



UNEP
FINANCE
INITIATIVE

BANKING GOVERNANCE FRAMEWORK

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1

BANKING BOARD¹

The UNEP FI Banking Board is the governance body for the UNEP FI Banking Membership and of the common framework and commitment banking institutions are required to sign in order to become a UNEP FI member: The Principles for Responsible Banking. Under the overall direction of the Global Steering Committee, the Banking Board oversees the effective implementation of the Principles for Responsible Banking and the Banking Membership's contribution to the achievement of UNEP FI's overall strategic objectives.

1.1 DECISION-MAKING AUTHORITY, RESPONSIBILITIES AND RELATIONSHIP TO OTHER BODIES

1.1.1 Decision-Making Authority:

The Banking Board has decision-making authority over:

- UNEP FI's Banking Strategy and Workplan, within the overall strategic parameters set by the Global Steering Committee and with due consideration of the inputs provided by the Civil Society Advisory Body.
- The Banking Budget based on proposal by the UNEP FI Secretariat.
- Changes to the Principles for Responsible Banking Framework Documents (Key Steps to be Implemented by Signatories and Reporting and Self-Assessment Template), with due consideration of the inputs provided by the Civil Society Advisory Body and after consultation with member banks. Any changes to the Principles for Responsible Banking themselves must be approved by the General Meeting of UNEP FI Banking Membership.
- The signatory status of banking institutions that have been identified by the Secretariat as not being in line with their commitments under the Principles for Responsible Banking.

1.1.2 Responsibilities:

The Banking Board has the following Responsibilities:

- Monitor the collective progress of all Principles for Responsible Banking Signatories and oversee the biennial Collective Progress Review and publication of the resulting report, which includes the perspectives of the Civil Society Advisory Body.
- Identify strategic priorities and approve and oversee the implementation of the Banking Strategy, considering the results of the biennial Collective Progress Review, the overall strategic direction provided by UNEP FI's Global Steering Committee and inputs and guidance from the Civil Society Advisory Body.
- Approve and oversee the implementation of the Banking Workplan developed by the UNEP FI Secretariat and—with respect to supporting the Implementation of the Principles for Responsible Banking—the Implementation Leads Group.
- Call for member banks to lead the working groups established to support implementation of the Principles for Responsible Banking.
- Budget and fees:
 - Approve and oversee the annual Banking Budget consisting of:
 - the share of UNEP FI's budget resulting from the base membership fees allocated to Banking through the overall UNEP FI budget process overseen by the Global Steering Committee.
 - the banking-specific fees paid by member banks to supplement general UNEP FI fees.

1. The members of the Banking Board will not attract legal liability as in the sense of a company board of directors

- Through the banking budget, allocated adequate resources to the achievement of the agreed strategic objectives, the implementation of the approved Banking Workplan, management and support of the governance structure, the Principles for Responsible Banking review process, and overall servicing of the Banking membership.
- Propose changes in banking-specific fees supplementing general UNEP FI fees to the General Meeting of the UNEP FI Banking Membership as required to resource achievement of the agreed strategic objectives, the implementation of the approved Banking Workplan, management and support of the governance structure, the Principles for Responsible Banking review process, and overall servicing of the Banking membership.
- The day-to-day management of UNEP FI finances are entrusted to the Secretariat in accordance with UN rules and regulations, based on the approved Banking Strategy and Workplan.
- Where projects have specific benefits for the member banks participating therein or mostly benefit a group within the banking membership, or where member banks agree to play a leading role therein, the Banking Board can set a project-specific contribution for member banks.
- Lead the biennial review of the Principles for Responsible Banking and their Framework Documents, taking into account inputs of the Civil Society Advisory Body and the Banking membership.
 - Decide on updates/revisions to the Framework Documents (Key Steps to be Implemented by Signatories, Reporting and Self-Assessment Template).
 - When necessary, propose changes to the Principles for Responsible Banking themselves to the General Meeting of the UNEP FI Banking Membership.
- Supported by the Secretariat, proactively communicate with the Principles for Responsible Banking Signatories and Banking Members, keep them updated on relevant governance issues and be accountable and transparent regarding decisions made/to be made.
- Engage with and make decisions regarding the Signatory Status of member banks not in line with their commitments. (see Annex 1: Review of Signatory Status)
- Propose changes in the requirements for becoming/remaining a UNEP FI Banking member to the General Meeting of the UNEP FI Banking Membership.
- Represent and proactively promote the Principles for Responsible Banking and UNEP FI's banking work.
- Where strategically relevant for the successful implementation of the Principles for Responsible Banking/the collective of Principles for Responsible Banking Signatories, and with secretariat support, respond to requests for information from civil society, regulators or other relevant actors.
- Regularly meet with the Civil Society Advisory Body (see Chapter 3), be transparent and accountable regarding how their feedback, inputs and guidance have been taken into account.
- Represent the views and needs of the Banking members in the respective Regional Advisory Boards.
- Serve on the respective Thematic Advisory Boards to guide and oversee UNEP FI's thematic strategies and workplans.

