NFU Webinar on Sustainable Finance

Launch of the Position Paper ´Mainstreaming the Social Agenda in Sustainable Finance´

November 15th 2021
12:00-13:00
Question 1

- When it comes to social sustainability, which are the areas you would like to see immediate action on?
  - Advancing equality and diversity
  - Fostering social dialogue, collective bargaining and freedom of association
  - Decent job creation and life-long learning
  - Human rights due diligence
  - Creating quality work environments
1. Welcome & Introduction
2. Presentation of the publication
3. Conversation with Signe Andreasen Lysgaard
   Danish Institute for Human Rights / Platform on Sustainable Finance
4. Closing
When it comes to social sustainability, which are the areas you would like to see immediate action on?

- Advancing equality and diversity: 33%
- Fostering social dialogue, collective bargaining and freedom of association: 7%
- Decent job creation and life-long learning: 20%
- Strengthening human rights due diligence, across value/supply chains: 33%
- Creating quality work environments: 7%
Mainstreaming the social agenda in sustainable finance
NFU and sustainable finance

**Sustainable Finance is More than Sustainable Investments**

- ESG approach - focusing on what
- People and community-centric
- New orientation for all stakeholders based on transparency, long-termism and trust

**Holistic Approach**

- Climate/environmental agenda has been prioritized
- Equal footing with social (and governance) developments to follow
Three main aims of the Position Paper

1. Views on the social agenda in sustainable finance

2. Value-adding role of finance sector employees and trade unions

3. Key policy recommendations (EU level)
Defining social considerations

Interest in social issues on the rise

among regulators, finance sector and Europeans

Good basis within existing work

Developments so far focused on climate/environment, EU policies and strategies as well as work of social partners can support these efforts.

Social considerations could be defined as the manner in which any entity engages with its key stakeholders and the footprint that its policies and operations leave on their rights.

Positive outcomes towards people (including workers and customers), value/supply chains and communities. Dialogue, respect or advancing rights.

Negative outcomes towards stakeholders. Rights are harmed or denied.
Social agenda: general considerations

Specificities on working with the social agenda

Foundation
- EU Treaties or international instruments as basis, local context

Definitions
- Varying definitions in reporting frameworks

Data
- Quality and availability of data on social and labor issues

Activity vs Entity
- Social impacts usually visible on company/entity level

Efforts vs Effects
- Effort of companies, not effect of policies - measuring

No offsetting
- Direct, measurable effect that cannot be offset
Role of finance sector employees

Putting the finance sector at the forefront of sustainable finance means putting employees in the driver’s seat
Crucial to consider their specific roles and needs

- **Toward consumers**: Employees are the ones who consumers will approach to better understand what sustainable finance is and receive personalized advice. Resources and competence needed.
- **Toward a sound financial sector**: Employees as value-creators and contributors to sustainable working life through advancing ways of carrying out their duties, the work environment, representation.
- **Toward sound implementation of fin.regulation**: Employees are key for implementation of regulation. Their insights are needed in disclosure, assessments of administrative burden and putting the framework into practice.
- **Toward the fin.system and wider society**: Employees’ efforts increase financial inclusion and improve transparency. Strengthen efforts against fraud, tax evasion, money laundering, greenwashing and social washing.
Role of trade unions

Trade unions are uniquely equipped to support the vision of sustainability

- Active stakeholders & shapers of public policy
- Broad understanding of national political realities and implications on the labor market and wider society
- Competent to discuss everyday work realities of employees
- Dual power of financial trade unions – understanding fin. regulation while approaching with a social lens

NFU Position Paper

Mainstreaming the social agenda in sustainable finance

Annex: Activities carried out by financial trade unions in the Nordic countries
NFU´s Policy Recommendations

Starting with overarching policy principles

**Holistic approach**
Environmental, social and governance considerations are given the same level of attention.

**Policy coherence**
Due to different timing of key legislative pieces, to secure common understanding and reporting.

**Inclusion and competence**
Financial and digital inclusion, the power of advice and sustainability-related competence.

**Social dialogue reinforcement**
Many of the discussed issues could benefit the perspective of social partners.

**New challenges/opportunities**
Digitalization, data (employee/consumer, greenwashing, social washing, FinTech, BigTech).
Taxonomy

Disclosure

Corporate Sustainability Reporting

Sustainable Corporate Governance

European Green Deal

COVID-19 and recovery plans

Main and connected areas
• Moving forward with social objectives
• Procedures on minimum safeguards
• Strengthened Platform on Sustainable Finance

• Balance in disclosed information
• Alignment between SFDR and Taxonomy on social matters
• Competence development and guidance for employees

• Clear role for trade unions in assurance process and identification of material topics
• Reimagining of EFRAG
**Sustainable Corporate Governance**
- Binding due diligence obligations
- Trade union rights as gateway to the fulfillment of other rights

**European Green Deal**
- Wider analysis of social impact
- Role of civil society, including trade unions, in the green transition

**COVID-19 and recovery plans**
- Just/fair recovery through social safeguards
- Implementation of recovery plans
Three main aims of the Position Paper

1. Views on the social agenda in sustainable finance
2. Value-adding role of finance sector employees and trade unions
3. Key policy recommendations (EU level)
Question 2

- What are the most important needs for finance sector employees, in the context of the sustainable finance agenda?
  - sustainability-related competence development
  - sufficient time and resources to carry out duties
  - better guidance on new rules and regulations
  - Involvement in the creation of sustainability strategies at work

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What are the most important needs for finance sector employees, in the context of the sustainable finance agenda?

1. Sustainability-related competence development
   - 2.71

2. Involvement in the creation of sustainability strategies at work
   - 2.00

3. Sufficient time and resources to carry out duties
   - 1.79

4. Better guidance on new rules and regulations
   - 1.36
Thank you!
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