

# NFU Activity report 2020

## Introduction

The year of 2020 will be a year nobody will forget. The outbreak of the Covid-19 virus and the development of the pandemic affected millions of people worldwide and left countries to bear the devastating loss of human lives. While primarily a health crisis, the pandemic sent waves to all sectors, leaving a shock foreseeably much deeper than the global financial crisis of 2007/2008. This led European and global economies to a standstill. Political discussions nationally and on EU level were needed to create a common approach and to decide on using the flexibility of 'old' instruments while creating new fiscal and monetary measures that could help in rebooting and recovery.

This unprecedented situation left space for evaluation and learning. It showed the role and responsibility of the financial sector in societies in a new light, with financial institutions and employees being at the forefront in helping customers and facilitating financing for the public sector, SMEs and households.

Another noteworthy change was the change of working environment – following the outbreak, a massive number of workers were suddenly asked to work from home, leading to bigger flexibility and putting more freedom and trust in workers for planning and executing their tasks. If this approach leads to increased health and wellbeing, it might challenge and even change, in the long run, the work processes as we know them. The 'working from home' approach has, on the downside, also meant an increase in reported practical problems with setting up office at home. Even more so, it brought about physical and mental health concerns, such as loneliness and depression among workers, due to the prolonged period of distance work

The unions themselves also had to adapt. New platforms for training were created, webinar series with hundreds of participants and even digital congresses took place. NFU took part in the Covid-19 Taskforce which was set up by Uni Europa Finance before the summer. The group identified the most urgent challenges for the society and the unions in relation to Covid, and the final result included a list of recommendations that were sent to the new Commissioner for Financial Services.

In many ways it was business as usual, but online. One main topic that has been high on the trade union agenda is the Commission proposal for an EU directive to ensure that the

workers in the EU are protected by adequate minimum wages presented in October. We fear that EU legislation will both interfere with the social partners' wage setting and lead to an intrusion into the autonomy of the trade unions and employers. In the Nordic countries, a directive will have direct and negative effects on both collective bargaining and wage-setting, and ultimately on actual wage levels.

On a more positive note, many of the NFU affiliates saw an increase in membership. In the beginning of the year trade union UNIO from Finland applied for membership, meaning that NFU gained more strength and representativeness. Furthermore, it became known that VVL would merge into Pro in the start of 2021. With their membership, NFU now represents all banking and insurance sectors in the Nordics.

In these challenging circumstances, with the vaccines providing some light in the tunnel, we within NFU promise to continue to be the strong voice of the employees in the Nordic finance sector, and we will do it together with you, the affiliates.

## **NFU Activities 2020**

In the following, NFU's activities and results in 2020 are presented according to the structure in the NFU Work Plan 2019-2020. The corresponding goals in the Work Plan (WP) are listed after each headline.

### 1. Agenda Setting

#### 1.1 Building Expertise and Knowledge

##### **Coping with Compliance (WP 1.1)**

One of the key missions of NFU is to contribute to the discussions on the Nordic financial sector through research that highlights the employee perspective. In 2018, NFU decided to make a follow-up study on its previous report about the impact of regulatory requirements – Coping with Compliance.

The study aims to identify areas where there is a conflict of interests between the compliance requirements, procedures, reaching company targets, and providing good customer service and strong consumer protection. The original plan was to carry out the study through focus groups interviews, with both compliance officers and employees working in sales and advice. In March 2020, the first focus group was carried out with a group of compliance officers in Denmark.

Additional focus group interviews were planned for Spring 2020; however, they were

cancelled following the COVID-19 outbreak, due to travel restrictions and social distancing. Following this, it was decided to redesign the study and carry it out as individual interviews over phone/video call instead. During the second half of 2020, the study and questionnaire has been redesigned to fit the new format and potential interview participants have been identified and contacted with the help of the NFU affiliates.

Due to changes in the NFU secretariat, CPH learning, an external consultant firm linked to Copenhagen Business School was hired to conduct the interviews. The aim is to present the final report before summer 2021.

