

Brussels, 28th July 2014

Subject: European Banking Federation's answer to the Commission public consultation regarding the European Commission's strategy on Corporate Social Responsibility 2011-2014: achievements, shortcomings and future challenges.

Launched in 1960, the European Banking Federation (EBF) is the voice of the European banking sector from the European Union and European Free Trade Association countries. The EBF represents the interests of some 4,500 banks, large and small, wholesale and retail, local and cross-border financial institutions. Together, these banks account for over 80% of the total assets and deposits and some 80% of all bank loans in the EU alone.

Please find below the EBF's contribution to the public consultation:

In order to ease the readability of the document the EBF answers are highlighted in grey.

2 About the Respondent

2.1 Please indicate your full name: The European Banking Federation (EBF)

2.2 Please provide your contact details (e-mail, phone no.)

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2.3 Are you replying as:

European Industry association

2.4 Your country/ies - if responding on behalf of an organisation/association/authority, please specify all

countries represented by your membership*

Austria
Belgium
Bulgaria
Croatia
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary

Ireland
Italy
Latvia
Lithuania
Luxembourg
Malta
Netherlands
Poland
Portugal
Romania
Slovakia
Slovenia
Spain
Sweden
United Kingdom

Other, please specify

2.4 Other

The EBF represents national banking associations from 28 EU Member States, 4 EFTA countries and 13 associates countries.

2.5 How would you prefer your contribution to be published on the Commission website?

Under the name indicated (I consent to publication of all information in my contribution and I declare that none of it is under copyright restrictions that prevent publication)

~~**Anonymously** (I consent to publication of all information in my contribution except my Name/the name of my organisation and I declare that none of it is under copyright restrictions that prevent publication)~~

~~**Not at all – keep it confidential** (The contribution will not be published, but will be used internally within the Commission)~~

3 The role of the Commission in CSR

3.1 Please indicate whether you think that the Commission **should engage in a policy on CSR?**

(5 = highest, 1 = lowest indicator)

5-4 3 2-1

3.2 Please indicate whether you think that the Commission **puts adequate emphasis on CSR?**

(5 = highest, 1 = lowest indicator)

5-4 3 2-1

3.3 To date, who would you say have been the **most important actors in promoting CSR?**

Please choose maximum three answers

Private sector (Company, Social enterprise, Business Associations, Investment community)

Public authorities (European, National, Regional, Local)

International organisations

Civil Society Organisations (CSO)

Consumers (citizens)

Business customers

Academia (universities, including business schools, research organisations)

Others, please specify

3.3 Others*

Text of 1 to 100 characters will be accepted

4 About the Commission's activities in CSR

4.1 How would you assess the **overall impact** of the Commission's policy on CSR?

~~Very useful~~

Useful

~~Less useful~~

~~Not useful~~

~~Neutral~~

4.2 What would you say has been the **most important contribution** of the CSR Communication (COM (2011) 681)?

Please choose maximum three answers

~~A new definition of CSR~~

~~International leadership and setting of minimum expectations in CSR~~

Emphasising the importance of CSR with companies and the society as a whole

Mainstreaming CSR in a wide range of policies

Enhancement of visibility (CSR awards, MSF platforms)

~~Improving framework conditions (market incentives, e.g. public procurement)~~

The proposal for a Directive on the disclosure of non-financial and diversity information by certain large companies and groups

~~Publication of guiding material on CSR~~

Other, please specify (maximum 100 characters)

4.2 Other*

Text of 1 to 100 characters will be accepted

4.3 In the 2011 CSR Communication (COM (2011) 681), the Commission outlined an agenda for action which includes eight priority work streams. Regarding the topics of this agenda for action, **please assess the activity streams according to importance:**

Very important

Important

Less important

1. Enhancing the visibility of CSR and disseminating good practices (see European CSR awards, multi-stakeholder platforms) important