1.1.3 Relationship to other Bodies:

- UNEP FI Global Steering Committee
 - The Banking Board's decisions and mandate are within the overall strategic parameters set by the Global Steering Committee.
 - The Global Steering Committee oversees UNEP FI's budget resulting from the base membership fees. The Banking Board oversees the budget allocated to Banking within this overall budget.
 - The Banking Board (via its Co-Chairs) reports to the Global Steering Committee on the banking membership's contribution towards the achievement of the strategy and objectives set for UNEP FI by the Global Steering Committee. The Co-Chairs furthermore report on any banking-related issues of strategic relevance for UNEP FI.

- General Meeting of UNEP FI Banking Membership
 - The Banking Board is elected by UNEP FI's member banks and as such accountable to their General Meeting. The Banking Board thus reports to the General Meeting at least once per year, regularly updates the Banking membership on relevant governance and strategic issues and actively seeks inputs from the Banking membership on strategic issues.
 - The Banking Board proposes an annual budget and changes in banking-specific fees supplementing general UNEP FI fees to the General Meeting for its approval.
 - The Banking Board proposes substantial changes in governance and – if required – changes to the Principles for Responsible Banking to the General Meeting for its approval.
- Principles for Responsible Banking Civil Society Advisory Body
 - The Banking Board regularly meets with, seeks, and considers inputs, guidance and advice from the Civil Society Advisory Body. Details on the interaction between Civil society Advisory Body and Banking Board are outlined in Section 3: Civil Society Advisory Body.
- Principles for Responsible Banking Implementation Leads Group
 - To facilitate effective implementation of the Principles for Responsible Banking a working group structure is established. The specific working groups will be identified in the Banking Workplan, which is approved by the Banking Board.
 - The Banking Board calls for members to lead these groups.
 - Jointly, these working group leads form the "Implementation Leads Group". Together with the UNEP FI Secretariat the Implementation Leads Group is responsible for planning, steering and coordinating implementation support for the Principles for Responsible Banking. It meets regularly to discuss progress and challenges, coordinate between the working groups and steer overall effective implementation support.
 - The Implementation Leads Group and the Banking Board agree on key objectives, milestones and deliverables. The Banking Board invites the Implementation Leads Group or specific working group leads to report back on progress and challenges as needed, but at least twice a year.

1.2 COMPOSITION OF THE BANKING BOARD, ELECTION PROCESS AND EXPECTATIONS TOWARDS COMMITTEE MEMBERS

1.2.1 Composition:

The Banking Board consists of twelve seats. Eleven seats for representatives from member banks that are Signatories to the Principles for Responsible Banking. The seat allocation to the various world regions is designed to strike a balance between proportionality and broad geographic representation. It can be revised by the Banking Board if changes in membership result in different proportions of members per region.

One seat will be for a representative of the United Nations. The UN representative ensures that the Principles for Responsible Banking and the broader work of UNEP FI's banking membership are consistent with, and contribute to, the overarching objectives of the United Nations. As such, the representative can exercise a veto right if a case should arise where a decision would carry a significant reputational risk for the UN or where a decision would clearly conflict with the overarching objectives of the UN.