### **Monitoring (WP 1.2)**

The NFU Secretariat regularly monitors the development in the finance sectors and at EU level through the monitoring tool Awareness. The monitoring contributes to building expertise and knowledge and plays a key part in supporting NFU's policy and agenda setting work. The monitoring work has also been shared through a number of NFU blogs during 2020, covering for example topics such as the changed EU agenda and Nordic cooperation in the light of covid-19.

### **Cooperation with the research community (WP 1.3)**

Connecting NFU's work to scientific research and promoting research on Nordic financial sector is essential for our work. NFU has been a sponsor of Copenhagen Business School's research project, "Nordic Finance and the Good Society II" since 2019. NFU has a permanent seat in the advisory board. During the course of 2020, NFU has participated in advisory board meetings, providing input on the different research areas. Through this work, NFU has managed to bring forward the importance of an employee perspective in the Nordic financial sector. During the year NFU has also developed the cooperation with the research community regarding AML, anti-money laundering.

## 1.2 Promoting NFU Policies

### **Initiate and coordinate NFU reaction to relevant EU regulation proposals including the European Supervisory Authorities (WP 1.2.1, 1.2.4)**

Over the course of the year, the secretariat has succeeded in making its voice heard on a number of files currently being discussed in the EU.

The secretariat also attended a number of public hearings organised by the Commission, as well as participating in the two consultation meetings held with DG FISMA. During these interactions, NFU continued its efforts to push the Sustainable Finance agenda toward containing more of a social angle and to ensure a voice for trade unions in the transition.

These efforts seem to have paid off, as the Commission during the year expressed its intention to develop a social taxonomy in the near future. Anti-Money Laundering is another topic where NFU has helped push forward the debate in the EU, both during meetings with DG FISMA and through participation in the CEPS working group set up to develop a report on suggestions for future AML legislation.

Following the outbreak of Covid-19, it quickly became clear that the crisis would not only be health related, but also very likely would lead to a financial crisis. For this purpose, a task force was put together by UNI Europa Finance, assembling participants from all over Europe to work on a set of recommendation to put forward to the Commission. NFU participated in the work of this group on behalf of its members. The discussions in the group centered around a range of topics, which included the Financial Recovery Plan, the Sustainable Finance and Green Deal packages, the AML 5 package, the planned review of the Consumer Credit Directive as well as Non-performing loans (NPL). Particularly NFU position paper on a social dimension to the Sustainable finance file was well received as were comments on the Recovery Plan and the consumer credit directive review. The work of the task force was concluded in the fall of 2020, with a letter of introduction sent by UNI Europa Finance to the new Commissioner for Finance, which included the list of recommendations prepared by the group.

Concerning the ESAs, all three organisations had to modify their work plans to account for the changed world situation. For ESMA, this has included intensifying its coordination with NCAs. In order to help market participants' business continuity, ESMA throughout the year clarified the requirements regarding the recording of telephone conversations, provided relief regarding a number of implementation deadlines, including that regarding SFTR, and coordinated the implementation of short selling measures in a number of member states. Topics covered throughout the year include, the Benchmarks Regulation, Corporate Disclosure, Credit Rating Agencies Supervision, EMIR refit reporting requirements, MiFID II/MiFIR Measures, Short Selling Measures and Securities Financing Transactions Regulation Backloading.

For EBA, the focus continued to be on the implementation of Basel III, Anti Money-Laundering, Sustainable finance and Digital finance. With the Brexit negotiations taking place throughout the year, EBA also provided the Commission with recommendations for points to look out for in the negotiations. They furthermore took a closer look at the cost of compliance with regulatory reporting, mandates for investment firms and a comprehensive approach to loan origination. They also continued to develop guidelines for financial education and literacy as well as improving depositor protection.

For EIOPA, a large focus of the year has been on the planned 2020 review of the Solvency II legislation. While the start of the review itself was until late 2020, a good number of opinions

and consultations about the file were published throughout the year. Concurrently, EIOPA worked with NCAs to ensure financial stability, market integrity, consumer protection and ensure business continuity. The measures used included recommendations on supervisory flexibility regarding deadlines of supervisory reporting and public disclosure by insurers. Attention was also paid during the year to the Pan European Pension Product, Occupational Pensions, Sustainable finance. The Insurance Distribution Directive (IDD) and packaged retail and insurance-based investment products (PRIIPs) also received attention in order to ensure a uniform implementation.

