



UNEP
FINANCE
INITIATIVE

MEMBERSHIP STRATEGY

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SUMMARY

UN Environment Programme Finance Initiative (UNEP FI) has developed a Membership Strategy for Signatories to the Commitment on Sustainable Development.¹ The strategy sets out four priorities to define overall objectives:

- Globally facilitate and promote leadership on sustainability by financial institutions.
- Engage the broader membership in work programme implementation.
- Strengthen regional co-ordination.
- Strengthen financial sector commitment through growth in signatories to Statement.

The strategy was informed by interviews with 47 of more than 200 UNEP FI members in 2016, and a Focus Group in 2017. It aims to enhance engagement with financial institutions to fulfil a shared commitment to work collectively towards a financial system that supports sustainable development. A plan to implement the strategy includes measures to stimulate leadership in sustainable banking, insurance and investment; to strengthen relationship management; to facilitate peer-to-peer learning and knowledge sharing; to take account of regional priorities within the global work programme; to expand UNEP FI's membership and to strengthen partnerships to raise awareness of and build capacity in sustainable finance.

The strategy covers the three-year period to April 2020. Proposed measures to monitor progress include:

- i. Member retention.
- ii. Members speaking at events and publicly reporting on progress.
- iii. Member participation in UNEP FI's work programme.
- iv. Regional diversity of participation in projects/webinars/calls/events.
- v. Membership growth.

An annual survey of membership satisfaction and engagement will focus on measuring the above key performance indicators to create a dashboard to evaluate progress in implementing this membership strategy. Initial survey results will be released during UNEP FI's AGM in 2017. The Secretariat will undertake further research into membership participation in the work programme.

1. unepfi.org/about/unep-fi-statement/

ABOUT THIS MEMBERSHIP STRATEGY

UNEP FI's Membership Strategy aims to strengthen the role of members in collectively driving the global sustainable finance agenda. It aims to build on UNEP FI's Strategy and Governance Framework to provide a structured approach to supporting UNEP FI's membership of signatories to the Statement of Commitment on Sustainable Development.² UNEP FI provides a platform for members to collaborate, to identify, promote, and realise the adoption of best environmental and sustainability practice at all levels of financial institution operations. The strategy supports UNEP FI's objectives to:

1. Support members in advancing sustainability issues within their institutions to fulfil the UNEP FI Statement of Commitment by Financial Institutions on Sustainable Development.
2. Scale up and amplify UNEP FI activities to contribute to the transition to a sustainable global financial system.
3. Facilitate industry leadership on sustainable finance in banking, insurance and investment worldwide.

The input/involvement of the membership is co-ordinated by the UNEP FI Secretariat and overseen by the Global Steering Committee and Industry Committees. The benefits that members gain from membership are largely commensurate with their level of engagement, uptake of outputs, participation in the UNEP FI community and projects, and contributions to shaping global leadership in sustainable banking, insurance and investment. The Membership Strategy therefore specifically focuses on the way in which UNEP FI encourages and promotes leadership by financial institutions and facilitates knowledge development to help shape and scale up sustainable finance.

The Strategy sets out four Strategic Priorities for the three-year period from May 2017 to April 2020, while the Implementation Plan sets out actions to help achieve these during 2017/18. The Secretariat will monitor progress against specific measures over the three years. The Secretariat will report on progress to the Global Steering Committee annually.

The Strategy aims to provide continuity, with flexibility for adjustments during the three-year period to reflect internal and external developments. The Secretariat will evaluate implementation annually and make additional recommendations where necessary, in order to help ensure ongoing progress in collectively working towards a sustainable financial system.

PROCESS TO DEVELOP THE MEMBERSHIP STRATEGY

UNEP FI's Secretariat developed this Membership Strategy based on interviews with 47 of 213 members worldwide across the banking, insurance and investment industries in Africa and the Middle East, Asia Pacific, Europe, Latin America & Caribbean, and North America between September-November 2016; as well as a review of existing documents. The Strategy is also informed by input from a Focus Group of seven members across banking, insurance and investment in all five regions.

The strategy aims to build on strengths identified during the interviews—UNEP FI's networking platform for sharing information, global reach and membership network, brand strength and convening power.

