

**GUARANTEES ADVISORY COUNCIL**

**MINUTES OF MEETING HELD ON 22 January 2024**

**Present:** Ms Vanessa Havard-Williams (Chair)  
Dr Ben Caldecott, EGAC  
Mr Harold Freeman, EGAC  
Ms Sarah Steele, EGAC  
Mr Stephen Prior, EGAC  
Mr John Morrison, EGAC  
Mr Tim Reid, UKEF CEO  
Ms Julia Beck, UKEF Director  
Mr Adam Harris, UKEF Director  
Ms Jayne Whymark, UKEF Director  
Ms Charlotte Morgan, UKEF Board member

**Presenters:** [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**Observers:** [REDACTED]  
[REDACTED]

**Apologies:** Ms Kim Wiehl, UKEF Board member

**Secretary:** [REDACTED]  
[REDACTED]

**1. Minutes of previous meeting and matters arising**

1.1. Members reviewed and approved the minutes from the October 2023 meeting.

**2. Environmental and Social Case Study**

2.1. [REDACTED] presented a case study of a project in the early stages of due diligence.

- 2.2. Members discussed how UKEF determines whether engagement is capturing the right stakeholder group and whether its approach reaches the most vulnerable people. They considered the local government's engagement with the issue and the factors involved when upholding an international level of good practice.
- 2.3. Members asked about how UKEF's approach is evolving to address increasingly complex risks, particularly to human rights, in the projects it is considering. They acknowledged the positive impacts of UKEF's involvement, and the need to balance consideration of risks with positive impacts. They also recommended continued international engagement to evolve best practice in line with increased complexity.

### **3. Sustainability Strategy and Business Plan**

- 3.1. [REDACTED] presented the Business Plan, intended to be a public commitment of what UKEF wanted to achieve. It was acknowledged that the Business Plan necessarily focused on the direction of travel and overall goal rather than the specific activities to get there.
- 3.2. [REDACTED] presented the Sustainability Strategy. Members heard that the Strategy laid out how UKEF was actively managing its mission. The team noted bilateral feedback from members over the previous month and their steers on the strategy.
- 3.3. Members asked for more information on the changes in the Fossil Fuel Policy in relation to Small and Medium-sized Enterprises. They further discussed the narrative of the strategy, commended the amount of work that had gone into it, and asked that past figures be provided as a comparator for the target figures.
- 3.4. Members considered future risk management plans, discussed the place of 'just transition' in the strategy and advised on climate disclosures and metrics.
- 3.5. Members commented that the climate aspect of the strategy was at a more advanced stage than the social impact side of the strategy. They looked forward to hearing how the social aspect would develop.

### **4. UKEF Sustainable Lending Process**

- 4.1. [REDACTED] updated the committee on Sustainable Lending Assessments.

- 4.2. Members enquired where UKEF was in relation to other ECA best practice in this area and heard that UKEF were at the forefront of improving practice. Members considered appropriate guidance to provide.
- 4.3. Members noted the Sustainable Lending Assessments update and endorsed the proposed approach, commending the progress of the team.

5. **AOB**

- 5.1. Members discussed ways for EGAC to report advice to ministers.