2019 ANNUAL GENERAL MEETING By WEBINAR

Questions/Feedback
Use the chat function of the GoToWebinar or email yuki.yasui@un.org
Agenda

1. Opening remarks
2. UNEP FI Governance Framework revision proposal
3. Financial Discussions
4. Briefing on the European Regional Roundtable and the in-person AGM in Luxembourg
5. Closing of the AGM by webinar
About the AGM by webinar

What it is

Briefing & discussion concerning administrative/ governance issues within the AGM. We will go through all 5 AGM voting items. Voting is opened with the AGM by webinar. Vote online from http://www.unepfi.org/agmvote/

What it isn’t

Does not replace the AGM in-person (29 November at the Global Roundtable, Luxembourg)

Questions/Feedback

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1. Opening

i. Welcome by the Co-Chair of the UNEP FI Global Steering Committee
   • Session 1 - Jacki Johnson, Insurance Australia Group Limited.
   • Session 2 - Antoni Ballabriga, BBVA.

ii. Welcome and Update: Eric Usher, Head of UNEP FI

iii. AGM voting item #1
    Summary Record from the 2018 Annual General Meeting (Appendix 1)
Membership update

Number of members: **289**

**Membership by Industry**

Number of members by Industry 2015-2019

- **Banking**: 180, 62%
- **Insurance**: 70, 24%
- **Investment**: 39, 14%

Data as of 30 September 2019

22% increase in members between 2017/18 and 2018/19

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iii. AGM voting item #1

For Discussion & Approval

Summary Record from the 2018 Annual General Meeting (Appendix 1)

Questions/Feedback
Use the chat function of the GoToWebinar or email yuki.yasui@un.org
2. UNEP FI Governance Framework revision proposal

Presented by Eric Usher, UNEP FI

AGM voting item #2
For Discussion & Approval
Introduction (discussion to continue at the in-person AGM)
i. Summary of the proposed governance changes
   Proposed revisions to the UNEP FI Governance Framework (Appendix 2)

Questions/Feedback
Use the chat function of the GoToWebinar or email yuki.yasui@un.org
Agenda 2. UNEP FI Governance Framework revision proposal
Overview of the proposed changes

1. **Replacing the UNEP Statement of Commitment** by Financial Institutions on Sustainable Development as the basis of the UNEP FI partnership with:

   a. a new UNEP FI Vision Statement: *UNEP FI’s vision is to create a financial sector that positively impacts and serves people and planet;* and

   b. the three principles PRI (2006), PSI (2012) and PRB (2019) which align the finance sector with the global priorities defined by the UN – e.g. SDGs, Paris Agreement and the Sendai Framework.
Agenda 2. UNEP FI Governance Framework revision proposal

Overview of the proposed changes

2. Adjustments to how future AGMs are organised
   a. AGM agenda divided into two parts. Initially members meet by industry and subsequently all members meet together.

   b. Voting items will be cast during the all members segment of the meeting. Possibility of two kinds of votes:
      i. votes open to all UNEP FI members on issues affecting entire membership; and
      ii. votes open only to members of a given industry on issues specific to that industry.

   c. AGM responsibilities are to:
      i. Approve any strategic, structural and/or operational changes in the Initiative;
      ii. Approve the UNEP FI general membership fee two years in advance and the general budget for the succeeding year; and
      iii. Settle any disputes arising within the membership which cannot be resolved at Industry Committee or Global Steering Committee levels.
Agenda 2. UNEP FI Governance Framework revision proposal
Overview of the proposed changes (continued)

3. Clarifying the role of the Industry Committees
   a. Organise industry meetings – at least one to be held at the time of the UNEP FI AGM
   b. Hold Industry Committee meetings – held quarterly, once in person and others by phone/video
   c. Develop industry work plans and industry level budgets. Ensure Industry Members are consulted.
   d. May propose to set supplementary industry membership fees.

4. Thematic & Regional Advisory Groups
   a. Name change – From Thematic & Regional Advisory Boards to Advisory Groups
   b. Thematic Advisory Groups are cross-cutting sub-committees of the GSC and Industry Committees
   c. Regional Advisory Groups are also cross-cutting sub-committees composed of Industry Committee Regional Representatives plus additional interested GSC or Industry Committee members from the relevant region.