2. Improving and tracking levels of trust in business important

3. Improving self-and co-regulation processes important

4. Enhancing market reward for CSR:

A. Consumption less important

B. Public Procurement important

C. Investment important

5. Improving company disclosure of social and environmental information **important**
6. Further integrating CSR into education, training and research **important**
7. Emphasising the importance of national and sub-national CSR policies **important**
8. Better aligning European and global approaches to CSR:
 - A. Focusing on internationally recognised CSR principles and guidelines **important**
 - B. Implementing the UN Guiding Principles on Business and Human Rights **important**
 - C. Emphasising CSR in relations with other countries and regions in the world **important**

4.4 In the 2011 CSR Communication (COM (2011) 681), the Commission outlined an agenda for action which includes eight priority work streams.

Please indicate if you believe that the Commission was **successful with the implementation of these activities or not**.

Very successful
Somewhat successful
Not successful
I don't know

1. Enhancing the visibility of CSR and disseminating good practices (see European CSR awards, multi-stakeholder platforms) **somewhat successful**
2. Improving and tracking levels of trust in business **somewhat successful**
3. Improving self-and co-regulation processes **somewhat successful**
4. Enhancing market reward for CSR:
 - A. Consumption **Somewhat successful**
 - B. Public Procurement **Somewhat successful**
 - C. Investment **Somewhat successful**
5. Improving company disclosure of social and, environmental information **somewhat successful**
6. Further integrating CSR into education, training and research **somewhat successful**
7. Emphasising the importance of national and sub-national CSR policies **somewhat successful**
8. Better aligning European and global approaches to CSR:
 - A. Focusing on internationally recognised CSR principles and guidelines **very successful**
 - B. Implementing the UN Guiding Principles on Business and Human Rights **Somewhat successful**
 - C. Emphasising CSR in relations with other countries and regions in the world **somewhat successful**

4.4 Please specify why (1)*

Text of 1 to 100 characters will be accepted

4.4 Please specify why (2)*

Text of 1 to 100 characters will be accepted

4.4 Please specify why (3)*

Text of 1 to 100 characters will be accepted

4.4 Please specify why (4 A)*

Text of 1 to 100 characters will be accepted

4.4 Please specify why (4 B)*

Text of 1 to 100 characters will be accepted

4.4 Please specify why (4 C)*

Text of 1 to 100 characters will be accepted

4.4 Please specify why (5)*

Text of 1 to 100 characters will be accepted

4.4 Please specify why (6)*

Text of 1 to 100 characters will be accepted

4.4 Please specify why (7)*

Text of 1 to 100 characters will be accepted

4.4 Please specify why (8 A)*

4.4 Please specify why (8 A)*

Text of 1 to 100 characters will be accepted

4.4 Please specify why (8 B)*

Text of 1 to 100 characters will be accepted

4.4 Please specify why (8 C)*

Text of 1 to 100 characters will be accepted

4.5 Were there any shortcomings or activities missing in the agenda for action of the 2011 CSR Communication (COM (2011) 681)?

Yes (please specify)

No

I don't know

4.5 Please specify

4.6 Outside the agenda for action, do you think CSR gave an **important impetus for other policy initiatives**? If so, which ones?

Country-by-country reporting/ disclosure requirements for the extractive industry and loggers of primary forests: Revision of the Accounting Directives ([78/660/EEC](#) and [83/349/EEC](#)) and the Transparency Directive ([2004/109/EC](#))

Proposal for a [Regulation setting up a Union system for supply chain due diligence self-certification of responsible importers of tin, tantalum and tungsten, their ores, and gold originating in conflict affected and high-risk areas](#) and Joint Communication on [Responsible sourcing of minerals originating in conflict-affected and high-risk areas: Towards an integrated EU approach](#)

Other, please specify

4.6 Other*

As far as the banking sector is concerned the Commission's Communication gave the opportunity to raise awareness regarding CSR issues; to assess how to better tackle them and make sure CSR is taken into consideration in the day-to-day business. More specifically, the Commission's Communication was an opportunity for the EBF to put the issue on the agenda. A dedicated expert group has been set up in January 2013. The EBF has positioned itself as the voice of its members and informs them on a regular basis regarding CSR activities and trends. It was an occasion as well for the EBF to establish partnerships with EU and international stakeholders. The EBF has published a report, "Corporate Social Responsibility across the European Banking Sector - An EBF Overview of Best Practices 2013" which demonstrates the variety of initiatives and the level of commitment of the sector.

