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Impact identification and assessment for bank portfolios

A GUIDE TO HOLISTIC IMPACT ANALYSIS USING THE
PORTFOLIO IMPACT ANALYSIS TOOL FOR BANKS

October 2020



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About UNEP FI's Impact Analysis Tools

UNEP FI's Impact Analysis Tools are developed via UNEP FI's Positive Impact Initiative (PII) and based on the Principles for Positive Impact Finance. These are a meta-framework which forms the bedrock for UNEP FI's unique, holistic approach to impact analysis and management. As per the Principles, Positive Impact Finance is:

'that which serves to finance Positive Impact Business. It is that which serves to deliver a positive contribution to one or more of the three pillars of sustainable development (economic, environmental and social), once any potential negative impacts to any of the pillars have been duly identified and mitigated.'

Impact Analysis Tools currently available:

- Portfolio Impact Analysis Tool for Banks
- Corporate Impact Analysis Tool
- In the pipeline:
- Impact Analysis Tool for Investment Portfolios (2021)
- Real Estate Impact Analysis Tool (2021)

About the Portfolio Impact Analysis Tool for Banks

The Portfolio Impact Analysis Tool for Banks was designed specifically to support signatories to the Principles for Responsible Banking (PRB) in achieving Principle 2:

'We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.'

The PII and a pioneer group of PRB endorsers and other UNEP FI banking members joined forces in 2019 to develop the tool. In 2020 a Working Group of over 50 banks came together and became the first generation of banks to use the tool to implement their PRB commitments. This Guide was developed with the Working Group, based on their user experience.

Acknowledgements

UNEP FI would like to acknowledge the members of the Portfolio Impact Analysis Working Group, whose work and user experiences are reflected in the present Guide:

- | | | | |
|-------------------------|------------------------|---------------------------|-----------------------------------|
| ▪ ABSA | ▪ BNC | ▪ Handelsbanken | ▪ Shinhan Financial Group |
| ▪ AIB | ▪ BOI | ▪ Julius Baer | ▪ Société Générale |
| ▪ Banco Machala | ▪ BPNB | ▪ Jyske Bank | ▪ Sparebank 1 BV |
| ▪ Banco Pichincha | ▪ CaixaBank | ▪ KB Financial Group | ▪ Sparebank 1 SR-Bank |
| ▪ Bancolombia | ▪ CIB | ▪ KCB Group | ▪ Standard Bank |
| ▪ Banque Misr | ▪ CIMB | ▪ La Banque Postale | ▪ Sumitomo Mitsui Financial Group |
| ▪ Barclays | ▪ Citi Banamex | ▪ Land Bank | ▪ Swedbank |
| ▪ BBVA | ▪ Commerzbank | ▪ LHV | ▪ TD Bank Group |
| ▪ BCEE | ▪ Credit Suisse | ▪ National Australia Bank | ▪ UBS |
| ▪ Beneficial State Bank | ▪ DBG Financial Group | ▪ Natixis | ▪ Vancity |
| ▪ BGR | ▪ Deutsche Bank | ▪ Nordea | ▪ Yapikredi |
| ▪ BMCE Bank of Africa | ▪ Diners Club Ecuador | ▪ Piraeus Bank | ▪ YES Bank |
| ▪ BMO | ▪ GLS Bank | ▪ Produbanco | |
| ▪ BN Bank | ▪ Golomt | ▪ RBS | |
| | ▪ Hana Financial Group | ▪ SB1 Ostlandet | |

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A. Introduction

What is the Portfolio Impact Analysis Tool and what is it for?

The tool is a unique resource for banks to identify their most significant impact areas at the portfolio level, with a view to developing their business strategy and setting themselves targets to increase their positive impacts and decrease their negative impacts, in the impact areas that are most significant, based on the nature, content and location of their portfolios.

Scope

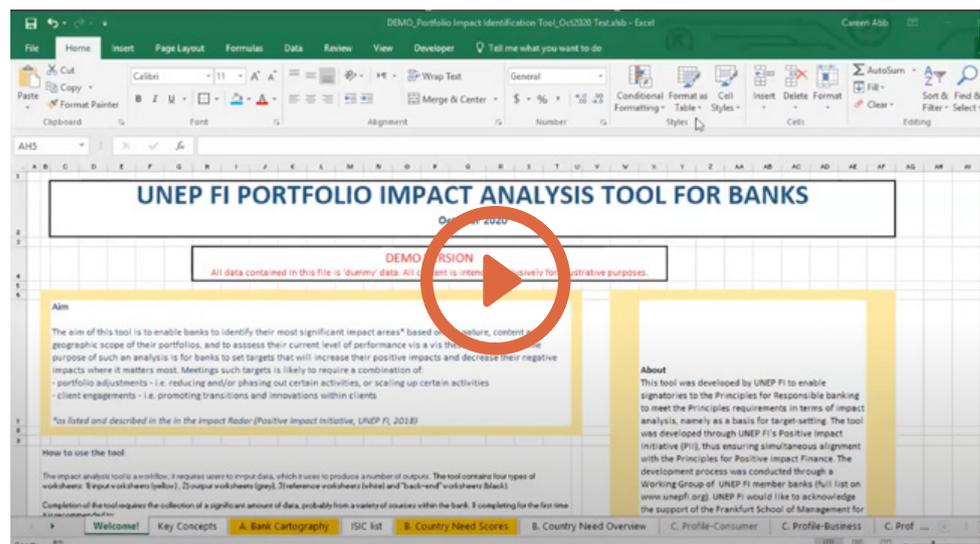
The tool currently enables analysis of the following portfolios:

- Consumer banking
- Business banking
- Corporate banking
- Investment banking

How does it work?

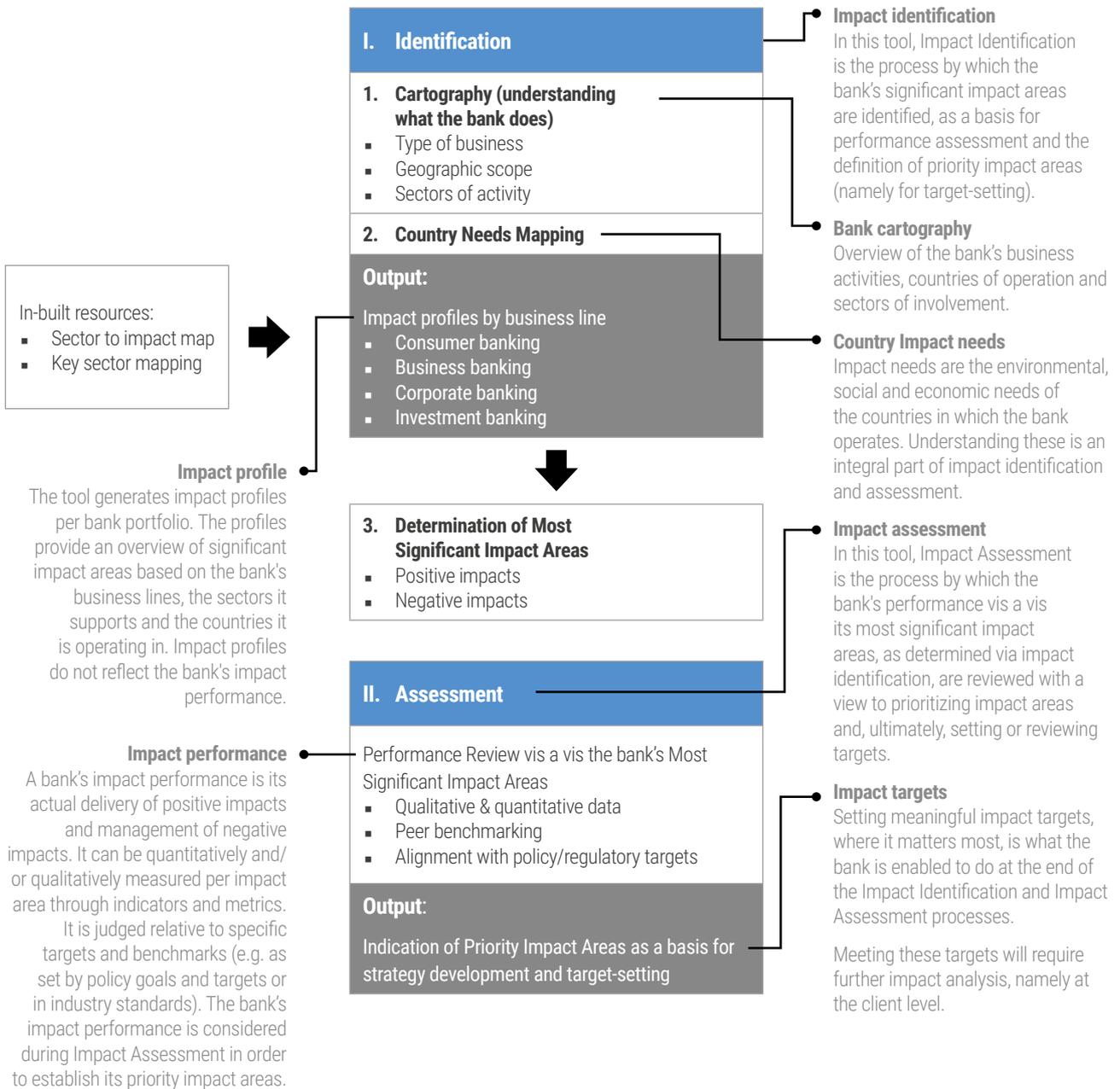
The impact analysis tool is an iterative input-output workflow built in Excel 2013. It requires users to input data to describe their portfolio (e.g. percentage of gross income per business line, percentage of drawn outstanding loans for a given sector and in a given country, etc.) and to reflect their current impact performance (e.g. quantitative data such as GHG reductions, diversity of SMEs financed, number of persons from vulnerable populations serviced and qualitative data such as the existence of policies and processes to detect and deal with wage theft or domestic violence). The tool uses the input data in combination with a set of in-built impact mappings to produce a number of outputs, in particular a set of impact profiles by business line, and to guide the user in identifying the bank's most significant impact areas and determining priorities, thus setting the basis for strategy development and target-setting.