**NFU-UNI coordination on regulatory and other union policy matters (WP 1.2.1, 1.2.2, 1.2.3, 1.2.4)**

The good cooperation between NFU and UNI continued throughout 2020. NFU continued to take an active part in the meetings with DG FISMA, as well as to support with input when necessary. Additionally, NFU continued to participate in the Policy Making Working Group (PMWG). NFU also participated in the creation of the UNI Europa Finance Glossary of Financial Terms for the COVID-19 crisis.

In the area of sustainable finance, NFU supported UNI Europa Finance in the application process for the Platform on Sustainable Finance, launched by the European Commission, as well as UNI Finance in the application process for the Civil Society Advisory Board, launched by UNEP FI to complement their work with the industry within the Principles for Responsible Banking.

The beginning of the year also brought the positive news that the joint UNI-NFU project on the developments in Fintech and their potential impact on employment in the financial sector and collective bargaining was approved for funding by the European Commission. This two-year long project, with particular focus on Denmark, Estonia, the Netherlands and Sweden, is now in the process of implementation.

Lastly, NFU and UNI devoted more resources to ensure good coordination in the carryout of the joint regulatory work. As part of this, NFU independently or in cooperation with UNI Europa Finance responded to several consultations:

- European Commission: Public consultation on the review of prudential rules for insurance and reinsurance companies (Solvency II)
- European Commission: Consultation on the Renewed Sustainable Finance Strategy
- European Commission: Consultation on a Retail Payments Strategy for the EU
- European Commission: Public Consultation on Gender Pay Gap – Transparency of Pay for Men and Women
- European Commission: Alignment EU rules on capital requirements to international standards (prudential requirements and market discipline)

- European Commission: Public consultation on the review of the MiFID II /MiFIR regulatory framework
- European Commission: Review of the Non-financial Reporting Directive
- European Commission: A new Digital Finance Strategy for Europe/FinTech Action Plan
- European Commission: Money laundering & Terrorism financing – Action Plan
- European Commission: Establishment of an EU Green Bond Standard
- European Commission: Sustainable Corporate Governance (Roadmap)
- ESMA Consultation on Draft advice under Article 8 of the Taxonomy Regulation
- EBA/ESMA Consultation on Joint Guidelines on Suitability
- EBA Consultation on Guidelines on Internal Governance
- EBA Consultation on Draft Guidelines on Consumer Due Diligence and ML-TF risk factors
- EBA Consultation Draft RTS on Revised identified staff for remuneration purposes
- EBA Consultation on Comprehensive ITS on financial institutions' public disclosure
- EIOPA Consultation on the proposal for Guidelines on ICT security and governance
- EIOPA Consultation Paper on the Opinion on the 2020 Review of Solvency II
- Joint ESA Consultation Paper concerning ESG Disclosures
- EIB: Stakeholder Engagement on the EIB Group Climate Bank Roadmap 2021-2025

### **Sustainable Finance (WP 1.2.1, 1.2.3, 1.2.5, 1.2.7)**

Sustainable Finance remained high on the EU agenda, as well as on the agenda of NFU and its member unions. At the beginning of the year, NFU focused on disseminating its newly adopted Policy Paper 'Making Headway to Sustainable Finance' to relevant stakeholders. Furthermore, NFU continued to follow the final developments ahead of the formal adoption of the Taxonomy Regulation, as well as the conclusions of the work of the Technical Expert Group (TEG) and the presentation of their four key reports.

The earlier introduction of the European Green Deal, coupled with the existing Action Plan: Financing Sustainable Growth and the emerging COVID-19 pandemic resulted with a proposal by the European Commission to merge these three pivotal documents into a Renewed Sustainable Finance Strategy. NFU responded to the extensive consultation feeding into the development of the Strategy, which is due to be released later in 2021. In parallel to that, NFU actively participated in relevant consultations and consultative events, given EU's focus on technical work in the past period.

