, 2021 from: <https://danskebank.com/-/media/danske-bank-com/file-cloud/2021/2/sustainability-report-2020.pdf?rev=504288465af24f53b7aa3a264750bd93&hash=124DAEB892951C4709DF5ACB6ACC08C5>
- Dart, R. (2010). A grounded qualitative study of the meanings of effectiveness in Canadian 'results-focused' environmental organizations. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 21(2), 202-219.
- Den Hond, F., & De Bakker, F. G. (2007). Ideologically motivated activism: How activist groups influence corporate social change activities. *Academy of management review*, 32(3), 901-924.
- Denscombe, M. (2007). *The Good Research Guide for small-scale social research projects* Third Edition.
- DNB (2018). Materiality analysis 2018. Retrieved on May 15, 2021 from: [https://www.dnb.no/portalfont/nedlast/en/about-us/corporate-responsibility/2018/DNB\\_Materiality-analysis-2018.pdf](https://www.dnb.no/portalfont/nedlast/en/about-us/corporate-responsibility/2018/DNB_Materiality-analysis-2018.pdf)
- DNB (2021). About the Group. Retrieved on June 31, 2021 from: <https://www.dnb.no/en/about-us/about-the-group.html>
- Edwards, M. (2014). *Civil society*. Cambridge /Oxford/ Malden, Polity press.
- Eesley, C., & Lenox, M. J. (2006). Firm responses to secondary stakeholder action. *Strategic Management Journal*, 27, 765-781.

- Eising, R. (2017). Studying interest groups: Methodological challenges and tools. *European Political Science*, 16, 291-305.
- Emel, J. (2002). An inquiry into the green disciplining of capital. *Environment and Planning A*, 34(5), 827-843.
- European Union (2021). Corporate sustainability reporting. Retrieved on May 20, 2021 from: [https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting\\_en](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en)
- EU taxonomy (2021). Taxonomy for sustainable activities. Retrieved on June 20, 2021 from: [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en)
- European Commission (2021). EU Taxonomy Climate Delegated Act. Retrieved on June 20, 2021 from: [https://ec.europa.eu/info/publications/210421-sustainable-finance-communication\\_en](https://ec.europa.eu/info/publications/210421-sustainable-finance-communication_en)
- European Union (2016). 2016/679 Directive 95/46/EC (General Data Protection Regulation). Retrieved on March 6, 2021 from <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R0679&from=EN>.
- Fatemi, A. M., & Fooladi, I. J. (2013). Sustainable finance: A new paradigm. *Global Finance Journal*, 24(2), 101-113.
- FFG International (2021). About Us. Retrieved on April 25, 2021 from: <https://fairfinanceguide.org/ff-international/about-us/>
- FFG International (2020). Fair Finance Guide International Methodology 2020. A methodology for the assessment of responsible investment and finance policies of financial institutions. Retrieved on August 2, 2021 from: <https://fairfinanceguide.org/media/496206/2020-ffi-methodology-clean-version-200827.pdf>
- Finnemore, M., & Sikkink, K. (1998). International norm dynamics and political change. *International organization*, 52(4), 887-917.
- Fischel, D.R., 2015. Fossil Fuel Divestment: A Costly and Ineffective Investment Strategy. Retrieved on June 18, 2021 from [http://divestmentfacts.com/pdf/Fischel\\_Report.pdf](http://divestmentfacts.com/pdf/Fischel_Report.pdf)
- Framtiden i våre hender, 2021. Who we are. Retrieved on March 5, 2021 from: <https://www.framtiden.no/about-us.html>
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman.
- Frooman, J. (1999). Stakeholder influence strategies. *Academy of Management Journal*, 24(2), 191-205.
- Gangi, F., Meles, A., D'Angelo, E., & Daniele, L. M. (2019). Sustainable development and corporate governance in the financial system: Are environmentally friendly banks less risky?. *Corporate Social Responsibility and Environmental Management*, 26(3), 529-547.
- Gemmill, B., & Bamidele-Izu, A. (2002). The role of NGOs and civil society in global environmental governance. *Global environmental governance: Options and opportunities*, 77-100.