Figure 1 below outlines the workflow of the tool, including the two phases (identification and assessment), the different steps within the phases, and the outputs of each phase. It also shows the in-built resources and which part of the process they feed into.



[Click here to listen to an explanation of the workflow](#)

Figure 1: Impact Analysis Workflow & Key Terms



Key concepts

Impacts

An impact is the effect or influence of one person, thing or action on another (New Oxford Dictionary).

Impact Areas

Impact areas are the “themes” of the impacts, under the three pillars of sustainable development (economic, environmental, social). The impact areas used in this tool are based on the PI Impact Radar (PII, 2018).

The UNEP FI Impact Radar

The Radar offers a holistic set of 22 impact areas across the three pillars of sustainable development, as per Figure 2 below. The impact areas are defined based on internationally recognized standards and definitions, including the SDGs (see annex on page xxx).

How do the impact areas relate to the SDGs ?

The 22 impact areas cover all of the SDGs. While many can be directly equated (e.g. Food / SDG 2 – No Hunger), some are expressed differently. The reason for these variations is simply to respond to the mechanical needs of holistic impact analysis. The Goals capture a consensually agreed set of aspirations and as such inevitably carry a number of contractions or overlaps. To support holistic impact analysis, distinct impact areas are required. As a result, there are slightly more impact areas than SDGs.

Thus SDG 14 - Life below water and 15 - Life on land are expressed as ‘Ecosystems & biodiversity’, and are also covered by ‘Water’ and ‘Soil’. SDG 8 - Decent Jobs and Economic growth is broken down into ‘Employment’ and ‘Health & inclusive economies’ in order to capture the multiple facets of both components. Likewise, SDG 11 - Sustainable cities and communities, is broken down into a number of constitutive needs, such as ‘Housing’, ‘Mobility’, and ‘Culture and Heritage’, among others.

Figure 2 below shows how the 22 impact areas of the Impact Radar map to the 17 SDGs.

Significant Impact Area

A significant impact area for a bank is one where there is a strong relationship between the impact area and the bank’s current and/or future business. This is a function of a bank’s business activities, the sectors it supports and the countries in which it and its clients operate.

Where there is a high level of need vis a vis an impact area in the country/ries of operation of the bank, and where the core business activities of the bank and/or the main sectors it supports are key to this impact area (e.g. the energy sector and climate change, or agriculture and food security), this impact area will be among the most significant impact areas of the bank.

By understanding their most significant impact areas, banks can take action and set targets where they can deliver the most impact.

Holistic impact analysis

Holistic impact analysis is the process of identifying the impact areas that can be positively and/or negatively associated with an entity and/or activity, and of assessing the entity’s and/or the activity’s impact performance vis a vis its most significant impact areas.

It distinguishes itself by the systematic consideration of positive and negative impacts across the three pillars of sustainable development. It is undertaken with a view to anticipating and managing unintended consequences, and to leveraging the interconnectedness of impact areas in order to develop innovative business solutions with better cost to impact ratios.

Impact management

Impact management covers all actions taken to drive positive impact and reduce negative impacts: identifying significant impacts, measuring them, setting appropriate targets, taking action to reach those targets, monitoring their attainment, constantly improving processes and outcomes/performance, communicating both on process and performance. Effective impact management is a function of the quality of the governance, resources and processes established by the bank to reduce its negative impacts and increase its positive impacts.

Figure 2: The 22 Impact Areas of the UNEP FI Impact Radar & the SDGs

People, planet, prosperity: Integrated and indivisible	Availability, accessibility, affordability and quality of...	Water					
		Food					
		Housing					
		Health & sanitation					
		Education					
		Employment					
		Energy					
		Mobility					
		Information					
		Culture & heritage					
		Integrity & security of person					
		Justice					
	Strong institutions, peace & stability						
	Quality (physical and chemical properties) and efficient use of...	Water					
		Air					
		Soil					
		Biodiversity & ecosystems					
		Resources efficiency/security					
		Climate					
		Waste					
	Economic, value creation for people and society	Economic convergence					
		Inclusive, healthy economies					

B. Getting started

The tool requires a significant amount of data to be collected from a variety of sources within the bank. Using the tool therefore requires some preparation. Your first steps:

➤ **Familiarise yourself with the tool.**

In addition to this guide, a demo version of the tool containing 'dummy' data is available. Both the guide and the demo are laid-in with audio walk-throughs and are available online. Please take the time to make use of this material.¹

➤ **Define the scope of your analysis.**

Portfolio analysis doesn't mean reviewing every single transaction in the bank – it means getting a good representation of your impacts based on the reality of your product offering and client base. You will need to prioritise accordingly; you should start with the business lines that represent the core of your business. This means:

1. Identify your different business lines and countries of operation
2. Clarify which business lines and countries of operation are the bank's core business, in terms of factors such as revenue, business volume, and market share.²
3. Ensure that your largest business lines and countries of operation are covered in your analysis
4. Plan to cover the smaller parts of your portfolio over time

Within each business line you can further prioritise based on the 20/80 rule: as a rule of thumb 20% of clients or deals = 80% of business volume. See details further down in section C.

Fig.3 below shows the main banking business lines, along with the clients that these serve and the product and services involved. Use this table to support your scoping efforts.

Practical Tips

You will need support from the corresponding departments in the bank to compile the necessary data. Identify and involve these as you are defining the scope of your analysis. This is also an important opportunity to communicate the strategic objectives of the analysis and to ensure uptake and continuity once the analysis is completed and actions need to be taken to implement strategies and meet targets.

Collect raw data in a separate file, before inputting into the tool.

Note the period covered and the date of completion of the analysis for reference for future updates.

¹ unepfi.org/positive-impact/tools-frameworks-for-holistic-impact-analysis/unep-fi-impact-analysis-tools/portfolio-impact-tool/

² Market share information is typically provided via league tables, which are issued by data providers such as Bloomberg, Dealogic and Thomson Reuters. These are typically available to research teams and capital markets teams. Banks' market intelligence departments typically track their market share directly.

Figure 3: Overview of Banking Activities

For the purpose of this tool, banking activities have been categorized as per the table below. Items in red indicate business activities not currently within the scope of the tool.

Business Line	Description	Clients	Products and services	
Banking	Consumer Banking (sometimes also called personal or retail banking)	Provision of products and services to individuals.	Individuals	Generic: Consumer credit & overdraft Credit cards Current accounts Savings accounts Certificates of deposits / Term investments Specialised (purpose): Home loans and other housing-related credit Education-related loans Access to justice - related loans Health-related loans Leasing Other Specialised (type of client): Student accounts & loans Professional activities* Running of associations* Other (e.g. gender, minorities, elderly, etc.) Specialised (income-level of client): Microcredit Wealth Planning / Family Offices (e.g. estate, art, family, etc.) Securities backed lending (Lombard loans) Structured lending and risk solutions Investments (direct/indirect, custodian/discretionary/advisory, research) Other
	Business Banking (sometimes also called commercial banking)	Provision of products and services to local businesses and government. Local means from the country where the bank or bank subsidiary is incorporated.	Professionals,* SMEs, cooperatives, associations,* corporates	Generic: Credit & overdraft Current accounts Savings accounts Payment services Specialised (purpose): Leasing Property lending Other Specialised (type of client): e.g. farmer financing
			FIs	Interbank loans Letters of credit Correspondant accounts
			Municipalities, regions	Loans Other
	Corporate Banking	Provision of products and services to larger clients and/or clients beyond the bank's country/ies of incorporation	Corporates, Multinationals, SPVs	Generic: Corporate credit & overdraft Payment services (e.g. cash management) Specialised (purpose): Trade finance Export credit Asset finance (e.g. ships, aircraft, fleets, property, etc.) Other Specialised lending (type of client): Project finance
			Sovereigns	Specialised (purpose): Trade finance Export credit Asset finance (e.g. ships, aircraft, fleets, property, etc.) Other Specialised (type of client): Project finance Other
			FIs	Interbank loans Other
	Investment Banking	Provision of access to capital markets & raising of capital on capital markets and related services	Corporates, multinationals	Primary capital markets - debt (bond issuances) Primary capital markets - equity (IPOs) Advisory services (e.g. M&A, ratings, project finance, etc.) Other (e.g. Custodian banking)
			Sovereigns	Primary capital markets - debt Other
	Investment			
Insurance				
Philanthropy/ Foundations				

*customers/clients that may be serviced both by consumer and business banking departments.

C. Using the Tool

1. Phase I – Impact Identification

In this tool, Impact Identification is the process by which the bank's significant impact areas are identified, as a basis for performance assessment and the definition of priority impact areas (namely for target-setting). This phase comprises 3 steps:

- 1.1 Bank Cartography
- 1.2 Mapping of Country Needs
- 1.3 Review of Portfolio Impact Profile & determination of most significant impact areas



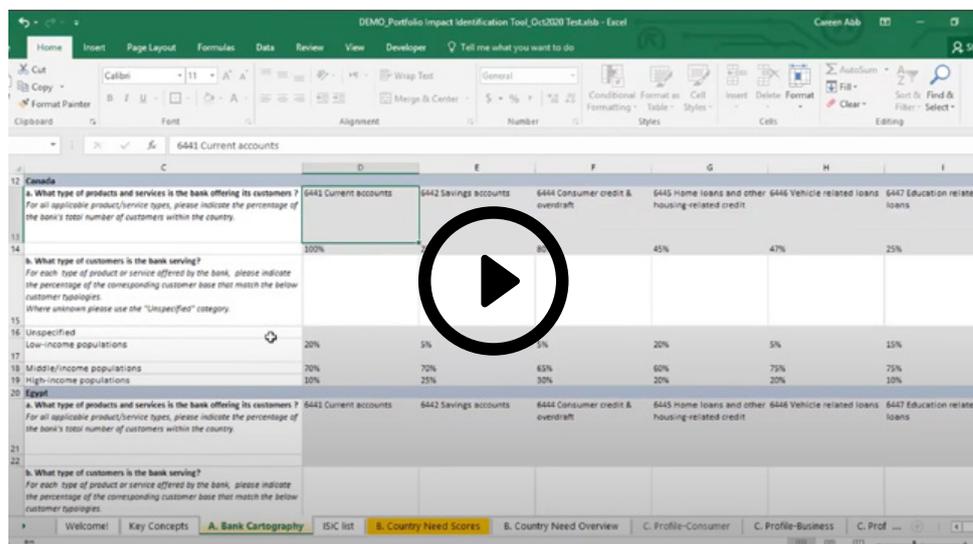
1.1 Bank Cartography

A bank's impacts are linked to the nature of its business activities; they depend on the clients, sectors and activities that these support, and where these clients, sectors and activities are based or taking place. The first step is therefore to understand what the bank actually does.