In addition to supporting UNI Europa Finance, NFU also joined the Working Group on Sustainable Finance, organized by Finance Watch. In parallel, the relations with UNEP FI were maintained, particularly on the work with the Principles on Responsible Banking and the composition of its supporting body, the Civil Society Advisory Board. NFU also was invited to present the work on sustainable finance at the Finance Watch AGM, NFU's Policy

Affairs Forum, and at Forena's Board Meeting in February 2020. NFU's work was also featured in Forena and Forsikringsforbundet's branch magazines, respectively.

Internally, NFU started the operations with the internal NFU Reference Group on Sustainable Finance. The group consists of representatives from the NFU affiliates who gather to exchange on the EU developments on sustainable finance, as well as national developments and trade union activities. Following NFU's Policy Paper, the Management Board discussed and agreed on the priorities and next steps for NFU in the area of sustainable finance.

### **Continuous network-building (WP 1.2.6, 1.2.7)**

Due to the consequences of the COVID-19 pandemic, most of the conferences, hearings and other official events of 2020 were cancelled or moved online. This disrupted the usual dynamics of in-person meetings and networking but the digital environment also created some new opportunities.

NFU continued its close cooperation with UNEP FI on sustainable finance as well as with the OECD on the topic of workplace financial education. Following the participation in the Working Group on Sustainable Finance, the relations with Finance Watch were deepened, and a working relation was re-established with the new setting of ShareAction.

On the institutional side, the relation with EIOPA was particularly strengthened, both through in-person meetings and follow up actions, as well as NFU's ability to actively participate in the digital public hearings of the European Commission and the ESAs, particularly in the work of the ESMA SMSG (Securities and Markets Stakeholders Group). Lastly, NFU also established contact with the European Investment Bank (EIB) and participated in a consultation process concerning sustainability.

## **2. Union Cooperation**

### **2.1 Internal cooperation**

#### **NFU Policy Affairs Forum**

In February 2020, NFU hosted the NFU Policy Affairs Forum "Union Cooperation 2.0 – Supporting a Sustainable finance sector" in Oslo, Norway. The aim was to provide the participants with the opportunity to exchange expertise on the topic while stimulating future cooperation and coordination on policy issues. 15 participants from the NFU member unions secretariat participated in the forum, discussing sustainability and Sustainable finance from a trade union perspective. Sunniva Bratt Slette from Storebrand

also participated as a guest speaker, presenting Storebrand's work with sustainable investments to the participants.

### **NFU Negotiators' Forum**

The NFU Negotiators' forum was held online in November 2020. The theme of the forum was "Collective bargaining and the impact of COVID-19". In total 8 participants, working with collective agreements and negotiations, from the NFU member unions took part of the forum, which set out to discuss and exchange experiences on how to deal with the impact of COVID-19 and collective bargaining with fellow Nordic colleagues from the NFU member union.

### **Work with transnational union issues (WP 2.1.5)**

NFU has through its participation in the UNI Europa EWC working group collected and disseminated information on transnational union and EWC issues. In addition, NFU has conducted a survey among the member unions EWC's on the impact of COVID-19 on transnational union work.

The discussions on the EU initiative on a minimum wage has continued during 2020. NFU has followed the initiative and shared relevant information with its affiliates as the situation has developed.

## 2.2 External cooperation

### **Cooperation with UNI, ETUC, NFS and other relevant trade union organizations (2.2.1)**

NFU has regularly participated in the UNI Europa EU Policy Making Working Group. The working group discusses cross-sectoral EU policy issues with relevance for the UNI Europa sectors. During 2020, noteworthy topics that has been discussed has been covid-19, Brexit and the EU minimum wage discussion.

In 2020, UNI Europa Finance established a Collective Bargaining Working Group to deal specifically with collective bargaining. NFU has been a part of the Working Group and has participated in 2 meetings, discussing the right to disconnect, remote work and the right to be present in the office.

NFU also regularly participates in the Swedish Confederation of Professional Employees' EU-network to network and stay updated on cross-sectoral issues of importance and EU work done by trade unions in other sectors. NFU has followed the impact and response to covid-19 as well as the EU initiative on minimum wage closely during 2020.