- Golafshani, N. (2003). Understanding reliability and validity in qualitative research. *The qualitative report*, 8(4), 597-607.
- Government.no. The Government Pension Fund. Retrieved on June 6, 2021 from: <https://www.regjeringen.no/en/topics/the-economy/the-government-pension-fund/id1441/>
- Green, F. (2018). Anti-fossil fuel norms. *Climatic Change*, 150(1), 103-116.
- Gulbrandsen, L. H. (2005). The effectiveness of non-state governance schemes: a comparative study of forest certification in Norway and Sweden. *International Environmental Agreements: Politics, Law and Economics*, 5(2), 125-149.
- Haass, R. N. (1997). Sanctioning madness. *Foreign Aff.*, 76, 74.
- Handelsbanken (2020). Annual and Sustainability Report 2020. Retrieved on May 10, 2021 from: <https://www.handelsbanken.com/en/sustainability/sustainability-report>
- Harrison, H., Birks, M., Franklin, R., & Mills, J. (2017). Case study research: Foundations and methodological orientations. In *Forum Qualitative Sozialforschung/Forum: Qualitative Social Research* (Vol. 18, No. 1).
- Hess, D. J. (2009). The potentials and limitations of civil society research: Getting undone science done. *Sociological Inquiry*, 79(3), 306-327.
- Hunt, C., & Weber, O. (2019). Fossil fuel divestment strategies: Financial and carbon-related consequences. *Organization & Environment*, 32(1), 41-61.
- Hutter, B. M., & O'Mahony, J. (2004). *The role of civil society organisations in regulating business*. London: Centre for Analysis of Risk and Regulation, London School of Economics and Political Science.
- Investopedia (2021). Commercial Bank. Retrieved on June 20, 2021 from: <https://www.investopedia.com/terms/c/commercialbank.asp>
- IPCC (2018). Summary for Policymakers. In: Global Warming of 1.5°C. In Press. Retrieved on February 18, 2021 from: <https://www.ipcc.ch/sr15/>
- Jamali, D., & Keshishian, T. (2009). Uneasy alliances: Lessons learned from partnerships between businesses and NGOs in the context of CSR. *Journal of business Ethics*, 84(2), 277-295.
- Jyske (2020). Sustainability Report 2020. Retrieved on May 10, 2021 from: <https://investor.jyskebank.com/wps/wcm/connect/jbc/fe6b1ee5-e980-42fa-aadb-6ac2c5efdc4/Sustainability+Report+2020+%281%29.pdf?MOD=AJPERES&CVID=nzZZumr>
- Kassinis, G., & Vafeas, N. (2006). Stakeholder pressure and environmental performance. *Academy of Management Journal*, 49, 145-159.
- King, B. G. (2008). A political mediation model of corporate response to social movement activism. *Administrative Science Quarterly*, 53, 395-421.
- Kirk, J. & Miller, M. L. (1986) *Reliability and validity in Qualitative research* (pp. 22-32). SAGE Publications, Inc., <https://www.doi.org/10.4135/9781412985659>

- Klausen, K. K., & Selle, P. (1996). The third sector in Scandinavia. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 7(2), 99-122.
- Laplume, A. O., Sonpar, K., & Litz, R. A. (2008). Stakeholder theory: Reviewing a theory that moves us. *Journal of management*, 34(6), 1152-1189.
- Liefferink, D. (2006). The dynamics of policy arrangements: turning round the tetrahedron. In *Institutional dynamics in environmental governance* (pp. 45-68). Springer, Dordrecht.
- Mellemfolkeligt Samvirke, 2021. About MS. Retrieved on March 5, 2021 from: <https://www.ms.dk/om-os>
- Midttun, A., Gjølberg, M., Kourula, A., Sweet, S., & Vallentin, S. (2015). Public policies for corporate social responsibility in four Nordic countries: Harmony of goals and conflict of means. *Business & Society*, 54(4), 464-500.
- Miles, M. B. and Huberman, A. M. 1984. *Qualitative data analysis: a sourcebook of new methods*, London: Sage.
- Mintrom, M., & Norman, P. (2009). Policy entrepreneurship and policy change. *Policy Studies Journal*, 37(4), 649-667.
- Missbach, A. (2004). The Equator Principles: Drawing the line for socially responsible banks? An interim review from an NGO perspective. *Development*, 47(3), 78-84.
- Mol, A. P. (2010). Ecological modernization as a social theory of environmental reform. *The international handbook of environmental sociology*, 63-76.
- Nandy, M., & Lodh, S. (2012). Do banks value the eco-friendliness of firms in their corporate lending decisions? Some empirical evidence. *International Review of Financial Analysis*, 25, 83-93.
- Nordea (2020). Sustainability Report 2020. Retrieved on May 10, 2021 from: <https://www.nordea.com/en/sustainability/reports>
- Norgaard, K. M. (2006). "We don't really want to know" environmental justice and socially organized denial of global warming in Norway. *Organization & Environment*, 19(3), 347-370.
- Pacheco-Vega, R., & Murdie, A. (2021). When do environmental NGOs work? A test of the conditional effectiveness of environmental advocacy. *Environmental Politics*, 30(1-2), 180-201.
- PCAF (2020). The Global GHG Accounting and Reporting Standard for the Financial Industry. First edition. Retrieved on May 20, 2021 from: <https://carbonaccountingfinancials.com/>
- PRB (2021). Principles for Responsible Banking. Retrieved on May 20, 2021 from: <https://www.unepfi.org/banking/bankingprinciples/>
- Rainforest Action Network (RAN) (2021). Banking on Climate Change. Fossil Fuel Finance Report 2021. Retrieved on May 1, 2021 from: <https://www.ran.org/wp-content/uploads/2021/03/Banking-on-Climate-Chaos-2021.pdf>
- Rashid, I., & Simpson, S. (2019). Civil society activism, strategic alignment and international public policy making for spectrum. *Journal of Civil Society*, 15(1), 62-81.

