



EUROPEAN SAVINGS BANKS GROUP
GROUPEMENT EUROPEEN DES CAISSES D'EPARGNE
EUROPÄISCHE SPARKASSENVEREINIGUNG

DOC 0712/06
(Vers. 1.0.)

3 July 2006
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***ESBG Position paper
on the European Communication on CSR***

The European Savings Banks Group (ESBG) welcomes the adoption of the European Commission's Communication on Corporate Social Responsibility (CSR) and the definition of an EU strategy in this field, to support European competitiveness and sustainable growth.

Savings banks' commitment to CSR

Savings banks embody a "stakeholder" model, seeking at the same time to be profitable, but also to bring value and return to the whole community of stakeholders which surround them - suppliers, customers, employees and the local community in which they operate. Community investment activities (improvement of living conditions, support to greater social cohesion, education projects etc) are therefore an integral part of savings banks' identity throughout Europe and one of their distinctive features amongst financial players.

However, it is nowadays only one of the pillars of their broader, balanced and comprehensive CSR approach, which increasingly include all the various CSR components –human resources, human rights, relations with suppliers and customers, corporate governance, environment, community and society- and cover a whole range of fields, such as financial literacy, proximity banking and access to finance, microcredit, transparency and corporate governance measures, workforce training and life-long learning, targeted actions to support SME clients business, CSR raising awareness activities, introduction of ethical criteria in financial products, etc. As genuine and long-standing socially responsible actors, European savings banks proved able to adjust and to innovate, to diversify their socially responsible initiatives to anticipate stakeholders' needs and demands, in the evolving context and concerns of the society in which they operate. Through their customer proximity relationship and their banking insertion initiatives in particular, specifically in the microcredit field, they play a major role to strengthen social cohesion.

More information and examples of CSR projects and policies developed by European savings banks can be found in the Report "*Savings banks socially responsible activities, a wealth of experience*"¹ or on the ESBG dedicated webpages².

¹ <http://www.savings-banks-events.org/csr/Documents/CSR%20report%20%20version%20for%20screenview.pdf>

² accessible from www.savings-banks.com



Scope and focus of savings banks' CSR activities

As proximity banks, savings banks tend to develop a CSR focused project policy, based on their close relationship with stakeholders and beneficiaries. They are decentralised organisations, with a large network which gives them a thorough understanding of the local socio-economic context. Therefore, they have always mainly contributed to local and regional economic and social development, including in the most remote areas and underserved communities. They favour the financing and supporting of projects with a targeted outreach, tailored to the local and regional citizens' needs. The multiplicity of these focused actions create decisive input for local economic dynamism and place savings banks in a unique position to act as catalyst for local action.

This local, medium and small-scale dimension of CSR needs better recognition, specifically at EU level, as it reflects the plurality and richness of the European businesses and entrepreneurs' community, and thus their specific approach to CSR.

In this respect, ESBG and its members can only welcome the fact that the European Commission identifies companies as primary actors on CSR. But the CSR concept must mirror the diversity of business practices developed throughout the European Union, and put on an equal footing the achievements of multinational, listed companies and the contribution of all other business actors -SMEs, local companies, non-limited stock companies, publicly-owned companies, foundations, etc-. They are an integral part of and contribute to the dynamism, growth and competitiveness of the corporate European landscape. All have a role to play. Diversity is also an asset as regards CSR.

This would be all the more significant as the Communication situates CSR as a key element to contribute to the Lisbon strategy's agenda and builds a close relation between sustainability and more and better jobs.

Support to the voluntary approach of CSR

The ESBG welcomes the confirmation by the European Commission that CSR is based on a voluntary approach.

European savings banks support the creation of an EU enabling environment for CSR, rather than a binding framework. They are convinced that this approach will encourage EU companies, including savings banks, to integrate CSR principles in their strategy and implement CSR processes at their own pace and following their own priorities. Besides, this will avoid any costly and additional legal requirements imposed on companies, which could prevent development and innovation.

Participation to the European Alliance for CSR

The ESBG and its members are convinced that initiatives led by the European Commission in partnership with market representatives will lead to further progress in CSR engagement and achievements. They support the principle of "A European Alliance for CSR" and believe that its success will require the implication of all categories of businesses active on European markets, whatever their size, scope of activities or business sectors, including those with a local, regional or national focus, as one main driving force for European competitiveness and innovation.



In this respect, ESBG, its member banks and national associations would like to actively participate in the planned targeted and open coalitions of market players for the development of joint projects, to provide substantive input from the angle of economic actors with a strong regional CSR involvement.

More specifically, the close connections of savings banks with SMEs in the various European markets make them helpful partners for the dissemination of CSR practices, and facilitators in helping them deploy their potential in CSR.

About the CSR concept

The ESBG fully shares the European Commission's objective of promoting and encouraging further the taking-up of CSR activities by European companies. This requires that as broad a range of actors as possible in as many areas as feasible is fully recognised for their socially responsible contribution. This implies that the positive end-result of actions undertaken – social cohesion, sustainable economic development, long-term preservation of the environment, involvement and empowerment of employees, etc- should prevail over the operational nature or the legal basis on which the company is providing this contribution.

All in all, what needs to be taken into consideration is not the structure through which socially responsible activities are carried out, but the value and impact for economic and social cohesion provided by such activities. Locally rooted, long-standing, continuous and sustainable social investments and contributions, which provide direct return to society and to the economy, should be recognised, encouraged and promoted.