Following the initiative by the Nordic Ministers for Enterprise on establishing a Nordic post-COVID strategy for the economy, NFS initiated an open letter to the Nordic Council of Ministers, lifting the Nordic tripartite dialogue as a way forward in developing the strategy. The letter was co-signed by NFU and the wider Nordic trade union movement.

### **European Sectorial Social Dialogues on Insurance and Bank (WP 2.2.2)**

**The Bank Social Dialogue** remained active throughout the year, despite shifting its operation fully online. Following the COVID-19 pandemic, the European Social Partners from the banking and insurance sectors signed a joint statement. The statement called for responsibility and efficiency in handling the crisis and crisis measures, as well as consideration of the needs and solidarity with finance sector workers, who stood at the frontline, helping communities, families and businesses navigate the new circumstances.

Furthermore, the social partners in the bank social dialogue successfully finalized the negotiations concerning the joint declaration addressing sales and advice. The joint declaration, under the title 'Employment aspects of providing financial services including guidance' was signed in the first half of the year.

A significant part of the work with the bank social dialogue focused on Pillar II of the joint project 'The impact of Banking Regulation on Employment - Analysing best practice on European, national and company level and developing joint approaches through ESD'. The countries included in this follow up were France, Germany, Italy, Malta, the Netherlands, Romania, Spain and Sweden. While Pillar I of the project was a mapping exercise about the impact of banking regulation on employment generally, Pillar II focused on an in-depth analysis of the impact on several fields, including employment, compliance, business models, customer relations, level playing field, and the future of work. The project was finalized with a closing conference, where both the project report and project conclusions were presented by the social partners. Throughout the project duration, NFU was represented in the Steering Group for the project and thus closely followed and participated in all project activities.

Lastly, NFU took a proactive approach in the process of preparing the new Work Programme 2021-2022, through consulting its member unions and delivering early input to UNI ahead of the negotiations with the employers.

**The Insurance Social Dialogue** continued its work during the year. Negotiations regarding a joint declaration on Artificial Intelligence have come far, and the declaration will likely be adopted at the next meeting in March 2021. Main points for UNI Europa Finance and NFU have been transparency and responsible artificial intelligence. At the beginning of the process, NFU joined the drafting group for the joint declaration, and in a small group

setting actively participated in the shaping of the declaration, consulting its affiliates on the way.

In parallel, the process for developing a joint declaration on Gender and Diversity was kickstarted, and while NFU did not have enough capacity to join the drafting group for this declaration, together with the input from the affiliates, we sent out initial thoughts and feedback. At the moment, the social partners are too far apart in their views, and the negotiations are expected to continue in 2021.

Lastly, NFU also took a proactive approach in the development of the new Work Programme 2021-2022 for the Insurance Social Dialogue, both through sending early input to UNI and through engaging in the discussion on the new work programme via Thought Exchange.

In 2020, NFU took the first steps towards engaging more in the **Central Banks Social Dialogue** through participating in the UNI Europa Finance working group for central banks workers. It is expected that NFU will continue taking part in the meetings of the working group, and if the participation rules allow it, also in the general and SSM social dialogue meetings.

### 3. Communication

NFU's communication efforts support the aim to be recognized as a competent and influential dialogue partner at all levels. Through clear and target-oriented communication, NFU constantly seeks to improve the communicative methods. Striving to increase NFU's visibility towards both internal and external parties is a cornerstone of this approach.

#### **News, blog and social media (WP 3.1.1)**

Due to limited resources in the NFU secretariat during 2020, the communication activities have focused on the updating the NFU website and social media sites with relevant information. The NFU Update is also a part of NFU's communication with members unions and other stakeholders. Two NFU Update's has been sent out during 2020. The NFU Secretariat has also continued to develop the NFU website and its content. During 2020, several news and blog posts has been published on the NFU website, covering topics such as the appointment of Carin Hallerström as new NFU General Secretary, the joining of UNIO to NFU, Sustainable Finance and the covid-19 crisis.