2. unepfi.org/about/unep-fi-statement/

During the interviews, members revealed that they derive value from UNEP FI's:

Global leadership and reach: the leading, global voice to influence the sustainable finance agenda.

Brand and reputation: a known and trusted UN brand in the worldwide sustainable finance landscape, with the capacity to convene stakeholders.

Network strength: a broad and deep network of Signatories across banking, insurance and investment with potential for increased joint action towards a shared goal.

Quality and depth of research: access to a rich and innovative work programme, with leading-edge research and guidance on risks, opportunities and transformation towards sustainable finance.

Knowledge sharing: access to information on the latest trends, tools and best practice through a powerful platform for peer-to-peer knowledge sharing.

The Strategy aims to address challenges such as the diversity in the contexts and operating environments of members across regions, as well as differences in the needs and priorities of members who are at different stages in the sustainability journey. The Strategy adopts a practical focus, seeks alignment with business priorities and aims for enhanced co-ordination, relationship management, network facilitation, awareness raising and communications. Information and knowledge sharing, facilitating collaboration, developing expertise and promoting an enabling environment are among priorities identified for UNEP FI's role in supporting integration of environmental, social and governance issues in members' operations. Sharing best practice and experiences across peers and engaging board members are concrete actions to scale up.

Feedback from Focus Group members on a draft version of the Strategy included the need to prioritise facilitating leadership among members, engaging membership in UNEP FI's work programme and membership growth. Several members also supported enhancing UNEP FI's regional focus.

UNEP FI's Global Steering Committee (GSC) oversaw the development of the Strategy, approved in April 2017. Metrics will be reviewed once UNEP FI's overarching strategy has been finalised.

The interview results are summarised in Appendix 1 and full results are included in a separate document.

Focus Group feedback is summarised in Appendix 2.

STRATEGIC PRIORITIES

1. Globally facilitate and promote leadership on sustainability by financial institutions

- a. Strengthen relationship management to support membership retention.
- b. Strengthen shared learning and capacity building.
- c. Strengthen network engagement and awareness raising to advance sustainable banking, insurance and investment.
- d. Strengthen UNEP FI positioning in providing leadership on sustainable finance in key markets.
- e. Encourage transparency and accountability to help recognize leadership publicly.
- f. Increase engagement of board-level individuals within members' institutions to stimulate leadership in sustainable banking, insurance and investment.

Key performance indicators to measure progress

- Number of members retained.
- Members speaking at events and participating in media opportunities.
- Number of members reporting publicly on ESG/sustainability performance.
- Impacts on the sustainability practices of financial institutions of key initiatives and collaborative learning/knowledge sharing.

2. Engage the broader membership in work programme implementation

- a. Enhance opportunities for members to participate in activities in work streams/thematic areas and related projects/outputs.
- b. Facilitate working groups for specific projects, with members contributing to decision-making and delivery.
- c. Engage a cross-section of members across industries in activities to broaden collaboration to advance sustainable finance.
- d. Enhance roll out of research & development projects/outputs.

Key performance indicators to measure progress

- Increased participation in projects and work streams.
- Participation in webinars/calls/events/surveys/consultations.
- Industry and regional diversity of participation in projects/webinars/calls/events.
- Engagement across departments within financial institutions.
- Downloads of publications/tools.

3. Strengthen regional coordination

- a. Engage a cross-section of members across regions in activities to broaden collaboration to advance sustainable finance.
- b. Address region-specific strategic priorities and needs through regional activities aligned with global work programme.
- c. Incorporate regional contexts/components in global work programme where relevant and feasible.
- d. Increase engagement in focal countries in diverse regions (E.g. criteria to include policy enabling environment, private sector leadership, resource mobilization).
- e. Convene members and relevant stakeholders to raise the profile of leading practices and help shape the sustainable finance agenda across regions.

Key performance indicators to measure progress

- Regional diversity of participation in projects/webinars/calls/events.
- Minimum of one project-related activity annually that includes a regional focus.
- Minimum of one Regional Roundtable per region bi-annually.
- Monitor membership retention and growth across regions.

4. Strengthen financial sector commitment through growth in signatories to Statement

- a. Increase targeted engagement of banks, investors and insurers to promote support for UN Statement of Commitment on Sustainable Development.
- b. Engage members in supporting outreach to peers to expand UNEP FI membership.
- c. Strengthen dialogue with financial sector in co-operation with supporting institutions/partners.