Seat Allocation (proportions of members/signatories per region as of Dec. 2019):

		PRB Signatories	Membership
1	North America	7%	8%
2	Central America	8%	7%
3	South America	6%	10%
4	Scandinavia	15%	11%
5	Western Europe	15%	14.50%
6	Western Europe	15%	14.50%
7	South-Eastern Europe	6%	7%
8	North Africa & Middle East	3%	4%
9	Sub-Saharan Africa	10%	10%
10	Central and East Asia	10%	10%
11	South Asia & Pacific	6%	7%
12	UN Representative (UN nominated)		

1.2.2 Election Process:

Representatives from all UNEP FI member banks that are Signatories to the Principles for Responsible Banking may stand for election for a Banking Board seat.

Eligible candidates:

- Represent a banking institution that is headquartered in the region for which they are running as representative. (If for a region there are no self-nominations, the seat will be opened for self-nomination for candidates from all world regions)
- Have a strong track record of implementing and promoting sustainable banking practices.
- Are empowered and committed to devote the necessary time and effort for the execution of their roles and responsibilities as members of the Banking Board. This includes being able to attend at least one in-person meeting per year and cover the costs related to attendance.
- Are senior representatives of their institution, who have approval to represent their institution, authority to make the decisions required as part of their role as Banking Board member and the ability to mobilize support within their institutions.

Banking Board members are elected for a three-year term. Terms are staggered so that every year 1/3 of the seats are up for re-election. To achieve this staggering from the first set-up of the Banking Board, for the purpose of the first elections in 2020 four seats will be assigned a two-year term, four seats a three-year term and four seats a four-year term.

Banking Board members can serve a maximum of two consecutive terms. After that, the person or any person from the respective banking institution can run for election again only after a minimum break of one year.

Process:

- The UNEP FI Secretariat will issue a call for self-nominations, specifying which positions are to be filled. Self-nominations must then be submitted to the Secretariat via the self-nomination form provided by the Secretariat, within the established deadline.
- Once the deadline for submitting self-nominations has passed, the UNEP FI Secretariat will check all self-nominations against the established criteria and inform all self-nominees about the total number of eligible nominations received for the respective position. At this stage, any self-nominee who does not wish to stand for election may withdraw in confidence.
- All completed self-nomination forms are circulated to the full Banking membership of UNEP FI. Each UNEP FI Banking member has one vote to cast per position. The candidate with the most votes will take the position.
- Should there only be one eligible self-nomination for a position, the self-nominee will be appointed on a no-objection basis.

Should a Banking Board member no longer be able to serve before his/her term has expired, a written notification must be sent to the Secretariat before or by no later than the point in time when the representative is no longer able to serve. The Secretariat will in this case approach the candidate that received the second-most votes in the election for this position. If the candidate is still interested, he/she will take over the seat for the remainder of the term. Should that candidate no longer be available, the banking institution whose representative initially held the seat has the opportunity to propose a replacement for the initial representative meeting the required qualifications. The replacement must be approved by the Banking Board. In case no suitable replacement can be identified, the position remains vacant until the next election cycle.

1.2.3 Expectations of Banking Board Members:

Attendance:

Banking Board members are expected to attend all Banking Board meetings. If a member cannot attend a meeting, he or she is required to advise the Secretariat and Co-Chairs beforehand in writing. As Banking Board members are elected and serve in their personal capacity, representation through another person is not considered attendance. Unless in case of special circumstances, if over the course of their term a Banking Board member fails to attend three scheduled meetings without advance notice to the Secretariat and Co-Chairs or if a Banking Board member attends less than 60% of Banking Board meetings in any given year, the Banking Board member will lose his/her seat as representative. The candidate that received the second-most votes during the election process will be asked to fill the position for the remainder of the term. Should that candidate no longer be available, the position remains vacant until the next election process.

