

Setting up a Trade Union expert group on social aspects of Sustainable Finance

Terms of reference

1. Sustainable finance is gaining more prominence within the EU. Private investments will be needed to fill in the investment gap currently existing in the EU. At this stage the ambition of the EU to become a global centre for sustainable finance is still contestable.
2. The ETUC participates in the Sustainable Finance Platform of the EU, and is also a member of the Sub-Group 4 on social aspects of sustainable finance. The tasks of the Sub-group 4 complements the social taxonomy and compliance with minimum safeguards as set out in Articles 3 and 18 of the Regulation on the establishment of a framework to facilitate sustainable investment.
3. In view of the publication of the Report on Social Taxonomy of the Sustainable Finance Platform, the European Commission will move on toward a decision concerning the social aspects of the EU taxonomy for sustainable investments and key stakeholders will be consulted accordingly.
4. The ETUC's ambition is to build a job-rich recovery, and to bind the investment strategy to a just transition framework and to promote quality jobs implementing the European Pillar of Social Rights and its Action Plan.
5. Financial markets are global and EU standards for sustainable finance will have an influence on standard set at global level. Hence cooperation with ITUC is crucial.
6. It is time for the European trade union movement to gather all the skills and capacities available within its membership to elaborate - and propose - a trade union agenda in this policy area. Such an agenda should ensure that the EU legislative framework for sustainable finance will be able to mobilise and attract capital that contributes to social progress and a just transition. It means that activities or operations financed by sustainable investments have to respect fundamental rights and live up to the high social standards in Europe. They should also respect of human rights in their global operations, and materially contribute to impose core labour standards worldwide. Thus, being accountable and responsible for the activities they finance in Europe and along the value chain regardless of the place in which they operate.
7. Therefore, the ETUC proposes to establish a working group called: Trade Union Expert Group on Social Aspects of Sustainable Finance.
8. **Scope:** the group shall build a know-how on sustainable finance and its social aspects, especially in a logic of just transition. It will elaborate scenarios for private sector to align private investments with social progress within the green, digital and demographic transitions. It will provide expertise to shape ETUC position when concrete legislative acts and policy frameworks are proposed by the EU institutions.
9. **Tasks:** formulating ETUC position on Social Taxonomy and supporting the ETUC secretariat in its lobby and negotiations to regulate social aspects of sustainable investments. Elaborating the concept of compliance with the minimum safeguards in the Green Taxonomy and shape a TU position in that regard.
10. **Composition:** All ETUC member organisations can appoint a member to the working group. The Group shall also have expertise coming from ETUI, ITUC and the Workers

Capital Committee. The ETUC member of the Sustainable Finance Platform and his/her expert advisor are also members of the Expert Group. The ETUC secretariat encourages its members to respect the gender balance and ensure that a minimum number of young trade unionists will participate in the group.

11. **Roles and responsibilities:** the Group is coordinated and chaired by the ETUC Secretariat. The ETUC Secretariat will do the preparatory work. The group appoints a spokesperson that shares the task of representing the ETUC in public events and will cooperate closely with the ETUC secretariat to transpose experts' inputs into documents and positions. It will be possible to set up subgroups that deal with specific topics or accomplish specific tasks.
12. **Activities and timeframe:** The working group will start working from the 1st of January 2022 for a period of 12 months. Such period can be extended according to the development that the dossier will have at EU and global level. It will meet at least twice per month.
13. **Languages:** The working language shall be English. All preparatory materials will be in English and the final outputs will be translated into more languages according to the ETUC rules.
14. **Nominations:** The ETUC will publish a call for nominations that shall be open from December 1st to December 20th 2021.