4.7 Do you think that there were **other initiatives with an impact on CSR**?

Yes (please specify)

No

I don't know

4.7 Please specify*

Text of 1 to 300 characters will be accepted

5 Future issues on CSR

5.1 What would you say should be the **role of the Commission** in CSR?

~~International standard setting / leadership in CSR~~

~~Raising the awareness and visibility of CSR~~

~~Bringing stakeholders together around key CSR issues~~

~~Supporting companies in implementing CSR~~

~~The Commission should not be active in CSR at all~~

Other, please specify

5.1 Other*

Text of 1 to 250 characters will be accepted

5.2 For the future EU policy on CSR, what would you suggest should be the **main objectives**?

Please rank your top-5 priorities (1 = highest, 5 = lowest)

1 2 3 4 5

2 To achieve an international global level playing field, through e.g. third country cooperation, engagement in international fora etc.

1 To raise the visibility and importance of CSR amongst all societal actors

3 To implement the UN Guiding Principles on business and human rights

2 To support companies in adhering to CSR principles, e.g. through guiding material

3 To promote transparency measures on CSR (e.g. reporting, sustainable responsible investment etc.)

2 To enhance market reward for CSR (e.g. through public

2 To enhance market reward for CSR (e.g. through public procurement, investment or consumer policies)

2 To work on better education on CSR (business schools, universities, etc.)

2 To strengthen the cooperation with EU member states and regions on CSR

Other, please specify

5.2 Other, please specify*

Text of 1 to 250 characters will be accepted

5.3 What would you say are the **main challenges for an EU policy on CSR** in the future?

The EBF believes that CSR should remain on voluntary basis. Should the Commission publish a new communication on CSR it should focus on how to better strike a balance between dissemination and marketing aspects of CSR initiatives in the private sector. The Commission should emphasise the success of CSR approaches in the sector. The Commission is seen as a catalyst, it should not hamper any CSR initiatives and contribute to the success of CSR initiatives. The Commission is kindly invited to take a broader view on the private sector, taking into account the social aspects of employment, and not restrict its approach to the "industrial" aspects of CSR (ie. Carbone footprint, impact on the environment...)

5.4 Please indicate whether you would say that CSR has an **important impact on the medium/long-term competitiveness of the EU economy**?

(5 = highest, 1 = lowest indicator)

5

4

3

2

1

5.5 Please indicate whether you would say that CSR has an **important impact on the sustainability of the EU economy as a whole?**

(5 = highest, 1 = lowest indicator)

5

4

3

2

1

5.6 Why would you say that CSR is **important for companies?**

The industrial sector, with its heavy direct footprint on society, has taken the lead in the CSR debate during recent decades. In more recent years, the service sector is becoming increasingly active in this debate, although CSR remains to be broadly accepted in the international private sector as a whole. The role of the private sector in society appears to be evolving. There is an increasing interest of a broader set of various stakeholders (as opposed to only one: shareholders). These stakeholders consider the private sector as accountable towards society at large and therefore urge those companies to develop CSR initiatives. To be a successful company in the 21st century, accountability and responsibility, as well as sustainability, will need to be acknowledged

5.7 Why would you say that CSR is **important for society?**

The EBF considers that CSR on its own is not an objective. The discussion and the legislative developments around CSR are seen as facilitators toward a next fundamental transition in the development of the private sector and its role in society. This transition moves a mostly industrial private sector that was accountable only towards its shareholders to a private sector answering to a broader set of stakeholders (including shareholders, employees, consumers and everyone else in the value chain). In this way, CSR holds the potential of being a catalyst for moving towards a more sustainable society in which the interests of all stakeholders are acknowledged.