This section of the tool requires you to provide data on:

1. What the bank's business activities are and what portion of the bank's overall business each type of business activity represents (as a percentage of gross income).
2. For each type of business activity, which countries the bank operates in, as well as the portion and/or volume of business per country.
3. For each country within each type of business activity, what sectors the bank's clients or client activities belong to, and what percentage of the bank's portfolio these represent.

Guidance is provided below point by point.



[Click here to watch a demo of the Cartography section.](#)

1.1.1 Indicating the Bank's Business Activities

In this segment you are requested to indicate what the main business lines of the bank are and what their respective size is in terms of gross income. There is a drop down menu which provides the following options: Consumer banking, Business banking, Corporate Banking, Investment banking, Other.

Please refer to the description of banking activities in Figure 3 above (also available directly in the tool under the 'Key Concepts' Worksheet) to accurately capture your business activities. Note that following lines of business are not currently covered by this tool: Capital Markets, Asset Management, Insurance. For these lines of business please select 'Other'.

I. Bank Cartography				
Type of business	Type of business	Type of business	Type of business	Type of business
a. What are the bank's business activities? <i>Please select one type of business activity per column.</i>	Consumer Banking	Business Banking	Other	[Select banking activity]
b. What portion of the bank's overall business does each type of business activity represent? <i>Please indicate as a percentage of gross income</i>	25%	50%	25%	

Q. Why is this asked?

- A. The analysis is performed business line by business line. This information is needed in order to map out the proportion of your bank's activities to which different impact areas are associated. If a given impact area is associated to a large (i.e. core) part of the bank portfolio this will contribute to the said impact area being one of the bank's most significant impact areas (see 'Key Concepts' above).

1.1.2 Review per Business Line

From here onwards the workflow unfolds business line per business line so as to take into account the particularities of each business line and facilitate data collection. This is also intended to help engage the relevant business departments beyond the analytical process, namely for the setting and achievement of targets.

You will first be requested to indicate the bank's countries of operation, and then you will be requested to provide a further breakdown by sector or activity type within each country.

Q. Should all the bank's business lines be reviewed?

- A. The more comprehensive your impact analysis the better, however you may need or wish to increase the scope of your coverage progressively. In this case what is key is that you prioritise your core business, i.e. business lines with the largest revenues and/or in which the bank is a market leader and/or with the largest volumes of AUM.

Example: Should I prioritise my investment banking activities?

This part of the portfolio is relevant first and foremost for banks with the following profile:

- Market typology:** the investment banking market is important in the country/ies of operation of the bank.
- Market position:** the bank is an important player on this market. If the bank's ranking on league tables is beyond 10, then the bank is not a significant player.
- Revenue share:** gross income (i.e. fees) from the investment banking business line should
- be compared to global gross income; if investment banking revenue is less than 5% of global gross income then it is not a significant part of the portfolio.

If the profile of your bank does not match any of the above, you do not need to prioritise the analysis of activities in this field.

a. Bank's countries of operation

In this segment you are requested to indicate the bank's countries of operation, i.e. those where the bank is incorporated or has an otherwise registered presence. You are required to select from a drop down menu which allows you to select any country. You can select up to 15 different countries per business line. You are also required to indicate the portion of business per country; as a percentage of total number of customers in the case of Consumer banking, and as a percentage of drawn outstanding loans, outstanding loans, or alternatively, exposure at default (depending on available information), for Business, Corporate and Investment Banking.

i. Consumer banking		
Geographic scope		
a. Which countries does the bank operate in? <i>Please list all countries per type of business activity (as per section I above). Please use one column per country.</i>	Canada	Egypt
b. What portion of the bank's total consumer business does each country represent? <i>Please indicate as a percentage of total number of customers.</i>	59%	41%

Q. Do I need to be analysing all the geographies my bank is operating in?

A. If your bank is active in several countries your operations may be much bigger in some countries than in others. While ultimately you would want your impact analysis to be comprehensive so as to be able to take into consideration the specific needs of each country, you may need to increase coverage over time. If so, please prioritise on the basis of two factors:

- i. the size of your business in the different countries (20/80 rule)
- ii. the systemic importance of your bank in the different countries, i.e. prioritising countries where your bank is a market leader

Q. What if my bank operates in more than 15 countries?

A. You should prioritise those countries that represent the biggest portion of your business as well as any countries where your bank is a market leader (i.e. top 3).

Q. Some of my Corporate and Investment Banking clients are active in additional countries to those in which my bank is incorporated – how does this affect my impact analysis and what can I do about it?

A. The involvement of your clients in additional countries may indeed be material to your impact analysis and ultimately to your impact management strategy. Thus, in addition to your countries of incorporation, over time you are encouraged to reflect, as applicable, any additional countries in which your biggest clients are significantly involved. Significant involvement means that the country is either a major market (country of sales), site of production and/or of sourcing. The cartography section of the UNEP FI Corporate Impact Analysis Tool can be used to identify additional countries as per the above. See the insert p.xxx for further guidance.

b. Bank's sectors of operation

In this segment, for each country of operation (see previous step), you are required to select sectors/activities from a drop down menu. You can select up to 15 different sectors/activities per country.

Sector classification

For the purpose of this tool, sectors are areas of activity as per the ISIC industry classification. For ease of reference the ISIC list can be viewed in a dedicated worksheet (ISIC List).

Note that the ISIC list has been expanded to cover close to 50 additional sectors/activities. These additions were made as part of the tool development process in 2019, based on practitioner feedback on gaps in ISIC. Additions are highlighted in yellow in the 'ISIC List' worksheet.

Practical Tips:

- *An industry code converter (for NAICS, NACE and ANZIC) is available here: isumo.cloud/codeverter/
- *To look for ISIC codes through keywords, click here: siccode.com/isic-code-lookup-directory

You are also required to indicate the percentage of the bank's portfolio each of the sectors/activities represent as a percentage of drawn outstanding loans, outstanding loans, or alternatively, exposure at default (depending on available information).

Further guidance is provided below business line by business line.

Consumer Banking

Consumer banking is first and foremost about delivering products and services to individuals, not businesses. While a number of customers may be exercising liberal professions (e.g. doctors, consultants, etc.) or running a small business (e.g. an individual consultancy, a small restaurant, etc.), these will tend to be a small part of the overall portfolio). For this reason, **the tool requires selection from the ISIC list exclusively in terms of the products and services rendered by the bank, i.e. from the 'Financial services' section of ISIC. It complements this by requesting information on the type of client.**

Egypt	6441 Current accounts	6442 Savings accounts	6444 Consumer credit & overdraft	6445 Home loans and other housing-related credit	6446 Vehicle related loans	6447 Education related loans
a. What type of products and services is the bank offering its customers ? <i>For all applicable products/service types, please indicate the percentage of the bank's total number of customers within the country.</i>						
b. What type of customers is the bank serving? <i>For all relevant customer types, please indicate the percentage of the overall customer base within the country.</i> <i>Where unknown please use the "Unspecified" category.</i>						
Unspecified						
Low-income populations	5%	0%	0%	5%	0%	10%
Middle-income populations	20%	5%	15%	25%	12%	20%
High-income populations	75%	95%	85%	70%	88%	70%

Q. Do all products and services need to be accounted for?

A. Services such as current and savings account holding, may be thought of as having less impact associations than, say, home mortgages and car loans. However, these have a key role to play in terms of access to finance and the promotion of healthy and inclusive economies—by virtue of this fact users are indeed encouraged to include all major products and services in their analysis.

Q. What about activities not linked to account holders?

A. Some transactions processed by the bank such as transfers and deposits, may not involve any bank account-holders. The tool does not capture these as they would normally constitute a very small portion of business and would not carry any additional impacts to those carried by other products and services.

Q. Why is the volume of business accounted for in terms of number of clients?

A. This indicator was chosen for several reasons:

- To make it possible to account for both products (such as loans) and services (such as account holding)
- To better capture impacts; capturing the number of clients provides a better sense of the portion of the population that is benefiting from access to finance and enables further impact identification by considering the types of populations served (low, middle and high-income segments).

Q. Should first holders only be captured or all holders?

A. Ideally all holders should be captured as all holders benefit from the products and services rendered.

Q. What if my data is not collected by number of clients?

A. An acceptable proxy is n. of accounts / products. Always specify and be consistent with the indicator used to ensure tool outputs are meaningful.

Q. What definitions of high/middle/low-income populations am I supposed to use?

A. Definitions and thresholds vary from geography to geography along with the cost of living. Therefore, locally applicable definitions should be used. National or international (e.g. OECD) statistics can be used in complementarity.

Q. What if my bank is prevented by law from collecting information on client typology?

A. This will not stop the tool from generating results, they will just be less precise. You can partly compensate by bringing more precision to your product selection (see next question).