Key performance indicators to measure progress

- Rate of increase in number of signatories.
- Number of new signatories.

IMPLEMENTATION PLAN SUMMARY

MAY 2017-APRIL 2018

● Globally facilitate and promote leadership on sustainability by financial institutions

- Recognise leadership through in kind contributions, “state-of-the-art” innovation and advances in implementation among members, giving greater visibility to achievements and progress.
- Increase access to market intelligence on sustainable finance, engaging members, supporting institutions and partners in contributing to knowledge sharing.
- Develop systematic approach to engage members at Board level to strengthen leadership on sustainable finance. E.g. Opinion pieces, sustainable finance briefings.
- Strengthen dissemination/awareness raising of UNEP FI outputs.

Strengthen relationship management with members

- Strengthen processes to support relationship management (e.g. recruitment, on boarding, retention, virtual participation).
- Establish engagement support to help members address ESG related risks and controversies.
- Strengthen communications with members.

Strengthen shared learning and capacity building

- Showcase good practice and facilitate opportunities for financial institutions to demonstrate leadership on sustainable finance agenda. E.g. Media and speaking opportunities; case studies on strategies, policies and practices; knowledge sharing and peer-to-peer learning.
- Assess how members are learning to evaluate transformation towards sustainable finance.
- Enhance visibility of member reporting on sustainable finance progress.
- Review and update training programme to reflect developments in sustainable finance and needs assessments in priority countries. Develop training programme strategy to scale up and deepen sustainable finance training.

Strengthen network engagement and awareness raising to advance sustainable banking, insurance and investment

- Develop network and resource capacity by expanding partnerships through supporting institutions. E.g. research institutions, service providers, risk modellers, academic networks, buy-side research, etc.
- Evaluate and communicate UNEP FI’s external impact through key initiatives, e.g. Sustainable Stock Exchanges Initiative, ESG in real estate.
- Evaluate level of dissemination of UNEP FI’s work and implementation across stakeholders in key markets.

2. Engage the broader membership in work programme implementation

Enhance opportunities for members to participate in activities in work streams / thematic areas and related projects/outputs

- Identify and articulate benefits of activities to members and clarify alignment with business drivers e.g. board-level priorities, risk management, business development.
- Invite members to actively participate in project implementation (e.g. secondments to UNEP FI, opportunities to collaborate to develop research and guidance, provide consultation input, integrate methodologies/tools).
- Engage corporate sector where relevant to objectives. E.g. power sector re climate change mitigation/adaptation.

Facilitate working groups for specific projects, with members contributing to decision-making and delivery

- Develop opportunities for members to contribute to knowledge sharing, events and related global and regional activities (e.g. to help disseminate and raise awareness).
- Clarify decision-making and connection between working groups/work streams/ industry committees and GSC.
- Establish clear expectations, timelines, work practices and terms of reference across options to participate in activities and governance.

Engage a cross-section of members across industries in activities to broaden collaboration to advance sustainable finance

- Identify opportunities for cross-industry components of global projects/activities and strengthen engagement of members across business lines.
- Facilitate cross-departmental engagement within member financial institutions.

Enhance roll out of research & development projects/outputs

- More effectively disseminate information/materials and strengthen communications channels for broader membership to inform global activities.
- Better facilitate adoption of guidance and tools, policies and practices to advance sustainable finance among member institutions.
- Identify common elements to demonstrate how the work programme and individual projects serve the membership.

3. Strengthen regional coordination

- Identify additional resources/expertise to support regional activities, e.g. potential funding / sponsorship/ secondees / in kind contributions to work programme implementation and delivery of capacity building and awareness raising activities.
- Strengthen engagement of members' subsidiaries where relevant.
- Identify opportunities for regional activities that are aligned with the global work programme and contribute benefits to the global membership in advancing sustainable finance. Regional activities should aim to be cross-cutting across the banking, insurance and investment work streams where possible.
- Identify opportunities to regionalize international projects.
- Strengthen co-ordination with partner/supporting institutions and initiatives in focal countries.
- Establish Regional Roundtables in 2017.