#### **Communication on NFU's policies, activities and results in financial regulation (WP 3.3.2)**

The EU Update continued to be delivered monthly to NFU affiliates, functioning as an NFU-

internal summary including information about important EU developments, EU financial regulation, and other relevant EU-wide information. The initiative will continue throughout 2021, as well.

## Annex. Governance and Administration

### Management Board members

President	Michael Budolfson, (MB) Finansforbundet, Denmark
Vice President	Susanne Lindberg (SL), Forena, Sweden
Titular members	Rauni Söderlund (RS), Trade Union Pro, Finland
	Ulrika Boëthius (UB), Finansförbundet, Sweden
	Arne Fredrik Håstein (AFH), Finansforbundet, Norway
	Lone Clausen (LC), Forsikringsforbundet, Denmark
	Ari Skúlason (AS), SSF, Iceland
	Vigdis Mathisen (VM), Finansforbundet, Norway
	Minna Ahtiainen (MA), UNIO, Finland (Board member since the second meeting 2020)

### Management Board meetings

The Management Board has held four meetings during the year:

1. The first meeting, 20<sup>th</sup> of February, was held in the FSU-Sweden's office's in Stockholm.
  - Participants: MB, LC, SL, UB, AFH, VM, RS, AS
  - Secretariat: Morten Clausen, Vasilka Lalevska, Annika Stenström, Shervin Vahedi
2. 25<sup>th</sup> of May, online in Teams,
  - Participants: MB, SL, LC, UB, AFH, VM, RS, AS, MA

- Secretariat: Morten Clausen, Vasilka Lalevska, Annika Stenström, Shervin Vahedi
3. 22<sup>nd</sup> of September, online in Teams
- Participants: MB, SL, LC, UB, MA, VM, AFH, RS, AS
  - Secretariat: Morten Clausen, Carin Hallerström, Vasilka Lalevska, Annika Stenström, Shervin Vahedi
4. 19<sup>th</sup> of November, online in Teams.
- Participants: MB, SL, LC, Rikard Nyström, Finansförbundet, MA, VM, AFH, RS, AS
  - Secretariat: Morten Clausen, Carin Hallerström, Vasilka Lalevska
  - External guests: Ben Richards, Unite, Dag Arne Kristensen, Finansforbundet Norge.

### Presidium meetings

4<sup>th</sup> of May, Participants: Michael Budolfson, Susanne Lindberg, Vasilka Lalevska and Shervin Vahedi

25<sup>th</sup> of June, Participants: Michael Budolfson, Susanne Lindberg, Vasilka Lalevska, Annika Stenström and Shervin Vahedi

3<sup>rd</sup> of November, Participants: Michael Budolfson, Susanne Lindberg, Carin Hallerström.

### Union Council

The Union Council has had two extraordinary per capsulam Union Council meetings. The first meeting (Sep 21<sup>st</sup>) was to decide to postpone the Union Council until 2021, and to prolong the mandates for:

1. The NFU President until the Union Council 2021
2. The NFU Vice-President until the Union Council 2021
3. The mandate of the NFU Auditors until the Union Council 2021
4. The mandate of the NFU Policy Platform 2019-20 until the Union Council 2021
5. The mandate of the NFU Work Plan 2019-20 until the Union Council 2021

The second per capsulam meeting (Nov 26<sup>th</sup>) was held to approve the Annual and Activity reports 2019, and to approve freedom from liability for the NFU management board.

### **The NFU Secretariat**

The NFU Secretariat and the presidium started off the year in search of a new General Secretary, following the resignation of Arvid Ahrin by the end of December 2019. Head of EU Affairs Vasilka Lalevska worked full-time during the year and stood for a lot of the continuity in the Secretariat. policy advisor Shervin Vahedi worked full time as the replacement of Annika until the end of September. During spring policy advisor Annika Stenström was partly on study leave. Furthermore, as from mid-November Annika went on six months leave to try a new position at the Swedish Competition authority.

Morten Clausen continued to work half-time for NFU, as stipulated in the agreement between NFU and UNI Europa Finance for full-time sponsorship of a policy officer position in the UNI Europa Finance Secretariat.

As from September, NFU finally had its new General Secretary, Carin Hallerström, in place.