Q. How does one account for the 'hidden' impacts associated with consumer loans and credit cards?

A. If these are a major part of your business, you may wish to get a closer understanding of what such products and services serve to acquire and do. This may be something your credit department is tracking / can track directly. In the specific case of credit cards indexes of merchant codes may be offer a means of tracking. Alternatively, in some cases GDP consumption allocation statistics may be referred to, based on the assumption that the consumption pattern of the bank's customers, in a specific country, follows the overall consumption pattern of the corresponding country.

Additional impacts identified should be captured in the open dialog box in the 'Consumer Banking Profile' worksheet so as to be taken into account in the definition of the bank's most significant impact areas.

Q. What about customers who's accounts, loans, deposits and transactions are in reality linked to a business activity?

A. If you are able to track such cases as well as the sectors/activities they are associated with, you can obtain a more granular and accurate representation of impacts by capturing this part of your business via the 'Business Banking' section of the Cartography worksheet. Consider doing this if you find a significant portion of portfolio is made up of such cases.

Business, Corporate & Investment Banking

Business, Corporate and Investment banking is first and foremost about delivering products and services to **enterprises**: small and medium enterprises in the case of Business banking, larger and international enterprises in the case of Corporate and Investment banking. These enterprises will operate across a multitude of sectors. For this reason, **the tool requires selection from the whole of the ISIC list, except the individual financial products and services included in the 'Financial services' section of ISIC. Volumes are captured via outstanding loans.**

Sectors						
Australia						
a. What are the sectors of the bank's clients or client activities? <i>Please select from the drop down list. Where the bank's clients / client activities are spread among multiple sectors, start with sectors that are in the top 10 of the portfolio (in the country).</i>	A Agriculture, forestry and fishing	099 Support activities for other mining and quarrying	10 Manufacture of food products	11 Manufacture of beverages	41 Construction of buildings	
b. What portion of the bank's business banking portfolio in the country does each sector represent? <i>Please indicate as a percentage of drawn outstanding loans, outstanding loans, or alternatively, exposure at default (EAD), depending on available information. See key concepts section for definitions and further guidance.</i>	20%	5%	6%	12%	7%	

Q. Do all clients and deals need to be accounted for? There are only 15 slots available per country; the business banking portfolio is extremely diverse, and the corporate and investment banking portfolios are also diverse – how can I appropriately capture the impacts associated to the portfolio?

Business banking portfolio

Please prioritise on the basis of two factors:

- the size / portion of your business in the different sectors/activities
- the systemic importance of the different sectors/activities. Please refer to the 'Key Sector Mapping' worksheet to this effect. This mapping provides insights as to which sectors and activities are key in terms of achieving and/or undermining the different impact areas. Sectors or activities that do not show on the mapping could be omitted in favour of others that do feature on the mapping, especially if they feature on multiple front (e.g. agriculture).

Corporate banking portfolio

Please prioritise on the basis of two factors:

- the sectors of the bank's biggest clients. Note, some sectors may rapidly dwarf others (e.g. oil & gas, metals & mining) in terms of revenue by virtue of the sheer size of the clients, but not in terms of number of clients or other indicators of volume. Select at less granular levels of ISIC to avoid creating blind spots in your impact identification. See also the following question on ISIC selection.
- the systemic importance of the different sectors/activities. Please refer to the 'Key Sector Mapping' worksheet to this effect. This mapping provides insights as to which sectors and activities are key in terms of achieving and/or undermining the different impact areas.

Investment banking portfolio

Please prioritise on the basis of two factors:

- the sectors of the biggest deals in the portfolio.
- the systemic importance of the different sectors/activities. Please refer to the 'Key Sector Mapping' worksheet to this effect. This mapping provides insights as to which sectors and activities are key in terms of achieving and/or undermining the different impact areas.

Q. At what level of ISIC should I be selecting?

A. This will be dictated by the type of sectors and activities that are present in your portfolio. E.g. if a specific subset of a sector is predominant in your portfolio as opposed to the sector as a whole, you should select at a more granular level. If you are involved in activities across a sector (e.g. crop production/animal raising, forestry, and fishing/aquaculture, and/or you also have a number of other sectors and activities to capture, you will need to select at a less granular level.

Note that less granular selection may result in impact associations being reflected that do not apply to you; this should be reviewed and commented on in the Profile worksheet so as to facilitate better decision-making regarding the most significant impact areas.

Q. How do I convert from the industry classification used in my bank to ISIC and vice versa?

A. A conversion tool is available online³ with NACE, NAICS and ANZIC. Correspondence tables exist between most national classification systems and ISIC. However, your internal classification system is likely to be unique to your bank.

NB. You should be classifying and converting based on the sector of the client, not on type of financial product or service provided. For instance, mortgage amounts are likely to be a readily available data set; they should not be translated as 'Real Estate' or 'Construction', but broken down by the sectors of the clients benefiting from the mortgages.

Additional corporate banking considerations

Q. What should I do if a client is involved in more than one sector?

A. Unlike under business banking, corporate banking clients often have a multi-sector profile. In such cases, as a first step, ensure that you are capturing your client's core sector. If the client's activities are related (e.g. several activities within the manufacture of vehicles), selecting at a less granular level of ISIC will enable you to capture more aspects and hence impacts of the client's activity. For a fuller and more accurate identification of sector-driven impacts of multi-sector companies, you will need to first collect the data concerning their different sectors of activity and then aggregate it for input into the tool. The cartography section of the UNEP FI Corporate Impact Analysis Tool⁴ can be used to gain an understanding of the companies' various sectors of activity and countries of operation (sales, production, sourcing). See the insert below for further guidance.

³ isumo.cloud/codeverter/

⁴ unepfi.org/publications/positive-impact-publications/corporate-impact-tool/

Additional investment banking considerations

Q. How do I account for the fact that I am one of several banks involved in the bond issuances and IPOs?

A. Amounts / volume of finance provided through bonds and equities can be calculated using league table methodology, i.e. by aggregating deals for which the bank is a Mandated Lead Arranger (MLA), each of which should be divided by the total number of MLAs per deal.

Q. What about advisory services, what should I do about those?

A. Rating advisory services are closely linked to Bond or Equity mandates, as Project finance advisory services are to Project finance mandates. As a result, the impacts one might identify would be the same. At the same time the business volume of these activities would normally not materially affect the proportions of bank's activities linked to the impact areas. As a result, these advisory services are considered negligible. As regards M&A advisory services, the impacts are derived from the impact profile of the acquisition or sale of the client rather than from the transaction itself. This would likely be covered in the corporate banking portfolio as it is likely that there will be a loan or other financing activity associated to the M&A advisory service; should a particularly large and significant client be involved, a specific client analysis can be undertaken. The UNEP FI Corporate Impact Analysis Tool⁵, which uses the same methodology as the Portfolio Tool, can be used to this effect.

Q. Where do I find information on the sectors and countries of the companies/entities whose bonds and equities are being issued?

A. Ideally sector and country breakdown should be derived directly from your internal client intelligence. Notices can be another source of information (these are widely used in the US, less extensively in Europe, and are generally not in use elsewhere).

Deep-diving on clients with multi-sector profiles and/or clients with significant involvement in countries beyond the bank's countries of operation: Which clients should I review?

Deep-diving doesn't necessarily mean reviewing every single client. Make a selection based on the following criteria:

- i. The sectors of the bank's biggest clients. A small number of clients is likely to account for a large part of the portfolio. Note, some sectors may rapidly dwarf others (e.g. oil & gas, metals & mining) in terms of revenue, but not in terms of number of clients or other indicators of volume. To address this, consider the clients that make up the greater part of the book in each sector you are servicing. Also bear in mind the next two criteria.
- ii. The systemic importance of the companies' sectors/activities. You should prioritise clients from sectors that are key to one or more impact areas. The more impact areas a sector is key for the more relevant it is to include them in your selection. Please refer to the 'Key Sector Mapping' worksheet to this effect. This mapping provides insights as to which sectors and activities are key in terms of achieving and/or undermining the different impact areas.
- iii. the systemic importance of the client: prioritise clients that are leading companies in their sector and/or top tier companies in a given country.

5 unepfi.org/publications/positive-impact-publications/corporate-impact-tool/

Country Needs Assessment Framework (extract)