4. Strengthen financial sector commitment through growth in signatories to Statement

- Strengthen financial sector commitment to contribute to transition to a sustainable financial system in partnership with UN Environment.
- Develop opportunities to strengthen outreach through training programme and events.
- Develop concise and engaging outreach communications resources and targeted channels for engagement.
- Invite members to introduce potential new members and provide resources to support outreach / on-boarding.
- Map journey of financial institutions to becoming Signatories.

APPENDICES

APPENDIX I: MEMBERSHIP INTERVIEW RESULTS SUMMARY

Analysis of the results of interviews with 47 members in 2016 revealed that the main drivers for members to develop sustainable banking/insurance/investment within their organizations were risk management (72%), business development (62%) and CEO/board priorities (47%). Members saw UNEP FI's main strength as its global network to bring members together and exchange ideas (57%), while also highlighting access to top research/knowledge as a benefit of membership.

Interviewees ranked information sharing, developing expertise, creating an enabling environment and facilitating knowledge sharing and collaboration as priority UNEP FI activities to support integration of environmental, social and governance (ESG) issues into operations. Sharing best practice (70%) and engaging Boards (51%) were steps identified for UNEP FI to support integration of ESG issues into businesses, while Banking members showed the most support for awareness raising activities. Integration, governance, climate change, natural capital, and social themes such as inclusion were highest on respondents' agendas regarding ESG issues. More than 30% of respondents were interested in aligning lending and investment with the Sustainable Development Goals.

More than 60% of interviewees felt that they had adequate options to participate in projects, although communications could be improved to clarify options. 64% of respondents highlighted time and resources as the main barriers to participation, particularly in Africa & the Middle East. Suggestions for improvement included a more practical focus aligned with business opportunities, enhancing sharing of best practice, a more regional focus and engagement, and more clarity around UNEP FI's role.

Interview results show that members would like UNEP FI to strengthen its network through regional events/webinars/calls, shared learning, and expanding membership. More than 80% of those interviewed said it was critical or important for UNEP FI to increase the number of Signatories to the Statement of Commitment on Sustainable Development, with Insurance members in particular seeing membership growth as critical.

More than three-quarters of members said that they would host a meeting and /or help expand UNEP FI's activities and network in their regions, while more than half said that they would be willing to participate in a 'buddy' system to help introduce new members to UNEP FI's sustainable finance network.

Members highlighted the need to strengthen communications and signalled strong interest in peer-to-peer learning opportunities. Preferences were to receive information through case studies (51%), best practice examples (45%), updates on industry developments (43%) and insight into how UNEP FI members are implementing sustainable banking/insurance/investment governance systems, strategies, policies and practices (38%). Preferred communications channels include the UNEP FI website (40%), regional events/seminars (36%) and Powerpoint presentations (30%).

An independent consultant evaluated responses and distilled the value that interviewees were deriving from their institutions' membership of UNEP FI.

See separate document for full interview results.

APPENDIX 2: FOCUS GROUP FEEDBACK

UNEP FI established a Focus Group of seven members across banking, insurance and investment covering all five regions to seek input on the draft membership strategy. In general, the Focus Group said that the membership strategy was good and tries to capture several aspects of what UNEP FI is doing or needs to do. The strategy includes steps to engage members and is comprehensive. Several members were pleased to see a greater focus on membership, and on regional engagement in particular.

One of the main suggestions was to streamline the number of strategic priorities, focussing on globally facilitating and promoting leadership. The question was raised as to whether members deliver enough value for the UNEP FI platform to continue to be a strong and respected initiative. To be effective, members need to put in 2-3 times more than the membership fee in terms of management time – to engage /participate/ travel to advance sustainable banking/insurance/investment. UNEP FI should remind members of why they come together to achieve a shared goal. If members are pulling in the same direction on themes that matter, growth will come. UNEP FI needs to decide whether the priority is to go broad or deep. As other initiatives have grown, their ability to do progressive work with the whole body has reduced and they have become 2-speed. UNEP FI is more flexible. Further feedback on the membership and its implementation is summarized below.

Globally facilitate and promote leadership on sustainability by financial institutions.

