

EBA consultation on draft Guidelines on the benchmarking of diversity practices, including diversity practices and the gender pay gap

High-level position paper – Executive summary

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The European Savings and Retail Banking Group (ESBG) submitted its response to the consultation launched by the European Banking Authority (EBA) in April 2023 on draft Guidelines on the benchmarking of diversity practices, including diversity policies and gender pay gap under the Capital Requirements Directive (CRD) and the Investment Firms Directive (IFD).

The aim of the guidelines

The Guidelines cover the collection of data on institutions and investment firms diversity policies, diversity practices and the gender pay-gap at the level of the management body.

The proposed guidelines are necessary to ensure a **harmonised** benchmarking of diversity practices, including the composition of the management body, diversity policies and the gender pay disparity at the level of the management body of institutions and investment firms.

By benchmarking diversity practices, regulatory bodies can **effectively track changes in diversity patterns** over time. This process also enables the **identification of prevalent practices** in this regard.

ESBG's concerns

ESBG pointed out in its response that the EBA draft overlooks the specificity of each country. For example, in certain Member States like Germany, the local authority selects the management body members. In such cases, the institutions have no say in choosing the supervisory body members, which means they do not adhere to diversity guidelines for these individuals.

In addition, ESBG asked EBA to:

- ✓ replace a vague specification of the time frame (“in good time”);
- ✓ provide criteria for the sample of institutions and investment firms;
- ✓ specify the deadlines in certain circumstances; and
- ✓ provide more clarification in the section on the instructions for the calculation of the gender pay gap.

Besides, ESBG stressed that the distinction between the management body in its management function and the management body in its supervisory function (2-tier system) is not sufficiently clear.

Also, ESBG raised its concerns over some annexes.