Impact Areas	Availability, accessibility, affordability and quality of...														
	Water		Food				Housing			Health & sanitation			Education		
Indicator	Availability of water	Access to water	Undernourishment	Healthy nutrition	Food security	Slum dwelling	Homelessness	Affordability	Overcrowding	Life expectancy	Healthy life expectancy	Universal Healthcare Coverage (UHC)	Years of schooling	Literacy	
Resource	WRI - Aqueduct Country Rankings (2019) https://www.wri.org/applications/aqueduct/country-rankings/	UN Global SDG Database (Indicator 6.1.1) https://unstats.un.org/sdgs/indicators/database/	Sustainable Development Report 2020 (original data: FAO) https://dashboards.sdgindex.org/map/indicators/sdg2_undershtratings	Sustainable Development Report 2020 (original data: WHO) https://dashboards.sdgindex.org/map/indicators/sdg2_obesity	The Economist Intelligence Unit - Global Food Security Index https://foodsecurityindex.eiu.com/Index	UN Global SDG Database (Indicator 11.1) https://unstats.un.org/sdgs/indicators/database/	OECD - Affordable Housing Database (page 4) https://www.oecd.org/fels/family/H3-1-Homeless-population.pdf	OECD - Affordable Housing Database https://www1.oecd.org/housing/compareyourcountry.org/housing/en/all/default	OECD - Affordable Housing Database https://www1.oecd.org/housing/compareyourcountry.org/housing/en/all/default	OECD - Affordable Housing Database https://www1.oecd.org/housing/compareyourcountry.org/housing/en/all/default	Sustainable Development Report 2020 (original data: WHO) https://dashboards.sdgindex.org/map/indicators/sdg3_life	WHO - Global Health Observatory https://apps.who.int/gho/data/node.main.688	Sustainable Development Report 2020 (original data: UN Global SDG Database) https://dashboards.sdgindex.org/map/indicators/sdg3_uh	UNDP - Human Development Index Database http://hdr.undp.org/en/indicators/103706	Sustainable Development Report 2020 (original data: UNESCO) https://dashboards.sdgindex.org/map/indicators/sdg4_literacy
Metric & scoring	Baseline water stress (ratio of total water withdrawals to available renewable water supplies)	Proportion of population using safely managed drinking water services	Prevalence of undernourishment in the total population	Prevalence of obesity in the total population	Food security (composite index: availability, affordability, [...])	Proportion of urban population living in slums	Homeless as % of total population	Housing cost over-burden among low-income owners with mortgage	Housing overcrowding among low-income	Life expectancy at birth	Healthy life expectancy at birth	Coverage of essential services (composite index covering 14 [...])	Years of schooling (composite index: mean years [...])	Literacy rate as % of population aged 15-24	
1	< 1 (low)	> 99%	< 7.5% (SDG accomplished)	< 10% (SDG accomplished)	> 70 low food insecurity	< 5%	< 0.1%	< 10%	< 5%	> 80 years (SDG accomplished)	> 70	> 80 (SDG accomplished)	>= 0.8	> 95% (SDG accomplished)	
2	1-3 (medium)	85%-99%	7.6-11.9 % (challenges remain)	10.1-17.9 % (challenges remain)	71-60 mild food insecurity	5-14.9%	0.1%-0.25%	10%-19%	5-14.9%	79-75 years (challenges remain)	60-69	71-79 (challenges remain)	0.65-0.79	90%-94% (challenges remain)	
3	3-4 (high)	70%-84.9%	12-14.9% (significant challenges remain)	18-24.9% (significant challenges remain)	59-45 moderate food insecurity	15-24.9%	0.26%-0.5%	20%-29%	15-24.9%	74-70 years (significant challenges remain)	41-59	61-70 (significant challenges remain)	0.5-0.64	84%-89% (significant challenges remain)	
4	> 4 (extremely high)	< 70%	> 15% (major challenges remain)	> 25% (major challenges remain)	< 45 high food insecurity	>= 25%	> 0.51%	> 30%	>= 25%	< 70 years (major challenges remain)	< 40	< 60 (major challenges remain)	< 0.5	< 85% (major challenges remain)	
Notes	*A more detailed view of water stress within countries is available via the WRI Water Risk Atlas https://www.wri.org/applications/maps/aqueduct-atlas/#:~:z=17.49&y=7.34&s=ws12012018	*To use the UN SDG database, select the indicated number from the list (press the 'plus' buttons by each SDG to navigate)	To view FAO material directly please The State of Food Security and Nutrition in the World, 2019 (see tables starting page 122)	To view FAO material directly please The State of Food Security and Nutrition in the World, 2019 (see tables starting page 122)	*Scoring range is indicative (not provided by the resource) *Additional information on food security	*To use the UN SDG database, select the indicated number from the list (press the 'plus' buttons by each SDG to	*This dataset covers OECD countries only *Scoring range is indicative (not provided by the resource)	*This dataset covers OECD countries only *Scoring range is indicative (not provided by the resource)	*This dataset covers OECD countries only *Scoring range is indicative (not provided by the resource)	*The database can take a few moments to show on the Observatory website *Scoring range is indicative			*Scoring range is indicative (not provided by the resource)	*OECD countries recommended to use PISA scores for broader coverage: Sustainable Development Report 2020	
Additional resources considered for current default scores		*Norway: https://www.fn.no/statistikk/frentvann *Turkey: https://www.sdg6data.org/country-or-area/Turkey		*France: https://www.inserm.fr/information-en-sante/dossiers-information/obesite *Switzerland: Swiss Federal		*France: https://www.fondation-abbepierre.fr/documents/pdfs/synthese_rapport_2018		*Turkey: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Housing_cost_overburden_rate_	*Turkey: https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20180612-1		*Germany: http://hdr.undp.org/sites/default/files/hdr2013.pdf *Morocco: https://sustainabledevelopment.un.org/content/documents/				
Going further		Consider specific location (rural? urban?) and typology of under-served populations (e.g. ethnic groups or minorities)	Consider specific location (rural? urban?) and typology of under-served populations (e.g. ethnic groups or minorities)	Consider specific location (rural? urban?) and typology of under-served populations (e.g. ethnic groups or minorities)		*Consider overcrowding as an alternative indicator if/as appropriate. *Consider specific typology of			*Consider homelessness rates as a complementary data point. *Consider specific location (rural? urban?) and typology of under-served populations (e.g.	*Consider incidence of specific diseases *Consider specific location (rural? urban?) and typology of under-served populations (e.g. ethnic groups			*Consider type/level of education (higher education, professional training) *Consider specific location (rural? urban?) and		

1.2.2 Country Need Scores

Underneath the framework there is a table to capture the level of need of each country per impact area, based on the framework and in the form of scores going from 1 to 4. Use the listed resources, the scoring range and further guidance in the framework to fill out the table. This should be done for all countries selected in the Cartography worksheet - for ease of reference all selected countries are displayed automatically in dark yellow.

NB. There are two lines per country:

- The 'Default values' line, where you will see the scores for any needs already previously assessed.
- The 'My values' line, which is made to capture your assessment of the country's needs

For each applicable country:

- See if needs have already been assessed** (see 'Default values' line)
- If the needs for a given impact area have already been assessed:** you can choose to use the default values and replicate the proposed scoring in the line beneath ('My values' line). It is recommended that you double-check the default values as these are taken from the assessments of existing users 'as is'. You may also decide to consult additional resources and topic experts to refine the assessment beyond the resources in the framework; this may result in a different score to the default score. Either way, input the score obtained in the table and share the references of the additional resources that you used with the UNEP FI Secretariat so that these can be considered for the next update of the framework and table (see more below).
- If the needs haven't been mapped yet:** Access the resources provided for each of the impact areas (use the links), identify the status of the indicator/s (as per the scoring range and thresholds provided) and capture the score in the dedicated space in the table.

2. Country scores		Availability, accessibility, affordability and quality of... ³														Quality (physical and chemical properties) and efficient use of... ⁴						Economic value		
		Availability - Water	Food	Housing	Health & sanitation	Education	Employment	Energy	Mobility	Information	Culture & heritage	Integrity & security of person	Justice	Strong institutions, peace & stability	Quality - Water	Air	Soil	Biodiversity & ecosystems	Resource efficiency / security	Climate	Waste	Inclusive	Economic	
Switzerland	default values	1	1	1	1	1	1	1	1	1	n/a	2	1	1	1	1	1	1	1	3	2	4	1	1
Switzerland	my values	2	1	2	1	1	1	1	1	1	1	2	1	1	1	1	1	1	1	3	2	4	1	1
Syrian Arab Republic	default values																							
Syrian Arab Republic	my values																							

Q. What if there is more than one resource per impact area? Should I average out the scores?

A. Where there are two or more resources for an impact area, the highest score (i.e. highest level of needs) between the two should be retained. Scores should not be averaged as this will make specific needs areas less visible; the purpose of the needs assessment is not to establish a ranking between countries but to help you identify opportunities to reduce negative impacts and increase positive impacts.

Q. What if the resource provided does not cover a country I wish to assess? Or there is no resource provided for a given indicator?

A. Some countries may be missing from certain indices and maps. Users are invited to seek equivalent resources (e.g. from local or regional sources) for these cases. Similarly, there are a couple of indicators for which currently no global resource has been identified and where users are invited to seek information locally. Some guidance is provided in the 'Notes' section of the framework.

NB. All new resources should be captured in the empty table provided beside the framework and signalled to UNEP FI so that they can be considered for the next update of the framework and table (see more below).

Q. What if I want to be more specific in my needs assessment?

A. You may feel that the indicators tracked by the resources in the framework do not fully cover the reality of the country you wish to map. Each country has a distinct combination of environmental, social and economic attributes – for instance some countries, by virtue of their size may present a lot of diversity in the types of physical environments they present (different climates, land types and uses, wildlife), others may have very specific mix of communities and/or socio-economic groups. Users are encouraged to consider additional resources in order to take such specificities into account; some guidance on this is provided in the 'Going Further' segment of the framework.

NB. Remember that where there are two or more resources for an impact area, the highest score between the two should be retained – this should also be applied when additional resources are used. Also, all new resources should be captured in the empty table provided beside the framework and signalled to UNEP FI so that they can be considered for the next update of the framework and table (see more below).

Q. Can I map needs at the subnational level?

A. Yes, you can. You will first need to make the subnational territory/ies you want to assess 'selectable' from the drop-down list in the 'Cartography' worksheet though. You will then need to identify relevant and comparable resources to assess needs, since the resources in the framework are all set at the country level. Here is the full process:

- i. Go to the 'Drop Down Menus' worksheet
- ii. Add the names of the territory/ies you wish to review at the bottom of the list (do not seek to insert items in the middle of the list, always add to the bottom)
- iii. The new territory/ies will now be selectable under 'Bank Cartography' > select them
- iv. The territory/ies will now show in the scoring table
- v. Identify relevant and comparable resources and use them to establish the needs scores for the different impact areas.
- vi. Remember to flag these new resources in the empty table next to the framework and to share them UNEP FI so that they can be considered for the next update of the framework and table (see more below).