- UNEP FI is about thought leadership. For the most part, sustainability in asset management has been led by smaller businesses which prove that ideas are durable and appealing.
- Awareness raising and strengthening relationship management are important. Ask members, “what is it that makes you feel involved, and that would raise your commitment to the work?”
- Empower members to contribute commitment and leadership.
- UNEP FI could help with the trickle down of sustainable finance from leadership to operational levels. There is a need for case studies and briefings for the Board, to build the business case to implement sustainable finance in the absence of regulations, while staying competitive. This could be tailored for specific functions, e.g. Heads of Credit, Corporate, Investment, Risk departments.
- To measure of the strength of engagement, qualitative indicators can be just as important as quantitative measures; a case study that really works would be preferable to 50 that are marginal.
- Include members in developing an approach to measure progress among members towards sustainable banking/insurance/investment. This needs to be aligned with members to avoid another independent ratings system that is excessively detailed and not focused on the right things.
- There is interest in capacity building and training. Time, cost and relevance of training are important.

Engaging the broader membership in work programme implementation.

- UNEP FI should re-create asset management work streams/working groups to cohere around investment-related work. Clarify governance and role of members and Secretariat in project origination, decision-making and delivery. Work with members to identify common areas and develop annual work plans in each industry. Clarify how projects are started, which are internally generated, and how members can support them (whether they are done inhouse or outsourced).
- Clarify how well each work stream connects with the Global Steering Committee. The complexity of UNEP FI’s governance and volume of information can be overwhelming for smaller companies.
- Engage members in dialogue and decision-making on how to implement. E.g. through working groups.
- Extend reach to more practitioners within organisations so that they can contribute and benefit.
- Involve sustainability practitioners/advisors from academia and operating businesses who have implemented ESG, not just financial institutions, to strengthen information and research.
- Communicate on projects’ progress and next steps and clarify how members can participate.
- Provide practical guides with examples of banks integrating sustainability strategies to add value.
- Improve communications. Materials should be crisper and punchier, with clearer links. Documents can need pre-knowledge. Use signposting so new members know what to read first, and where to go from there. UNEP FI should enable better virtual participation in events, e.g. live broadcasting.

Strengthen regional co-ordination

- Include regional/emerging markets context in research. Developed economy topics might not be directly relevant or easily transferable. UNEP FI can't cover completely different topics in developed and developing countries. It makes sense to have a global goal – to do similar things across geographies, in the context that they are relevant to the region.
- Share information on work programme and events with members in regions.

Value proposition and membership growth

- Clarify the value proposition for different types of members. What is being achieved, what are members getting from membership, and what are they signing up to? What do they need to do when joining UNEP FI, depending on their business lines?
- The main thing UNEP FI provides to members is working groups and connecting peers. UNEP FI's research and development are important—members

benefit from publications such as the *Guide to Banking and Sustainability*. They enable the sustainability department to act as an “Advanced laboratory” within the bank.

- There is a real opportunity to get more members on board. UNEP FI covers the whole of finance and is about embedding sustainability in the financial system, not necessarily just ESG integration. UNEP FI is that next level up, to drive more systemic change across the finance sector.
- UNEP FI needs to invest resources to grow membership in more geographies. Identify institutions to channel outreach. E.g. governments.
- Members could encourage other FIs in their markets to become Signatories. UNEP FI could ask members who they would recommend as Signatories in specific countries and to make introductions. Members generally know who is at the right point in the journey and can provide a compelling and tangible vision on value for money.

APPENDIX 3: ACKNOWLEDGEMENTS

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Global Steering Committee members, particularly Barbara Turley-McIntyre, The Co-operators Group Ltd, the GSC focal point for the membership strategy.

Beatrice Otto, Independent Consultant

Hyunky Kim, Intern, UNEP FI

Interviewees

Africa & Middle East

Chima Igboenyasi and
Marcellina Ehimhen
Fidelity Bank Plc

Vanessa Otto-Menz
Santam

Madeleine Ronquest
FirstRand

Musa Salah
Ecobank Transnational Inc

Asia Pacific

Rosemary Bissett and Steve Lambert
National Australia Bank Ltd

Ramana James
Insurance Australia Group Ltd

Katsunori Tatsumi
Shiga Bank

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FURTHER RESOURCES



UNEP FI 2016 Overview
(available at unepfi.org)



Governance Framework
(available on the Members' extranet)



Implementation Framework
(available on the Members' extranet)

For any additional information or enquiries please contact us at signatory@unepfi.org

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