5. Simplifying the text
   Imbed Thematic & Regional Advisory Group’ articles under the section on Industry Committees.

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3. Financial Discussions

Presented by Eric Usher, UNEP FI

For Discussion & Approval

i. 2018 Financial Report
   AGM voting item #3

ii. 2019 Interim Report with 2020 Budget Proposal
    AGM voting item #4 for 2020 Core Budget

iii. Proposed 2021 membership fees
    AGM voting item #5

UNEP FI 2019 AGM Financial Report (Appendix 3)

Questions/Feedback
Use the chat function of the GoToWebinar or email yuki.asui@un.org

All AGM Meeting documents are at www.unepfi.org/extranet/
password: unepfi
2018 Financial Report

Breakdown of $5.1m Income

- Members Annual Contributions, $2451K, 48%
- Sponsorships (public sources), $1098K, 21%
- Sponsorships (private sources), $716K, 14%
- UNEP, $410K, 8%
- Foundation, $204K, 4%
- Training, $129K, 2%
- Other, $140K, 3%
2018 Financial Report

Breakdown of $4.1m Expenses

- Operations, $849k
- Thematic & Regional Activities (sponsored), $858k
- Regions, $470k
- Thematics, $351k
- Umbrella activities, $544k
- Training, $110k
- Investment (sponsored), $112k
- Investment, $170k
- Insurance, $256k
- Banking, $349k

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### 2018-2020 overview

<table>
<thead>
<tr>
<th></th>
<th>2020 budget USD’000</th>
<th>2019 forecast USD’000</th>
<th>2018 actual USD’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members Annual Contributions</td>
<td>3,600</td>
<td>2,848</td>
<td>2,451</td>
</tr>
<tr>
<td>Training</td>
<td>201</td>
<td>129</td>
<td></td>
</tr>
<tr>
<td>Members sponsorships &amp; additional contributions</td>
<td>446</td>
<td>716</td>
<td></td>
</tr>
<tr>
<td>Other Sponsorships &amp; other income</td>
<td>1,917</td>
<td>1,639</td>
<td>1,852</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>5,517</strong></td>
<td><strong>5,134</strong></td>
<td><strong>5,148</strong></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel costs</td>
<td>2,329</td>
<td>2,099</td>
<td>1,500</td>
</tr>
<tr>
<td>Activities costs</td>
<td>252</td>
<td>234</td>
<td>181</td>
</tr>
<tr>
<td>Industry extra budget</td>
<td>400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All sponsored activities</td>
<td>1,817</td>
<td>2,286</td>
<td>2,033</td>
</tr>
<tr>
<td>Overheads</td>
<td>519</td>
<td>465</td>
<td>354</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>5,317</strong></td>
<td><strong>5,084</strong></td>
<td><strong>4,068</strong></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>200</strong></td>
<td><strong>50</strong></td>
<td><strong>1,080</strong></td>
</tr>
</tbody>
</table>

#2018 net income includes carry forward of sponsored commitments of $781K.
## 2018 Financial Report

### Net Income Breakdown

<table>
<thead>
<tr>
<th></th>
<th>Income</th>
<th>Expenses</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Member Funding</strong></td>
<td>USD'000</td>
<td>USD'000</td>
<td>USD'000</td>
</tr>
<tr>
<td>1. Members contribution &amp; training</td>
<td>$3,296</td>
<td>-$2,720</td>
<td>$576*</td>
</tr>
<tr>
<td>2. Add: FOREX &amp; investment gains</td>
<td></td>
<td>$91</td>
<td>$91</td>
</tr>
<tr>
<td><strong>Member Sub-totals</strong></td>
<td></td>
<td></td>
<td>$667*</td>
</tr>
<tr>
<td>3. Additional Grants</td>
<td>USD'000</td>
<td>USD'000</td>
<td>USD'000</td>
</tr>
<tr>
<td>4. Investment Fiduciary Duty Project</td>
<td>$204</td>
<td>-$112</td>
<td>$92</td>
</tr>
<tr>
<td>5. Regional Luxembourg</td>
<td>$411</td>
<td>-$90</td>
<td>$321</td>
</tr>
<tr>
<td>6. Additional Funding &amp; Sponsorship for specific activity</td>
<td>$1,146</td>
<td>-$1,146</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Net Income</strong></td>
<td>$5,148</td>
<td>-$4,068</td>
<td>$1,080**</td>
</tr>
<tr>
<td>7. Ecosystems SECO project expenses</td>
<td></td>
<td>-$2,757</td>
<td>-$2,757***</td>
</tr>
</tbody>
</table>

Total incl. Ecosystem Draw down
- $6,825
- $1,677***

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* Includes carry forward of Banking and TCFD project funding of $368K. UNEP accounting rules only accrual when expenses are committed.