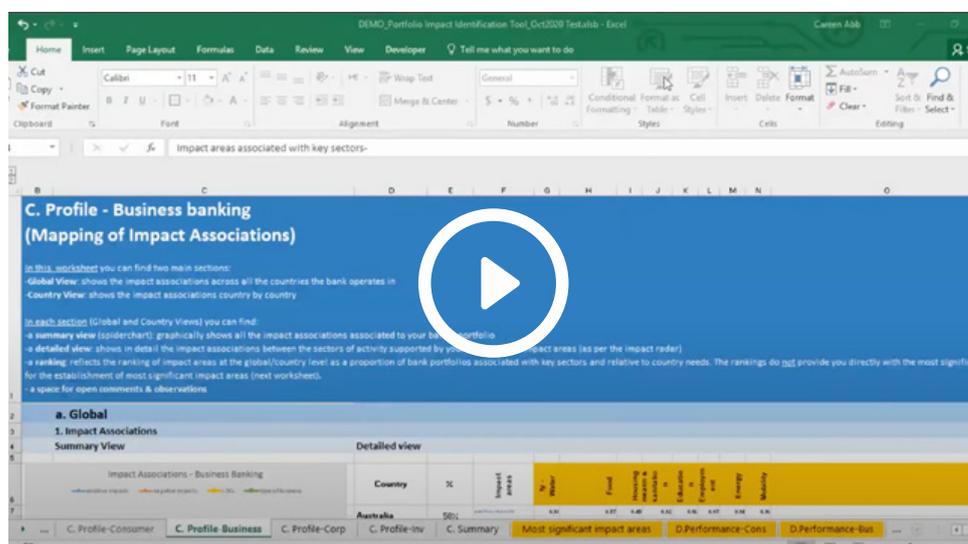
Q. Will the framework and the table of scorings be updated? What is the process?

A. Yes. These are updated by the UNEP FI Secretariat on a regular basis, based on user experiences and any stakeholder feedback received. Updates include: scorings for additional countries, adjustments to existing scorings as a result of more in-depth assessments, adjustments to the framework to ensure resources are up-to-date and/or to provide additional resources and guidance. The tool with the updates is made available on the UNEP FI website where it can be freely downloaded. These updates are intended to take place every six months.

1.3 Review of Portfolio Impact Profiles & Determination of Most Significant Impact Areas

This is the final step in the impact identification phase and is covered in two parts within the tool:

1. 'Profile' worksheets, which show the impacts associated with bank's activities as captured under the 'Cartography' section.
2. The 'Most Significant Impact Areas' worksheet, in which the user identifies and explains the bank's most significant impact areas.



[Click here to watch a demo of the impact profiles and the process to determine most significant impact areas](#)

1.3.1 Profile Worksheets

There is one 'Profile' worksheet per business line (Consumer banking, Business banking, Corporate banking, Investment banking). Each worksheet provides a series of visual representations of the impacts associated with the banks activities, based on the bank data captured under the 'Cartography' worksheet. Specifically, the Profile worksheets are comprised of 2 parts:

- A 'Global View': this show the impact associations across all the countries the bank operates in (as specified in the 'Cartography' worksheet)
- A series of 'Country Views': these show the impact associations country by country for all countries mapped in your analysis (i.e. up to 15 per business line)

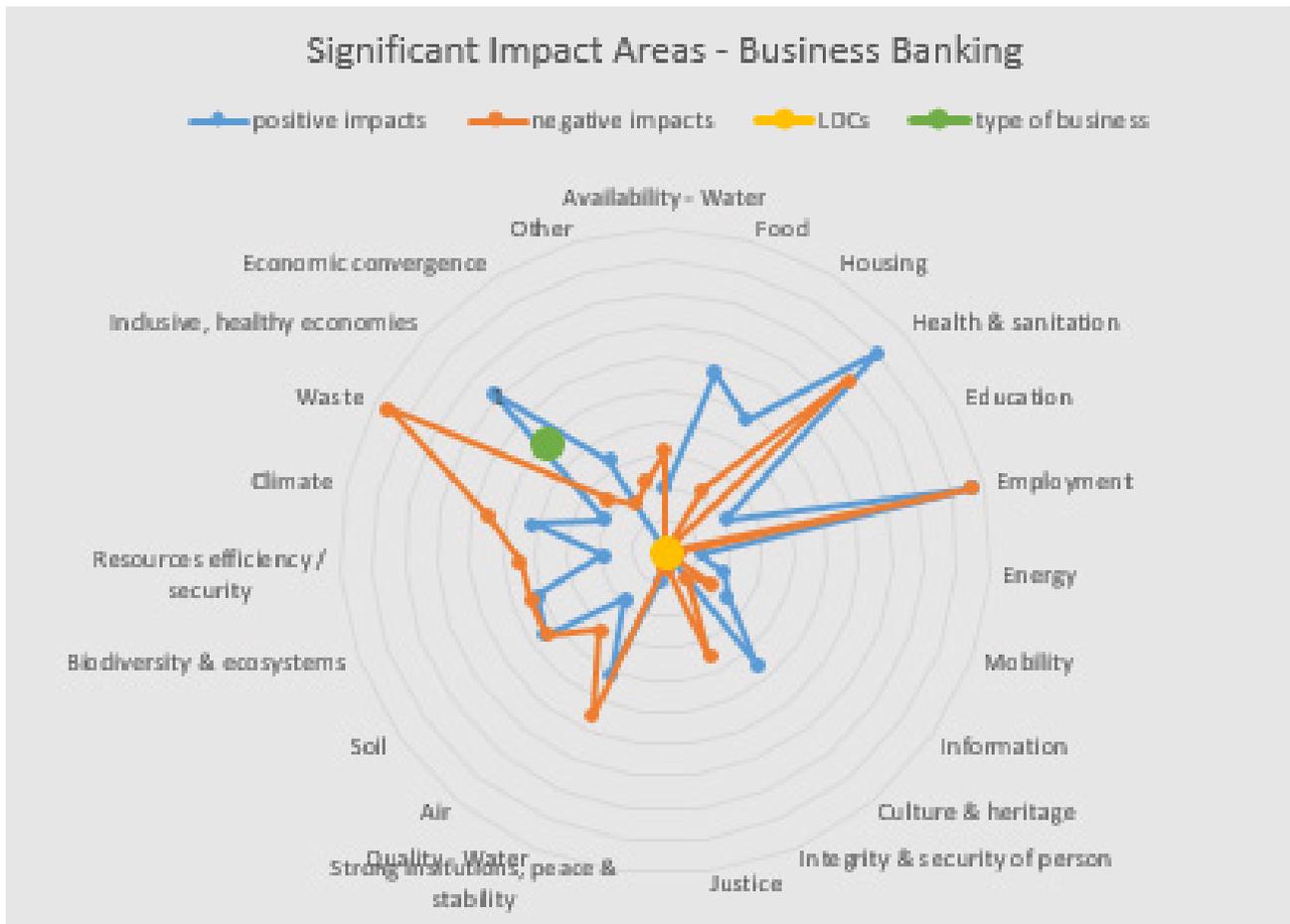
In each section (Global and Country Views) you can find:

- i. a **summary view**: this is a chart that shows all the impact areas associated to your bank's portfolio for the corresponding geographic scope (i.e. global or country-specific). The chart also shows which impact areas are associated with a greater or lesser part of the portfolio.

For the Business, Corporate and Investment banking portfolios, this is always shown as a spider chart, where you can see the percentage of the portfolio to which the different impact areas are associated. Positive associations are shown in blue, negative associations are shown in orange. The global view also includes a yellow dot and a green dot. The yellow dot indicates the percentage of the portfolio in LDCs, the green dot indicates the percentage of the portfolio linked to SMEs.

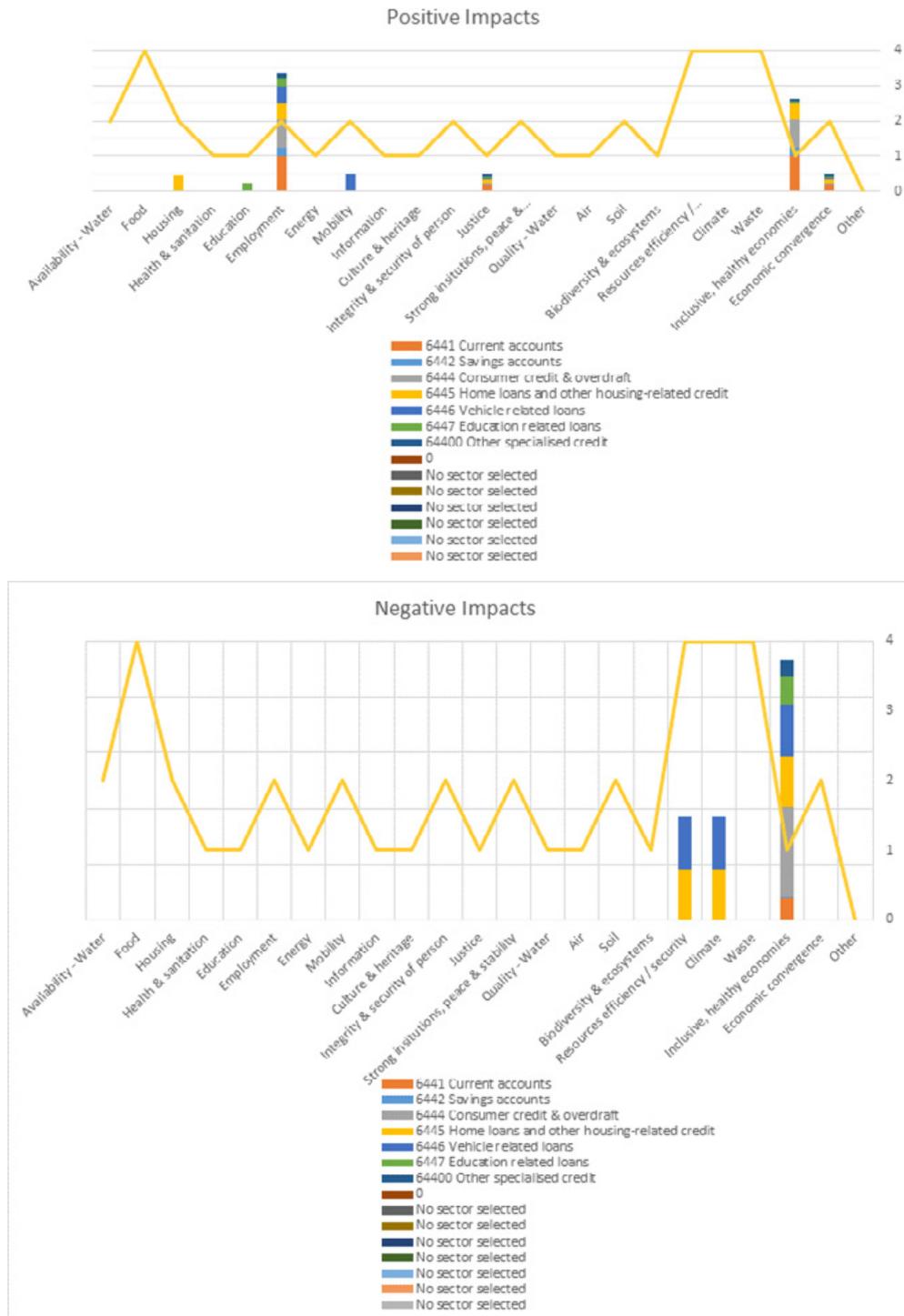
If your bank operates only in one country, the summary chart will look the same under the global view and the country view.