Conflict of interest:

- If there is a conflict or potential conflict between Banking Board members' own personal interest or the interest of the banking institution they represent and their obligation to act in the best interests of UNEP FI members, the Banking Board member must inform the Banking Board Co-Chairs and the UNEP FI Secretariat and abstain from discussions and voting on the matter concerned.
- Where Banking Board members participate in financial decision making and influence/make decisions regarding contracting with third parties/consultants, Banking Board members are required to inform the Banking Board Co-Chairs and the UNEP FI Secretariat of any affiliations of private or professional nature, that they have with counterparties/candidates. Any such interests should be declared in writing to the Secretariat and the Co-chairs. The Banking Board may decide that the respective Banking Board member should not participate in discussion and decision making on the matter at hand.

1.3 CHAIRING, DECISION MAKING AND MEETINGS

1.3.1 Chairing

The Banking Board elects two Co-Chairs, each for a term of three years or until their term as Banking Board member ends. At least one of the Co-Chairs must be female. If a Co-Chair leaves the Banking Board before the end of his/her term, a new Co-Chair is elected.

The Co-Chairs are responsible for:

- chairing all Banking Board discussions and meetings in a collegial and consensus-building manner
- taking part in cross-industry meetings
- reporting on behalf of the Banking Board to the Global Steering Committee
- working closely with the UNEP FI Secretariat to set the agenda for and prepare Banking Board Meetings. The Secretariat will schedule and prepare the agenda for all meetings under the direction of the Chairs.
- communicating to the Banking Membership on behalf of the Banking Board via email/webinar/suitable forms of communication at least twice a year.

1.3.2 Decision Making

By default, decision-making will be by consensus. If consensus is not achieved, decisions will be made by a simple majority vote, with each member of the Banking Board present at the meeting holding one vote. For decisions of the Banking Board to be valid, a quorum of 51% of the Banking Board members is required. For strategic decisions, as identified by the Co-Chairs and the UNEP FI Secretariat, and for decisions regarding member banks' status as Signatory to the Principles for Responsible Banking, the quorum for decision making will be two-thirds of the Banking Board members. If a quorum is not achieved at the meeting, it is the responsibility of the Banking Board Co-Chairs to reach out to absent Banking Board members and request them to submit their votes within one week from the meeting. Once the deadline for out-of-session votes has passed, the quorum is regarded as observed.

While the Secretariat has no voting rights, members of the Secretariat participate in discussions and provide inputs to discussions and documents where relevant.

The Banking Board is accountable for and transparent about its decisions to the Banking Membership. Therefore, a draft summary of the outcomes and decisions of each Banking Board Meeting shall be provided by the UNEP FI Secretariat to the Banking Board Co-Chairs for approval and then made available to all UNEP FI member banks.

1.3.3 Meetings

The Banking Board will meet as Banking Board at least once per quarter. At least once per year this meeting will be in person. At least twice a year the Banking Board will meet with the Civil Society Advisory Body. Beyond that, meetings of the Banking Board will be scheduled by the Secretariat under the guidance of the Co-Chairs as needed.

2

GENERAL MEETING OF UNEP FI BANKING MEMBERSHIP

The General Meeting of the UNEP FI Banking Membership is the assembly of all Banking Members. Normally, it takes place once a year as part of the UNEP FI Annual General Meeting, which comprises all three UNEP FI industry groups—banking, insurance and investment. If required, the Banking Board can, however, also call for an Extraordinary General Meeting of the UNEP FI Banking Membership, independent of the UNEP FI Annual General Meeting. All member banks are expected to participate in person or to submit the vote remotely.

The purpose of the General Meeting of the UNEP FI Banking Membership is to discuss and vote on banking-specific issues. Specifically, it is the responsibility of the General Meeting of the UNEP FI Banking Membership to:

- Approve any major strategic, governance or structural changes as proposed by the Banking Board.
- Approve any changes to the Principles for Responsible Banking as proposed by the Banking Board.
- Approve the Banking budget and with that changes in banking-specific fees supplementing general UNEP FI fees as proposed by the Banking Board.
- Provide inputs to the biennial review of the Principles for Responsible Banking and their Official Framework Documents and to other relevant issues.
- Settle any disputes arising within the banking membership that cannot be resolved at the Banking Board level.

