

MINUTES OF UK EXPORT FINANCE EXECUTIVE COMMITTEE MEETING

3 April 2023

Present: Tim Reid (Chair) Attendance: [REDACTED] (item no.3)
Samir Parkash
Cameron Fox
Esi Eshun
Julia Beck

Apologies: Jayne Whymark
Shane Lynch

Secretariat: [REDACTED]

1. **Review of actions**

1.1 The minutes of the meetings on the 21 and 27 March 2023 were reviewed and approved subject to minor comments.

2. **General Discussion**

2.1 The Chair shared his reflections on his recent trip to South Korea and Japan. He noted the announcement of an extra £10billion in UKEF's capacity.

2.2 Members provided updates from their respective directorates. The Committee heard about the Business Group Directors attendance at a DBT hosted dinner for minority owned businesses in the West Midlands area and a cross-government business and growth forum.

2.3 The Committee discussed the Business Group and Risk Management Group transformation projects. Internal resourcing was also discussed.

2.4 Members discussed UKGI's approval of UKEF's operating plan and other cross-government engagement, including with HMT, NAO and about Ukraine support.

2.5 Members noted confirmation of the agreement in principle of the modernisation of the OECD Arrangements and Climate Change Sector Understanding (CCSU).

3. **Business Group – Overseas Network - Next Stretch**

3.1 [REDACTED] provided an update on the International Export Finance Executive (IEFE) network expansion plans and its proposed next phase to build the network to a sustainable level.

3.2 Members discussed the growth of the IEFE network in the last financial year and the proposed plans for further expansions across regions. The Committee

REDACTED

discussed peer activity in this area, the 1HMG setup and how IEFEs collaborate cross-government in post.

3.3 Members discussed the risk factors and ESHR considerations for regions proposed for IEFEs.

3.4 The Committee was supportive of the proposals and asked [REDACTED] to return to EC to present performance metrics.

4. **AOB**

Honours Commission

4.1 Members discussed potential nominees for Honours and agreed the process.

Gifts and hospitality

4.2 SPoCC Office to declare use of the HSBC meeting room on the gifts and hospitality register.

[REDACTED] and [REDACTED]

Executive Committee Secretariat

MINUTES OF UK EXPORT FINANCE EXECUTIVE COMMITTEE MEETING

11 April 2023

Present:	Tim Reid (Chair)	Attendance:	[REDACTED] (item no.3)
	Samir Parkash		[REDACTED] (item no.3)
	Esi Eshun		[REDACTED] (item no.3)
	Julia Beck		[REDACTED] (item no.3)
	Jayne Whymark		[REDACTED] (item no.4)
	Shane Lynch		[REDACTED] (item no.4)
			[REDACTED] (item no.4)
Apologies:	Cameron Fox		[REDACTED] (item no.4)
			[REDACTED] (AOB)
Secretariat:	[REDACTED]		

1. **Review of actions**

1.1 The minutes of the 3rd April 2023 meeting were reviewed and approved with no comments.

2. **General Discussion**

2.1 Members provided updates from their respective directorates. They talked about cross-government discussions on nominations for Honours, staff attendance at the office, as well as mental health and physical sickness rates among staff.

2.2 The Committee talked about recruitment and re-organisation within the Risk Management and Business Groups. They noted an upcoming event in Parliament with the Secretary of State, an update of the fossil fuel policy due later in the month, and the advanced manufacturing plan.

3. **2023 Financed Emissions Disclosure**

3.1 [REDACTED] provided an update on UKEF's financed emissions estimates for 2023.

3.2 [REDACTED] noted that 2022 was the first year that UKEF had published estimated emissions data, and the first ECA to do so. Having had support from [REDACTED] last year, they confirmed that the UKEF team has taken the work in-house. [REDACTED] have played an assurance role in this year's calculations.

3.3 [REDACTED] explained the variance in provisional data between 2022 and 2023 and detailed the drivers of change as data improvement, the use of actual reported values rather than estimates, and growth in UKEF's portfolio. [REDACTED] noted

that joining PCAF had given UKEF access to additional datasets which had benefited the process, and standardisation and quality of data.

3.4 The committee noted that such large changes in estimates should not be expected in future because of the improved data and understanding of UKEF's portfolio emissions. Members discussed the methodology, options for presenting the analysis of the estimates and the narrative for the 2023 disclosure.

3.5 The Committee noted the changes and estimates, and agreed with the recommendation to publish a revised baseline and a clear explanation of the change in baseline and increased emissions through the TCFD disclosure.

4. **UKEF Financial Crime Compliance Strategy**

4.1 [REDACTED] presented the strategy for financial crime compliance. [REDACTED] outlined the government standards and guiding principles of reasonable and proportionate measures. They detailed the best practice incorporated into the strategy, [REDACTED] noted that UKEF is ahead of some private sector counterparts, and emphasised UKEF's strong culture of countering fraud, bribery, and corruption.

4.2 Members noted that the risks in the strategy as well as the positive benefits of high compliance standards being a core part of the UKEF offer. They discussed how to position the framework within other organisational plans, and broader governance of the strategy.

4.3 The Committee approved the strategy and agreed that it should be reviewed annually. Further discussion would be had on its governance.

5. **Annual Report and Accounts (ARA) design proofs**

5.1 [REDACTED] presented the design proofs for the ARA and gave an update on progress.

5.2 Members discussed the presentation of financial metrics. [REDACTED] detailed the policy on disclosing details of transactions and customers supported, which was then discussed and agreed by members.

5.3 The Committee provided feedback on presentation of data, style, imagery, and endorsed the sample layouts for the ARA 2022-23.

REDACTED

Any Other Business

5.4 [REDACTED] worked with members to refine the wording of UKEF's new values, following an initial workshop on 23rd March. They also discussed the process for sharing the proposed values and getting feedback from staff.