Example of a summary view of impact associations (Business banking/global view):



For the Consumer banking portfolio, the global view is also shown as a spider chart. The country views, however, are shown in the form of a bar chart, where the product and client types associated with the different impact areas are represented by different colours within each bar and with each bar representing a different impact area. The size of each colour is based on the number of clients associated with each impact area. Positive and negative associations are shown in two separate bar charts. In addition, a yellow line indicates the level of need of the country vis a vis each impact area (as captured under the Country Needs worksheets). The Y axis on the right represents the scoring range (1-4) used to this end.

Example of a summary view of impact associations (Consumer banking/country view):



Note that the associations shown are based on sector and location data only at this point: they are therefore potential rather than actual associations (see below).

ii. a **detailed view**: this is a table that shows where the impact associations shown in the summary view come from.

For the Business, Corporate and Investment banking portfolios, all the sectors/activities supported by the bank (as captured in the 'Cartography' worksheet), as well as the corresponding percentage of the portfolio, are listed vertically. The 22 impact areas of the Impact Radar are listed horizontally and you can view which sectors/activities are associated with which impact areas. The figures inside the table simply replicate the percentage of the portfolio associated with each sector/activity. Where the figure is bolded, this means that the sector is a 'key sector' for the said impact area (see more below).

Example of a detailed view of impact associations (Business banking/country view):

Detailed view										
ISIC Section/Division/Group/Class	%	Impact areas	Country Need							
			Availability - Water	Food	Housing	Health & sanitation	Education	Employment	Energy	Mobility
A Agriculture, forestry and fishing	20%	positive impacts		20%	20%	20%		20%		
		negative impacts	20%		20%	20%		20%		
099 Support activities for other mining and quarrying	5%	positive impacts						5%		
		negative impacts	5%			5%		5%		
10 Manufacture of food products	6%	positive impacts		6%		6%		6%		
		negative impacts				6%		6%		
11 Manufacture of beverages	12%	positive impacts				12%		12%		
		negative impacts	12%			12%		12%		
41 Construction of buildings	7%	positive impacts			7%	7%		7%	7%	
		negative impacts				7%		7%	7%	
47 Retail trade, except of motor	9%	positive impacts	9%	9%	9%	9%	9%	9%		9%
		negative impacts				9%		9%		

For the Consumer banking portfolio the product and client types of the bank (as captured in the 'Cartography' worksheet), as well as the corresponding percentage of clients, are listed vertically. The 22 impact areas of the Impact Radar are listed horizontally and you can view which products and clients are associated with which impact areas. The figures inside the table simply replicate the percentage of clients associated with each sector/activity.

Example of a detailed view of impact associations (Consumer banking/country view):

Detailed view										
ISIC Section/Division/Group/Class	%	Impact areas	Country Need							
			Availability - Water	Food	Housing	Health & sanitation	Education	Employment	Energy	Mobility
6441 Current accounts	100%	positive impacts						100%		
		negative impacts								
Unspecified	0%	positive impacts								
		negative impacts								
Low-income populations	20%	positive impacts								
		negative impacts								
Middle-income populations	70%	positive impacts								
		negative impacts								
High-income populations	10%	positive impacts								
		negative impacts								
6442 Savings accounts	25%	positive impacts						25%		
		negative impacts								
Unspecified	0%	positive impacts								
		negative impacts								
Low-income populations	5%	positive impacts								
		negative impacts								
Middle-income populations	70%	positive impacts								
		negative impacts								
High-income populations	25%	positive impacts								
		negative impacts								

The global view shows an aggregated view per country. The countries of operation of the bank, as well as the corresponding percentage of the portfolio (both as captured in the 'Cartography' worksheet), are listed vertically. The 22 impact areas of the Impact Radar continue to be listed horizontally. Inside the table the values for each impact area have been weighted by the portfolio share of the corresponding country. The calculations can be viewed on the far right hand side.

Example of a detailed view of impact associations (Business banking/global view):

	D	E	F	G	H	I	J	K	L	M	N	
4	Detailed view											
5												
6	Country	%	Impact areas	by - Water		Food	Housing & health & sanitation	Education	Employment	Energy	Mobility	
7	Australia	58%	positive impact	0.18		0.57	0.45	0.92	0.16	0.97	0.14	0.16
8			negative impact	0.37			0.20	0.81		0.97	0.07	
9	New Zealand	42%	positive impact	0.21		0.58	0.51	0.88	0.26	0.95	0.08	0.23
10			negative impact	0.25			0.25	0.74		0.95	0.03	

iii. a **ranking**: this is a table that lists the impact areas with which the bank's portfolio is associated, with those impact areas associated with the largest portion of the portfolio listed first and those associated with smallest portion of the portfolio listed last. The impact areas are ranked twice, to reflect both positive and negative impact associations.

For the country views within each profile, the table also shows the level of country need for each of the impact areas. Wherever the level of need is level 3 or 4 (high or very high), the impact area shows in bold.

For the Business, Corporate and Investment banking portfolios, the list includes only those impact areas where the portfolio contains sectors/activities that are 'key' for the said impact areas (see more below).

Example of a ranking of impact associations (Business banking/country view):

2. Ranking of impact areas as a proportion of bank portfolios associated with key sectors and relative to country needs						
Ranking by key sector associations						
The impact areas that are in bold reflect a high level of need in the country of operation, therefore indicating areas of most significant impact.						
Impact areas associated with key sectors- Positive	Proportion of portfolio	Level of country need	Rank	Impact areas associated with key sectors- Negative	Proportion of portfolio	Level of country need
<i>NER: All content in this portfolio carries a positive association to the 'economic convergence' impact area, by virtue of the role played by SMEs. (See Client-Impact Map)</i>						
Health & sanitation	35%	2	1	Waste	45%	4
Employment	33%	2	2	Availability - Water	32%	3
Food	26%	2	3	Health & sanitation	27%	2
Culture & heritage	24%	2	4	Climate	27%	4
Quality - Water	20%	1	5	Quality - Water	25%	1
Soil	20%	3	6	Soil	25%	3
Climate	20%	4	7	Biodiversity & ecosystems	25%	2
Inclusive, healthy economies	20%	2	8	Resources efficiency / security	25%	2
Resources efficiency / security	18%	2	9	Employment	20%	2
Housing	14%	2	10	Integrity & security of person	20%	2
Justice	7%	1	11	Air	20%	2
Strong institutions, peace & stability	7%	1	12	Other	20%	

The rankings do **not** provide you directly with the most significant impact areas. They are, however, intended to act as a stepping stone for the establishment of most significant impact areas (next worksheet).

iv. a **space for open comments & observations**: this space is enable users to signal any applicable caveats or qualifications. These should serve to reflect any gaps in the data inputted to the tool and/or gaps or divergences in or with the in-built mappings (see more below). Please be specific when using this section.

3. Open Comments & Interpretation

Please capture in the line below any caveats or qualifications you consider applicable. These should serve to reflect any gaps in the data inputted to the tool and/or gaps or divergences in or with the in-built mappings. Please be specific.

Q. *How are the profiles drawn, where do they come from?

A. The profile charts and tables all pull from the following sources:

- the data inputted into the 'Cartography' worksheet (e.g. the percentage of the business banking portfolio associated to a given sector/activity).
- the 'Country Need Overview' worksheet (i.e. the 1-4 ranking of the level of need per impact area for the bank's different countries of operation, as shown under 'my values')
- the 'Sector/Impact Map' worksheet. In this worksheet, positive and negative impacts associated with the sectors and activities in the ISIC industry classification code are mapped out for the 22 impact areas of the Impact Radar. This mapping builds on the IFC's EHS Guidelines, as well as UNEP FI's Risk Briefings. When a sector/activity is associated with an impact area, a '1' shows in the corresponding cell or cells (one cell if there is only a positive or only a negative association, two cells if there is both a positive and a negative association). If the sector is 'key sector' for the impact area, a '2' shows. The list of 'key sectors' per impact area, along with the justification and supporting research can be seen in the 'Key Sector Map' worksheet. The maps will be further refined and updated over time based on engagement with experts, as well as to take into account user experience.