- Reid, E. M., & Toffel, M. W. (2009). Responding to public and private politics: Corporate disclosure of climate change strategies. *Strategic Management Journal*, 30(11), 1157-1178.
- Rietig, K. (2016). The power of strategy: environmental NGO influence in international climate negotiations. *Global Governance: A Review of Multilateralism and International Organizations*, 22(2), 269-288.
- Scott, J., & Marshall, G. (Eds.). (2009). *A dictionary of sociology*. Oxford University Press, USA.
- SEB (2020). Annual and Sustainability Report 2020. Retrieved on May 10, 2021 from: [https://webapp.sebgroup.com/mb/mblib.nsf/alldocsbyunid/D72AE0D376C45559C12586A700502AB8/\\$FILE/sustainability\\_report\\_incl\\_tcfcd\\_2020.pdf](https://webapp.sebgroup.com/mb/mblib.nsf/alldocsbyunid/D72AE0D376C45559C12586A700502AB8/$FILE/sustainability_report_incl_tcfcd_2020.pdf)
- Steurer, R. (2013). Disentangling governance: a synoptic view of regulation by government, business and civil society. *Policy Sciences*, 46(4), 387-410.
- Strand, R., Freeman, R. E., & Hockerts, K. (2015). Corporate social responsibility and sustainability in Scandinavia: An overview. *Journal of Business Ethics*, 127(1), 1-15.
- Sveriges Konsumenter, 2021. About us. Retrieved on March 5, 2021 from: <https://www.sverigeskonsumenter.se/om-oss/>
- Sydbank (2020). CSR Report 2020. Retrieved on May 10, 2021 from: <https://ipaper.ipapercms.dk/Sydbank/regnskaber-2020/csr-report-for-2020/>
- TCFD (2021). About. Retrieved on May 20, 2021 from: <https://www.fsb-tcf.org/about/#task-force-members>
- The Guardian (2014). Why Scandinavia is not the model for global prosperity we should all pursue. Retrieved on June 20, 2021 from: <https://www.theguardian.com/sustainable-business/2014/dec/01/why-scandinavia-is-not-the-model-for-global-prosperity-we-should-all-pursue>
- Trinks, A., Scholtens, B., Mulder, M., & Dam, L. (2018). Fossil fuel divestment and portfolio performance. *Ecological economics*, 146, 740-748.
- UNEPFI (United Nations Environmental Programme Finance Initiative) (2021). Net-zero Banking Alliance. Retrieved on June 15, 2021 from: <https://www.unepfi.org/net-zero-banking/>
- UNFCCC (2015). The Paris Agreement. Retrieved on February 18, 2021 from: [https://unfccc.int/sites/default/files/english\\_paris\\_agreement.pdf](https://unfccc.int/sites/default/files/english_paris_agreement.pdf)
- Van Huijstee, M., & Glasbergen, P. (2008). The practice of stakeholder dialogue between multinationals and NGOs. *Corporate Social Responsibility and Environmental Management*, 15(5), 298-310.
- Van Huijstee, M., & Glasbergen, P. (2010). Business–NGO Interactions in a multi-stakeholder context. *Business and Society Review*, 115(3), 249-284.
- Van Thiel, S. (2014). *Research Methods in Public Administration and Public Management. An Introduction*. Routledge.
- Weber, O., Scholz, R. W., & Michalik, G. (2010). Incorporating sustainability criteria into credit risk management. *Business strategy and the environment*, 19(1), 39-50.

