

Cossack¹ lava as a method to achieve ESG goals

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"Cossack lava is not a formation, which is controlled by precisely defined commands that require harmonious and simultaneous execution, but tactical actions of cavalry without specific forms and formations.

Lava takes the formation that promises the greater success at the moment.

Its success depends on the resourcefulness and intelligence of its commander and all ordinary riders.

Lava requires the independence of each individual fighter, but unites the actions of all lava, attention to the sign and order of the commander and striving for one goal, which should be clear to everyone"

Count F. Keller

Several cavalry questions

Saint Petersburg, 1910

ESG - management principles are becoming more and more popular with the state, business and the population. If we remove the rhetoric, "hype", then we come to the idea that ESG principles expand the space of considered risks (environmental, social, managerial) and the horizon of risks: in the interests of present and future generations.

For Center-invest Bank, ESG principles are not a "new goal", but an inner state of mind, a business model that has proven its sustainability throughout all the challenges and crises of the past 30 years.

Where did the founders, managers, employees, and customers get the idea of sustainable development 30 years ago? The Don Cossacks historically lived in a hostile environment, they used to make their own decisions and take into account the risks of the environment and take care not only of their own children and grandchildren, but also those of their fallen comrades. In practice, the management system "Cossack Lava" was used not only in battle, but also in solving local self-government issues, that is why the public council - the Cossack "square" – was used for important social and political decision-making.

¹ The Cossacks are a group of Orthodox Christian people, who became known as members of democratic, self-governing, semi-military communities originating in the steppes of Eastern Europ. They inhabited sparsely populated areas and islands in the lower Dnieper, Don, Terek and played an important role in the historical and cultural development of both Ukraine and Russia.

The introduction of ESG - principles follows the trajectory of the introduction of any innovations: "boom - panic - punishment of the innocent - praise and honors for the non-participants", but the Cossacks also formulated a behavior rule for this case: "when you give an instruction, you should teach how to do it, supervise, and finally, do it yourself (And don't forget to say "thank you" for your trust").

Guided by the Cossack principles, Center-invest Bank prepared and published the first manual in Russia "[ESG-banking: made in Russia](#)"², translated the publication into English, which caused both surprise and respect of foreign partners. The Association of Russian Banks supported the creation of the ESG-banking project group and approved [Practical Recommendations for the implementation of ESG-banking in Russia](#)³, which contain a very flexible system of proven solutions for taxonomy, management structure and functions, ESG-banking business strategy, ESG – risk management and ESG-reporting.

Caring not only about the current moment, but also the next generation required practical training and support for youth initiatives in the implementation of new social, economic, environmental and infrastructure projects in the region, taking into account the Sustainable Development Goals. To this end, the Bank launched, together with universities of southern Russia, the "[SDGs and me](#)"⁴ contest. Center-invest Bank supported the publication of statistical reports, "[Rostov Region - Moving Towards achieving Sustainable Development Goals](#)"⁵. At the regional level, such reports were released for the first time.

The conference of the Analytical Center "Expert Yug" "ESG-risks for the Southern Russia" which took place on the 26th of May 2021 in Rostov-on-Don, showed that many enterprises are already ready to present their activities in terms of the SDGs, implement specific projects to achieve specific goals and national projects, and inform their customers about this work.

² https://www.centrinvest.ru/files/smi/pdf/ESG_BANKING_2020.pdf

³ <https://asros.ru/upload/iblock/164/Practical-recommendations-of-the-banking-community-on-the-introduction-of-ESG-banking-in-Russia.pdf>

⁴ <https://17sdg.ru/en/>

⁵ <https://www.centrinvest.ru/en/about/news/36594/>