

Introduction and research questions

In the E.U., immediately after the financial crisis of 2007-2009, to strengthen the goals of risk management and monitoring, especially with reference to the strategic role of boards of directors, some legislative measures were taken on the subject of diversity. The interventions of the legislator emphasized the relevance of diversity of sex, age, cultural background, and geographical origin both in the composition of the administrative and control bodies and in the management of companies. Gender diversity was also considered particularly relevant, so much so that it was at the centre of a series of rigorous E.U. measures.

In more recent years, the E.U. legislator has focused its attention on the issue of sustainability and on the reporting of the results that companies achieve from an environmental, social and governance point of view. The production of legislation has also been accompanied by an intense proliferation of academic literature amid a growing concern among the business world about the integration of ESG objectives into the usual financial and economic purposes of companies.

In this context, the management of diversity and, consequently, the attitude of companies toward inclusion, has become not only a declination of sustainability, but also a way to better integrate ESG goals into company strategy. This was particularly evident in the banking sector, where monitoring in the pursuit of diversity management (DM) and sustainability objectives was strengthened by the role of the sector's supervisory (both E.U. and local) authorities.

The aim of the manuscript is to analyze how the E.U.'s diversity strategy has been implemented in the banking sector and whether it cannot be separated from the simultaneous achievement of the objectives of inclusion and sustainability. It also aims to detect how diversity and inclusion policies are described in non-financial reports of banks.

The research questions the manuscript aims to answer are therefore the following:

- 1) Have the top E.U. listed banks developed an adequate DM policy, so as to eliminate any possible discrimination?
- 2) How do E.U. listed banks report their ability to manage diversity? In which sections of their reports? By which KPI?
- 3) Do the top E.U. listed banks provide inclusion policies, comprising the new emerging kinds of inclusion, such as digital and financial?

After having highlighted, in the introduction, the research questions, the first chapter will be focused on the relationship between diversity, inclusion and sustainability, from a theoretical point of view. Particularly, an analysis of the current literature will be carried out, both on the relationship between sustainability and ESG, on one hand, and diversity and inclusion on the other.

The second chapter will be dedicated to the illustration of the E.U. regulatory production in the fields of sustainability and diversity, with specific reference to the banking sector. Specifically, the legal provisions on non-financial disclosure – more recently called sustainability disclosure – and on the principles of diversity in the composition of the boards and of the top management will be briefly described.

The empirical research will be developed in the third chapter. After a focus on the research questions, the method of the analysis and the selection of the sample of E.U. banks, attention will be paid to the data and the meaning of the results collected. Firstly, the method that will be used for the empirical analysis will be described. Then, the selection process for the sample of the main E.U. banks will be illustrated and the significance of the units in terms of volume and size will be discussed. Lastly, the results of the analysis will be described in several tables and further commented on.

The manuscript will be complemented by a discussion on the limits of research and its possible future developments.