



## **UNI Europa Finance comments to EFRAG Due Process Procedures on EU Sustainability Reporting Standard-Setting document**

Having considered the different elements of the document, we are generally very positive toward the direction proposed for setting new standards.

One point that we however think would merit more clarification is how Technical Expert Groups, Consultative Fora and Working Groups are formed. As it stands, there is a rather broad description given as to which interests should be represented in these bodies, especially in the working groups when it comes to the category of ‘other players’ (see page 20). As we have noted in the past, we fully acknowledge the importance of having experts represented in these bodies. However, we have also noted that most if not all of the groups formed to give advice on the Sustainable finance topic, have been very industry heavy and often have a very limited capacity reserved for civil society and trade unions to play a role. We find this to be unfortunate given the importance of having the voice of civil society and workers included in these discussions, since the final decisions made on the basis of the work of these bodies have significant impacts on our societies and the working conditions of sectors either impacted by the decisions or having to implement the decisions. For this reason, we would encourage the further clarification of which interests are to be represented in each body, as well as attributing percentage representations to the different groups, so as to ensure a genuine exchange of ideas and cultivate decisions made on as broad a base of consensus as possible. In our view, each body should as a minimum seek to have representation of the international and national expertise on the given topic, academia, the industry side, the labour side, and relevant civil society interests, again according to the topic of discussion.

We would furthermore suggest that the participation of each interest group be actively sought out by the organizing body, thereby preventing bodies to have an overweight of certain groups due to other groups not having put forward candidates, which can happen if the application process for bodies is not done publicly and with a long enough timeframe to allow all groups to find qualified candidates.

We would furthermore suggest, that when EFRAG conducts its analysis work, to determine the impact that recommendation would have, these analysis should include a stakeholder-centered consideration. In our view, stakeholder concerns, especially those coming from CSOs and trade unions, should be considered on par with the cost-benefit analysis which are done for the impact on companies and industry. This would ensure that undue consequences are not faced by the rest of society when companies implement new regulations and that all potential risks of harm is included in the preliminary consideration when drafting new recommendations.



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