2.1 VOTING RIGHTS AND TRANSITION PERIOD:

Until 22nd September 2021, each UNEP FI Banking member has one vote when it comes to decisions that affect all UNEP FI Banking members. When it comes to decisions specifically related to the Principles for Responsible Banking, only Signatories to the Principles for Responsible Banking have a vote.

From 23rd September 2021, each UNEP FI Banking Member that is a Signatory to the Principles for Responsible Banking, has one vote.

Decisions are taken by simple majority. A quorum of 20 percent is required for decisions to be valid.

The General Meeting of UNEP FI Member Banks is chaired by the Banking Board Co-Chairs.

3

CIVIL SOCIETY ADVISORY BODY

Preamble

As per Principle 4: "Stakeholders", the Signatories of the Principles for Responsible Banking, at individual and collective level, commit to "proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals". Through the Civil Society Advisory Body ("the Body") this commitment is put into practice at the collective level. Members of this body will contribute to effective implementation of the Principles for Responsible Banking through meaningful engagement with the community of Signatory banks, inputs into regular progress evaluation and advice on strategy and framework revisions.

3.1 ROLE AND RESPONSIBILITIES

3.1.1 Role:

The role of the Civil Society Advisory Body is to:

- Help guide and support the effective implementation of the Principles for Responsible Banking.
- Support the Banking Board and Principles for Responsible Banking Signatories to maintain a high level of ambition and continuously improve on progress made.
- Provide an independent view on the collective progress of Principles for Responsible Banking Signatories.
- Provide feedback to help maintain the ongoing relevance of the Principles for Responsible Banking and alignment with evolving sustainability needs and objectives.
- Advise the Banking Board in its biennial review of the Principles and their Official Framework Documents to further strengthen the framework and increase its effectiveness.
- Contribute diverse viewpoints from different societies around the world and different groups within society.
- Provide strategic advice, guidance and subject matter expertise to both the Banking Board and the Implementation Leads Group / relevant working groups.
- Engage the community of Signatory Banks on relevant matters of sustainable banking related to the implementation of the Principles for Responsible Banking.
- Facilitate constructive engagement between the banking industry and civil society.

3.1.2 Responsibilities:

- Progress Evaluation, Strategy and Framework Revisions
 - Review collective progress of the Principles for Responsible Banking Signatories and contribute an independent civil society perspective as part of the public biennial Collective Progress Report.

- Advise the Banking Board in identifying strategic priorities and approaches to: (i) strengthening the implementation of the Principles for Responsible Banking, (ii) addressing challenges, and (iii) developing the biennial strategy.
- Provide input into the biennial (2-yearly) revision of the Principles for Responsible Banking and their Official Framework Documents with a view to improving framework effectiveness, increasing ambition over time, and maintaining the ongoing relevance of the Principles.
- Act as an informal sounding board, and contribute possible solutions where appropriate, to the Banking Board on challenges that Signatory banks are facing in the implementation of the Principles for Responsible Banking.
- Providing expertise to support effective implementation of the Principles for Responsible Banking
 - Provide the Implementation Leads Group and/or technical working groups with relevant subject matter expertise related to delivering on the Sustainable Development Goals and the objectives of the Paris Agreement and support practical implementation of Principles for Responsible Banking.
- Engaging the Community of Principles for Responsible Banking Signatories on relevant issues
 - In regular meetings convened by official invitation of the Banking Board to all Signatories engage the community of Principles for Responsible Banking Signatories on topics that the Civil Society Advisory Body considers as priority. The chosen topics should be relevant to a substantial share of the Signatories and directly related to the effective implementation of the Principles for Responsible Banking.
- Help facilitate a broader dialogue with civil society
 - Regularly reach out to, engage and lead consultation with civil society organizations beyond this Body to ensure that the views of this Body reflect the diverse views of wider civil society and that civil society institutions can contribute their views on implementation of the Principles.

3.2 COMPOSITION AND SELECTION

The Civil Society Advisory Body has been established to bring together a diverse range of stakeholders from around the world and to provide a range of expertise to support the implementation of the Principles.