- Winston, M. (2002). NGO strategies for promoting corporate social responsibility. *Ethics & International Affairs*, 16(1), 71-87.
- Yanacopulos, H. (2005). The strategies that bind: NGO coalitions and their influence. *Global Networks*, 5(1), 93-110.
- Zietsma, C., & Winn, M. I. (2008). Building chains and directing flows: Strategies and tactics of mutual influence in stakeholder conflicts. *Business & Society*, 47(1), 68-101.

# Appendices

## Appendix 1. Banks covered in the BOTI report

List of banks covered in the BOTI report:

1. Danske Bank (Denmark)
2. DNB (Norway)
3. Jyske Bank Group (Denmark)
4. Nordea (Finland)
5. Nykredit Group (Denmark)
6. Skandinaviska Enskilda Banken (Sweden)
7. SpareBank 1 SR-Bank (Norway)
8. Svenska Handelsbanken (Sweden)
9. Swedbank (Sweden)
10. Sydbank (Denmark)

## Appendix 2. Interview guide with CSOs

List of questions for CSOs:

1. Can you introduce yourself? (Role in the organization, experience)
2. What was your role in the process of writing the "Banking on Thin Ice" report?
3. What was your organization's role in it?
4. The Nordic region is considered to be "green" and sustainable in the eyes of the public. Do you feel it is a valid claim?
5. Any other specific insights for this region's commercial banking sector in particular with regards to other world regions?
6. In general, are banks usually willing to communicate about their fossil fuel finance? (Are there some topics which are usually avoided by banks?)
7. What do your organization do in order to influence banks' fossil fuel finance? Which of the tactics you believe is the most effective?
8. What kind of conditions are needed for banks to change their practices?
9. Do you have any ways to measure the success or failure of your efforts?
10. What are the biggest obstacles to reach a change in the banking sector?
11. What kind of struggles do civil society organizations face in general?
12. Do you have suggestions on how to overcome these issues from your own experience?
13. Do you have anything else to share with regards to campaigning towards banks' fossil fuel policies, Nordic banks?

## Appendix 3. Interview guide with banks

List of questions for banks:

1. Can you shortly introduce yourself? (Role in the bank, experience)
2. Do you notice any difference for the Nordic region's commercial banking sector in particular with regards to other world regions' fossil fuel finance policies/practices?
3. What external and internal factors motivate a bank to change its fossil fuel related finance?
4. What are the main obstacles for a bank to change their fossil fuel related finance and its policies?
5. While talking with civil society organization members they often mention that they have a good relationship with bank representatives. What motivates a bank to engage with civil society organizations which often could be seen as opposing the bank's activities?
6. You were involved in communication with civil society organizations (BankTrack, Fair Finance Guide project in Norway and others) with regards to their report "Banking on Thin Ice". Do you think these kinds of reports are motivating the bank to overview or alter its fossil fuel related policies or finance?
7. Do you believe that civil society organizations' campaigns (for example, Fair Finance Guide ratings, "Banking on Thin Ice" report, engagement regarding concrete projects etc.) have any impact on your banks' fossil fuel related practices?
8. Are you, as a bank representative, satisfied with the communication with civil society groups?
9. Can you think of any ways the relationship between the bank and civil society targeting the bank's fossil fuel finance could be improved?
10. Do you have anything else to share with regards to civil society organizations communication targeting banks' fossil fuel policies?



## Appendix 4. Research coding scheme

Code group	Code	Number of quotations
<b>Context</b>	Challenges_banks	76
	Challenges_CSOs	77
	Challenges_pandemic	13
	Contex_Scandinavian_features	84
	Contex_CSO_Banks_relations	69
	Context_standards	39
	Context_other_actors	21
	Context_other	29
	Discourse_banks	37
	Discourse_CSOs	42
<b>Strategies</b>	Blaming_shaming	78
	Economic_pressure	6
	Engagement_support	28
	Strategies_standards	16
	Litigation	5
	Lobbying	6
	Partnerships	44
	Shareholder_activism	4
	Social_auditing	24
	Others	9
<b>Influence</b>	Indicators	25
	Influence	75
<b>Other</b>	Recommendations	22
	Report_limitations	15
	Transparency	30
	Role_in_report	10