[REDACTED] and [REDACTED]

Strategy, Policy and Climate Change Division

MINUTES OF UK EXPORT FINANCE EXECUTIVE COMMITTEE MEETING

17 April 2023

Present:	Tim Reid (Chair)	Attendance:	[REDACTED] (item no.2)
	Samir Parkash		[REDACTED] (item no.2)
	Julia Beck		[REDACTED] (item no.2)
	Jayne Whymark		[REDACTED] (item no.2)
	Shane Lynch		[REDACTED] (item no.3)
	Cameron Fox		[REDACTED] (item no.4)

Apologies: Esi Eshun

Secretariat: [REDACTED]
[REDACTED]

6. **Standing items**

6.1 The minutes of the 11th April 2023 meeting were reviewed and approved subject to minor comments.

6.2 Members discussed conflict of interest procedures and the scope of the existing process.

7. **Aviation Sector Decarbonisation Target**

7.1 [REDACTED] presented the recommendations for the decarbonisation target for UKEF's aviation exposure. They compared the International Energy Agency (IEA) and the Institute for Sustainable Futures (ISF) scenarios and explained their recommendation for use of the IEA scenario.

7.2 The Committee discussed the context and challenges of the target, including its reliance on industrial decarbonisation and the impact on aviation sector Export Development Guarantees (EDGs). Members discussed the use of scenarios by other banks and ECAs. The Committee discussed the use of different metrics and the use of an economic intensity target.

7.3 The Committee heard the Export Guarantees Advisory Council's preference toward a 2035 target. Members heard the approach used for calculating the carbon impacts.

7.4 The Committee discussed setting review points for the targets. Members heard the challenges surrounding maintaining fixed review points, which includes the lack of availability of data. Members suggested maintaining internal review points and discussed the possibility of reporting a 2035 target together with a 2040 target.

7.5 Members discussed the introduction of new and more efficient aircraft, as well as the use of sustainable aircraft fuel and its impact on the target.

7.6 The Committee approved the four recommendations set out in the paper.

8. **Review CEO update**

8.1 The Chair presented the draft of his update to the Board, highlighting key achievements, challenges, and developments across the directorates. He noted the positive start to the new financial year.

8.2 Members proposed refinements to the document to include information about increases in percentage of female, ethnic minority and disabled UKEF employees; green finance; and key deliverables in DDaT.

9. **Internal Audit Plan**

9.1 [REDACTED], updated the Committee on the status of the 2022-23 Audit Plan, noting its progress towards a release in the coming months. They also explained the changes in approach proposed for the 2023-24 Audit Plan.

9.2 The Committee discussed product audits, workplace culture around risk and the resourcing needs for the Audit Plan.

9.3 The Committee noted the 2023-24 Audit Plan.

10. **AOB**

10.1 Members discussed the International Relations Strategy and the effect of subsidies on the business.

10.2 The Chair provided updates on his meetings with the Secretary of State.

[REDACTED] and [REDACTED]

Executive Committee Secretariat

MINUTES OF UK EXPORT FINANCE EXECUTIVE COMMITTEE MEETING

24 April 2023

Present:	Tim Reid (Chair)	Attendance:	[REDACTED]
	Samir Parkash (item 1-2)		[REDACTED] (item 2)
	Julia Beck		[REDACTED] (item 2)
	Jayne Whymark		[REDACTED] (item 2)
	Cameron Fox		[REDACTED] (item 2)
	Shane Lynch		[REDACTED] (item 2)
Apologies:	Esi Eshun		[REDACTED] (item 2)
			[REDACTED] (item 3)
Secretariat:	[REDACTED]		[REDACTED] (item 3)
	[REDACTED]		[REDACTED] (item 3)
			[REDACTED] (item 3)
			[REDACTED] (item 3)

11. Standing items & General Updates

- 11.1 The minutes of the 17th April 2023 meeting were reviewed and approved subject to comments. Members discussed the actions log.
- 11.2 The Chair told the Committee about the Business Connect event he had attended with the Secretary of State and the Prime Minister. He provided an update on his meeting with the Department for Business and Trade (DBT) Executive Committee.
- 11.3 Members provided updates from their respective directorates. This included discussions about risk appetite, updates on recruitment for senior positions and resourcing, the Mozambique LNG project, progress with the Annual Report and Accounts, involvement with Just Energy Transition Partnership, pay remits, DDaT plans, digital trade finance, cross-Whitehall and ECA meetings, upcoming industrial action, and the upcoming Board meeting.

12. Transition and Sustainable Development Goals (SDG) Metrics

- 12.1 [REDACTED] presented a paper on the sustainability pillar of the Impact Framework. [REDACTED] outlined options and the recommendation for metrics to measure and evaluate impacts. They outlined plans for a year-long pilot phase for the project.

12.2 Members discussed the effect on customer experience and whether collection of information for a new metric would dissuade customers from using UKEF. Members were reassured that there would be no detriment to customers. They were advised that there would be no additional resource implications beyond what has already been detailed in the Impact Framework.

12.3 The Committee supported region and sector-specific metrics and approved the paper contingent on no burden on the customer and no additional resources. Members noted that current discussions were strategic, and that decisions on how the metrics would be built into transaction decision-making would come after the pilot phase.

13. **Export Insurance Products (EXIPs)**

13.1 [REDACTED] presented an update on the newly developed digital service for Export Insurance products. They demonstrated the features, efficiencies, and benefits of the new system. Members heard about the plans for development of the new system which include expanding its use beyond its current £500,000 transaction limit.

13.2 Members discussed the development plans for the system and noted the progress made.

[REDACTED] and [REDACTED]

Executive Committee Secretariat

REDACTED