Becoming a member of the Civil Society Advisory Body does not require, or signify, an endorsement of the Principles for Responsible Banking by the Civil Society Organization.

3.2.1 Composition:

The Body will comprise of 12 members. Membership is on an institutional, not personal basis. However, it is expected that the institution is represented by a nominated individual (and one alternate) to ensure cohesion within the Group.

Five members to reflect regional perspectives and a global diversity of views:

- North America
- Latin America
- Europe
- Africa & Middle East
- Asia-Pacific

Five members reflecting the relevant subject-matter expertise important to achieving society's goals as outlined in the Sustainable Development Goals and the Paris Agreement on Climate and contributing the views of relevant civil society & scientific communities:

- Climate
- Biodiversity & Ecosystems
- Human Rights & Gender
- Poverty & Social Issues
- Transparency & Accountability

Two members to represent relevant stakeholders:

- Retail & SME clients
- Employees

3.2.2 Selection Criteria and Process:

Criteria:

All members of the Body:

- Ideally have previous experience with and institutional expertise regarding banking and specifically responsible banking issues and put forward a representative (and alternate) with a good understanding of banking-related issues.
- Are able and willing to commit the necessary resources to fulfill the outlined role and responsibilities and to contribute effectively to the tasks of this Body.
- Can read and communicate in English without a requirement for translation services and are able to put forward a representative (and alternate) that can participate effectively in meetings held in English.

In addition:

Members that represent regional perspectives:

- As a consequence of the nature of their organization (e.g., membership organizations) or through relevant processes (e.g., consultation processes, research) can represent and provide insights on regional environmental and social challenges and priority issues.
- Are able and willing to provide a reasonably balanced view of the sustainable development issues in their region and refrain from promoting particular political views.

Members that represent relevant subject-matter expertise:

- Are leading organizations in the respective field and recognized in their community for either their role in tackling the most relevant issues in their field or for their outstanding subject-matter expertise.
- Are at least regional, ideally global in scope.
- Are able and willing to provide a reasonably balanced and objective view of issues in their field and do not promote particular political or personal views.

Members that represent relevant stakeholder groups:

- Can demonstrate that through their governance, membership or other relevant characteristics their organization is guided by the interest of the respective stakeholder group.
- Are at least regional, ideally global in scope.

3.2.3 The CSAB Appointment Process:

The UNEP FI Secretariat will call for applications. The call for applications for the Civil Society Advisory Body will be shared with all Member Banks, so that Member Banks can reach out to civil society institutions that are based in their region and/or that they deem especially relevant and encourage them to apply. Once all received applications have been evaluated by the UNEP FI Secretariat against the published criteria, the proposed allocation of seats to specific institutions will be shared with the membership for feedback before a final decision is taken by the Banking Board. The evaluation will be made publicly available.

The regular term is two years. Organizations may serve multiple consecutive terms. While selection and appointment are on an institutional basis, not a personal basis, organizations strive to ensure as much personnel continuity as possible by nominating a lead representative and an alternate.

In order to facilitate effective and efficient collaboration, the Civil Society Advisory Body will elect two co-chairs to facilitate consensus-building within the Civil Society Advisory Body and to work closely with the UNEP FI Secretariat in preparation of meetings (see details below).

3.3 MEETINGS, NATURE OF INPUTS, CONFIDENTIALITY AND CONFLICT OF INTEREST

3.3.1 Meetings:

Once a year, the Civil Society Advisory Body will meet in person with a) the Banking Board, b) the Implementation Leads Group and c) Signatory Banks. Travel cost (economy class) and accommodation for attending in-person meetings can be reimbursed for one representative from each Civil Society organization.

In addition, there will be virtual meetings with each of these groups:

- The Civil Society Advisory Body will virtually meet with the Banking Board at least once a year in addition to the in-person meeting. Further virtual meetings can be scheduled if required. The meeting agenda will be determined jointly by the Banking Board Co-Chairs and the Civil Society Advisory Body Co-Chairs.
- The Civil Society Advisory Body will virtually meet with the Implementation Leads Group at least once a year in addition to the in-person meeting. Individual Members of the Civil Society Advisory Body may furthermore be participating as needed in working group calls of specific technical working groups they have agreed to support with expertise.
- The Civil Society Advisory Group will lead at least one virtual engagement meeting per year with the Community of Principles for Responsible Banking Signatories in addition to the in-person meeting. The topics chosen for the meeting should be relevant and important to a substantial share of the Principles for Responsible Banking Signatories and directly related to the effective implementation of the Principles for Responsible Banking.