** Includes carry forward of all sponsored commitments of $781K.

*** $1,677K ‘loss’ due to $2,757K SECO project expenses for which income was recorded in 2016 and carried forward. Donor funds recognise 100% of donation in the year of agreement and ‘draw down’ expenses thereafter.
ii. 2020 Core Budget

Estimated 2020 Core Budget $3.7m
+ $542K Common Costs paid directly from sponsored activities
### 2020 Core Budget $3.7m

**$3.6m:** Members annual contribution (estimated 312 members)

**$100K:** 6% contribution from all non-membership income

### Common Costs $3,100K

+$542K paid directly from sponsors

- **Industry** (Core HR only, 1/3 to each industry) $696K
- **Thematic** $323K
- **Regional** $490K
- **Universal** (Sig., Relations, Comms, AGM, etc) $654K
- **Management & Operations** $937K

### Industry Budget $400K

- **Industry** (Core HR only, 1/3 to each industry) $696K
- **Banking** (70%) $280K
- **Insurance** (20%) $80K
- **Investment** (10%) $40K

### Working capital buffer $200K
ii. 2020 Core Budget

Inputs & Outputs per Industries
### iii. Proposed 2021 Membership Fees

<table>
<thead>
<tr>
<th>Total assets (US Dollars)</th>
<th>2020</th>
<th>2021 2% increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets (US Dollars)</td>
<td>CHF</td>
<td>CHF</td>
</tr>
<tr>
<td>From 100 billion and above</td>
<td>20,900</td>
<td>21,320</td>
</tr>
<tr>
<td>From 5 billion to less than 100 billion</td>
<td>10,450</td>
<td>10,660</td>
</tr>
<tr>
<td>From 1 billion to less than 5 billion</td>
<td>4,120</td>
<td>4,200</td>
</tr>
<tr>
<td>Below 1 billion</td>
<td>2,510</td>
<td>2,560</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2021 Income Simulation</th>
<th>USD’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline: Prior-year estimated income</td>
<td>3,700</td>
</tr>
<tr>
<td>Estimated growth in membership (≈+8%)</td>
<td>292</td>
</tr>
<tr>
<td>2% fee increase</td>
<td>78</td>
</tr>
<tr>
<td><strong>Simulated 2021 Income</strong></td>
<td><strong>4,070</strong></td>
</tr>
</tbody>
</table>

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4. Briefing on the European Regional Roundtable and the in-person AGM in Luxembourg

Presented by Liesel van Ast, UNEP FI Secretariat
• **25 sessions** covering topics inc. EU Action Plan for Sustainable Finance; Principles for Responsible Banking; Impact Analysis & Target Setting; Climate Commitments; Sustainable Blue Economy; Positive Impact; Regulatory Action; EU Taxonomy Implications for Banks; Human Trafficking & Modern Slaver; TCFD workshops (members only)...

• **PSI Market Event Europe** covering TCFD Market & Supervisory Practices; Managing ESG Risks in Non-Life Insurance; Life & Health; Ecosystems & Pollution; and more...

• **67+ speakers** inc. Valdis Dombrovskis, Executive Vice President, European Commission; Werner Hoyer, President, European Investment Bank; Pierre Gramegna, Luxembourg Minister of Finance; Carole Dieschbourg, Luxembourg Minister for the Environment, Climate and Sustainable Development; Dr. Günther Thallinger, Board of Management and Chairman of the ESG Board, Allianz SE; José Manuel González-Páramo, Executive Board Member, BBVA; Marianne Haahr, Director, Sustainable Digital Finance Alliance; Slavka Eley, Head of Banking Markets, Innovation and Products, European Banking Authority; Dr. Ma Jun, Director of Center for Finance and Development at Tsinghua University; Pamela Schuermans, Principal Expert on Insurance Policy, European Insurance and Occupational Pensions Authority; Sébastien de Brouwer, Chief Policy Officer, European Banking Federation; James Kofi Annan, Global Financial Sector Commissioner on Modern Slavery; Fiona Reynolds, CEO, PRI; also featuring Eric Usher, Head of UNEP FI + Secretariat; AP2, Banque de France; Bank of England; Barclays, BNP Paribas, Finance in Motion; Garanti BBVA; Grupo Santander; HSBC; ING; Intesa Sanpaolo; Natixis; OP Financial Group; Piraeus Bank Group; Rabobank International, Société Générale; Swiss Re; Triodos Bank; Willis Towers Watson; YES Bank...
AGM in person

8:20-9:30, Friday 29 November 2019
European Convention Center Luxembourg (ECCL), Luxembourg
held at the European Regional Roundtable

Visit 2019 AGM webpage:
https://www.unepfi.org/extranet/annual-general-meetings/unep-fi-annual-general-meeting-2019/

• Register to the European Regional Roundtable to attend the AGM.
• Draft Agenda (uploaded 8 October 2019)
• contact yuki.yasui@un.org.
5. Closing of the AGM by webinar

Presented by Yuki Yasui, UNEP FI

i. Information on AGM voting
ii. Any other business
i. AGM Voting

- All voting items for 2019 AGM were covered by the AGM by-webinar
- Votes accepted from today until the day of the AGM (29 November 2019)
- Vote online from http://www.unepfi.org/agmvote/

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