

POSITION PAPER



ESBG comments on disclosure of environmental, social and governance (ESG) information

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1. Introduction

European Savings Bank Group (ESBG) member banks have a strong and longstanding commitment to sustainable development and address their corporate social responsibility (CSR) as an integral part of their business. In this context CSR is defined as a concept whereby companies integrate social and environmental concerns into their business operations and their interaction with their stakeholders on a voluntary basis. ESBG members' involvement stretches from engagement in microcredit, financial inclusion and financial education projects to environmental action, preservation of cultural heritage and a number of other areas.

ESBG participated with great interest in the European Commission's workshops in 2009 and 2010 to discuss the disclosure of environmental, social and governance (ESG) information. ESBG deemed the workshops useful to enhance the discussion on stakeholders' needs and expectations as regards information disclosure, also with the aim to prepare the work and possible future policy actions of the new Commission in this field.

2. ESBG comments on ESG disclosure and the way forward

In relation to the aspect of CSR activities carried out within savings banks as such, ESBG continues to advocate the importance of taking a voluntary approach towards CSR.

If a company decides to report on these activities, ESBG agrees with providing a reduced set of indicators or a common framework to make the disclosed information more comparable, consistent over time, comprehensible and reliable. However, a stronger focus on the disclosure of ESG information should not take place at the expense of ESG activities as such as additional burdensome administration for responsible business may hinder the development of CSR instead of promoting it.

Thus, ESBG is in favour of a European approach rather than different national approaches to respond to the international dimension of business performances in a more and more globalised world and for the sake of comparability. This would also prevent businesses from being forced to respond to various national disclosure requirements which would be extremely burdensome and increase red tape. The possible set of pre-defined indicators should be based on already existing and well established reporting guidelines, such as GRI. More in detail, it could exist of a core set of indicators with additional voluntary elements to give businesses more flexibility to stress specific parts of their engagement or to use their sectorial or individual reporting for ESG disclosure. In any case, the format, frequency and content of the report or other form of disclosure should solely lie within the reporting company's responsibility.

ESBG is looking forward to continue the discussion on ESG disclosure with stakeholders, the Commission and other European Institutions and stands ready to contribute to the development of a future ESG disclosure strategy.



About ESBG (European Savings Banks Group)

ESBG (European Savings Banks Group) is an international banking association that represents one of the largest European retail banking networks, comprising about one third of the retail banking market in Europe, with total assets of € 5.972 billion (1 January 2008). It represents the interest of its members vis-à-vis the EU Institutions and generates, facilitates and manages high quality cross-border banking projects.

ESBG Members are typically savings and retail banks or associations thereof. They are often organised in decentralised networks and offer their services throughout their region. ESBG Member banks have reinvested responsibly in their region for many decades and are one distinct benchmark for corporate social responsibility activities throughout Europe and the world.



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