3.3.2 Nature of inputs:

- Advice and contributions from Civil Society Advisory Body members are provided verbally during the meetings or via email exchange and are not public. A summary of the outcomes of meetings with the Banking Board will be documented by the UNEP FI Secretariat.
- The Civil Society Advisory Body will provide formal, written, independent input to the biennial Collective Progress Review.
- In the spirit of constructive and effective collaboration, the Civil Society Advisory Body will ensure its inputs are constructive, informative and oriented towards supporting the effective implementation of the Principles for Responsible Banking.

3.3.3 Confidentiality:

The content of meetings, meeting notes and discussions via other means of communication are confidential, unless otherwise specified/agreed (e.g. formal written inputs that are published – see “Nature of Inputs” above). While it is understood that civil society organizations, in the course of their role and work outside this body, are likely to publish views, opinions and information on banks involved, members of this body agree to:

- not publish, publicly comment on, or disclose to media any of the information obtained by virtue of attending these meetings or receiving other forms of communication in relation to these meetings.
- not make the specific content and outcomes of the discussions between this Body and the Banking Board, the Implementation Leads Group or a group of Signatories the subject of public campaigns against any specific banks or the collective of Principles for Responsible Banking Signatories.

Civil society organizations that breach this commitment to confidentiality may lose their status as a member of the Civil Society Advisory Group by decision of the Banking Board.

3.3.4 Conflict of interest:

If there is a conflict or potential conflict between a Civil Society Advisory Body member’s own personal interest or the interest of the institution they represent and their obligation to act in accordance with the defined mandate, objectives and responsibilities of this Body, the member must inform the Civil Society Advisory Body Co-Chairs and the UNEP FI Secretariat and may be asked to abstain from discussions and inputs on the matter concerned.

ANNEX I: REVIEW OF STATUS AS SIGNATORY TO THE PRINCIPLES FOR RESPONSIBLE BANKING

If during the annual feedback & review process conducted by the UNEP FI Secretariat a banking institution is identified as not in line with its commitments as defined in the Principles for Responsible Banking and their Framework Documents (Key Steps to be Implemented by Signatories and Reporting and Self-Assessment Template) or if a banking institution has not paid its membership fees within latest 6 months of receipt of the invoice, the following process is triggered:

- 1) First instance: Engagement by the UNEP FI Secretariat. Agreement on a plan and timeline to address the identified shortcomings. If agreed timeline can't be met, but reasonable explanation is provided, one extension can be given by UNEP FI Secretariat. The UNEP FI Secretariat reports on the engagement process and outcomes to the Banking Board.
- 2) If shortcomings are not addressed following the engagement with the UNEP FI Secretariat, the UNEP FI Secretariat refers the case to the Banking Board. The Banking Board engages with the banking institution with a view to find a joint solution and way forward with the banking institution and identify any further support/peer learning that could be provided to the bank. If the Banking Board concludes that the banking institution will not be able to remedy the shortcomings in the near term, but reasonably expects the banking institution to be in a position and willing to do so later, it can decide to declare the banking institution an "inactive" signatory. If the Banking Board concludes that the banking institution is unable/unwilling to address the shortcomings, it can agree with the banking institution or decide unilaterally that the banking institution leaves the initiative, i.e. is no longer listed as Signatory to the Principles for Responsible Banking.

Members of the Banking Board are required to notify the Banking Board Co-Chairs and the UNEP FI Secretariat and abstain from discussion and decision making in cases where:

- Their own banking institution or any subsidiary thereof is concerned.
- The decision on the case at hand would set a precedent for dealing with similar shortcomings in the banking institution the Banking Board member represents.
- There is or could be a conflict of interest.

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