Extract from the Sector/Impact Map:

Lev	Lev	Le	ISIC Section	ISIC Division	ISIC Group	ISIC Class	Key s	Value chain	ImpactTy	Availab	Availability	Water	Food	Food C	Housing	Housing C
A	01	011	0111	Agriculture, forest	Crop and animal pro	Growing of non-p	Growing of cereals (except rice), leg Y	primary	Positive					2	access to food	
A	01	011	0111	Agriculture, forest	Crop and animal pro	Growing of non-p	Growing of cereals (except rice), leg Y	primary	Negative	2	may contribute to scarcity of drinking water and/or contamination					
A	01	011	0112	Agriculture, forest	Crop and animal pro	Growing of non-p	Growing of rice	primary	Positive					2	access to food	
A	01	011	0112	Agriculture, forest	Crop and animal pro	Growing of non-p	Growing of rice	primary	Negative	2	may contribute to scarcity of drinking water and/or contamination					

Extract from the Key Sectors Map:

Impact Area (as per PI Impact Radar)	positive What industries are most critical to the impact area? What industries are best positioned to significantly drive the impact area in the future?			negative What industries are most at risk of / likely to undermine the impact area?		
	Sectors	References	Illustration	Sectors	References	Illustration
Health & sanitation <i>Population's ability to live in a state of physical, mental and social well-being, including but not limited to the absence of disease or infirmity. This includes the ability to access quality essential health-care services and effective, quality and safe medicines, which refers to population's accessibility to facilities and services that ensure privacy and dignity, ensuring a clean and healthy living environment for all (WHO, UN-Water).</i>	DIAGNOSIS and TREATMENT Q400-I human health activities A-0102-0020-Growing of spices, aromatic, drug and pharmaceutical crops (pharmaceutical units) C-2120-2000-Manufacture of pharmaceuticals, medicinal chemical and botanical products C-32-3225-3220-Manufacture of dental and medical instruments G-47-477-4772-Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles in specialized stores C-25-255-2550-Manufacture of radiation, electromagnetic and electrotherapeutic equipment	The sectors that have the most significant impact on health (both positive and negative) are Transport, Food and Agriculture, Housing, Waste, Energy, Industry, Urbanization, Water, Radiation, Nutrition and health. WHO. The determinants of health. See chapters 2-9 for a detailed description. https://www.who.int/ia/evidence/doh/en/index.html Additional References: IFPMA (2007). The pharmaceutical industry and global health. https://www.ifpma.org/wp-content/uploads/2017/06/IFPMA-Facts-and-Figures-2017.pdf Our World in data. Financing healthcare. https://ourworldindata.org/global-health-expenditure-vs-life-expectancy.png	The value chain encompasses the provision of healthcare services, the growing of crops that provide inputs into medication, the manufacture of medicine and medical instruments/equipment, and the sale of medicine and related products. Education and non-life insurance are enablers of healthcare. The availability of healthcare requires the creation of a pipeline of healthcare providers, and therefore education	LIFESTYLE C-10-Manufacture of food C-15-Manufacture of beverages C-12-Manufacture of tobacco products G-47-472-4722-Retail sale of tobacco products in specialised stores	The sectors that have the most significant impact on health (both positive and negative) are Transport, Food and Agriculture, Housing, Waste, Energy, Industry, Urbanization, Water, Radiation, Nutrition and health. WHO. The determinants of health. See chapters 2-9 for a detailed description. https://www.who.int/ia/evidence/doh/en/index.html A large proportion of the overall disease burden, 3.3% of global deaths and 4.5% of global disability-adjusted life years (DALYs), was attributed to quantifiable effects of inadequate water, sanitation and hygiene (WASH) in 2016. WHO (2016). Safe Water, Better Health. https://apps.who.int/iris/handle/10665/2020859/7/0244592205-eng.pdf?ua=1 Additional References: WHO (2016). Top 10 causes of death. http://www.who.int/news-room/fact-sheets/detail/the-top-10-causes-of-death	According to stroke is the leading cause of death, and its prevention by risk factors a unhealthy diet inactivity and consumption energy foods Foods that are promotes of energy foods vegetables." WHO: Other include public respiratory

The Consumer banking profiles also pull from:

- The 'Client/Impact Map' worksheet. In this worksheet, positive and negative impacts associated with different client types are mapped out for the 22 impact areas of the Impact Radar.

Extract from the Sector/Impact Map:

Individuals	Type of Impact	Economic value creation for people														
		Culture & Heritage	Integrity & security of person	Justice	Strong institutions, stability	Biodiversity & ecosystems	Resources efficiency / security	Climate	Waste	Inclusive healthy economies	Economic convergence					
Low-income populations	enable people				1	Financial inclusion drive equality									1	Individuals' access to financial services
Low-income populations	enable people														1	risk of debt burden
Middle-income populations	enable people														1	Individuals' access to financial services
Middle-income populations	enable people														1	risk of debt burden
High-income populations	enable people														1	Individuals' access to financial services
High-income populations	enable people							1	risk of contributing to fiscal evasion, money laundering, etc.						1	risk of debt burden

Q. Do the profiles show my bank's actual impacts?

A. No. The profiles illustrate your bank's potential impacts, not its actual impacts. At this point of the analysis only descriptive data and set impact mappings have been used; no performance data has been involved yet – this is what happens next, in the second, 'Assessment' phase.

Q. Why does the profile for Consumer banking look different?

A. For technical reasons. The Consumer banking profiles pull from both the Sector/Impact Map (for the impacts associated with the products and services themselves) and the Client/Impact Map (for the impacts associated with the type of clients of the bank). This means there were too many variables to a spider chart to be drawn up, and the stacked bar charts were drawn up instead as a result.

1.3.2 Most Significant Impact Areas Worksheet

While the Profile worksheets provide a range of visualisations of the impacts associated with the bank's activities and puts them into the context of the impact needs of the bank's countries of operation, ultimately it is for the user to make the determination of which impact areas are the bank's most significant impact areas. This is the purpose of the 'Most Significant Impact Areas' worksheet.

Based on the rankings by involvement in key sectors and country needs shown in the 'Profile' Worksheets, and your interpretation of these using the guidance below, please indicate and justify the bank's most significant impact areas.

Most significant impact areas can be established at the global and/or at the country level based on the following considerations:

- impact areas with the highest levels of country needs
- impact areas associated with large parts of the bank's portfolio
- impact areas associated with countries and or sectors where the bank is a market leader

Example of a set of most significant impact areas (Business banking/country view):

Canada				
Impact areas - Positive associations		Justification	Impact areas - Negative associations	
1	Inclusive, healthy ecor	Core positive impact of consumer banking	1	Resources efficiency /
2	Housing	portfolio supports housing solutions	2	Climate
3	Mobility	Significant part of portfolio supports car	3	Economic convergence products & services not
4	Justice	Dedicated products/services for	4	[please select an impact area]

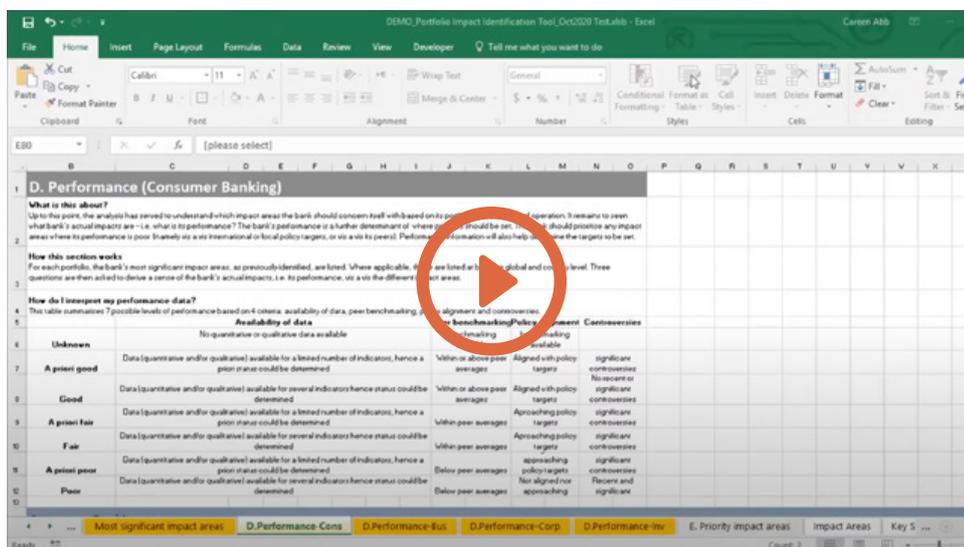
NB. The listing of most significant impact areas is based on the bank's judgement and cannot be attributed to UNEP FI.

2. Phase II – Impact Assessment

Up to this point, the analysis has served to understand which impact areas the bank should concern itself with based on the contents of its portfolio and countries of operation. It remains to be seen what the bank's actual impacts are - i.e. what is its performance? Once the most significant impact areas of the bank have been determined, the next step is to understand what the status of performance is, so as to further prioritise impact areas, and to help decide what targets and actions to take. This second phase is called 'assessment' in the tool.

The assessment phase is covered in two parts within the tool:

1. 'Performance' worksheets, in which the user will collect data on the bank's performance vis a vis its Most Significant Impact Areas (as determined in the Identification Phase).
2. The 'Priority Impact Areas' worksheet, which provides a mark-up of the 'Most Significant Impact Areas' worksheet based on the conclusions of the user in the 'Performance' worksheets.



[Click here to watch a demo of the Impact Assessment Phase](#)

2.1 Performance Worksheets

There is one 'Performance' worksheet per business line. For each business line, the bank's most significant impact areas, as previously identified, are listed. Where applicable, these are listed at both the global and country level.

Example of most significant impact areas carried forward to a performance worksheet (Corporate banking/country view):

France			
Below are the top 5 most significant positive and negative impact areas as previously identified:			
Impact areas - Positive associations			
Impact Area (as per PI Impact Radar)	Employment	Information	Energy

Four questions are then asked to derive a sense of the bank's actual impacts, i.e. its performance, vis a vis the different impact areas.

1. What are the bank's actual impacts in relation to its most significant impact areas? The aim here is to collect any available quantitative or qualitative data illustrating the bank's performance. To fill this section you will therefore need to provide specific indicators. An example of a quantitative indicator for the 'healthy economies' impact area might be the number of new SMEs banked, while an example of a qualitative indicator might be the existence of specific processes to facilitate on-boarding of new SMEs.

- ii. How does the bank's performance compare with that of its peers? This is intended as one way of contextualising and interpreting the performance information previously collected, though ultimately what matters most is how the performance data compares with internationally recognised, science-based targets and thresholds. Note that benchmarks may not always be available and/or directly pertinent to the impact areas (see more below).
- iii. Where this can be assessed: is the bank's performance aligned with policy goals and targets (e.g. Climate Agreement, EU taxonomy, etc.)? Ultimately this is what matters most; when performance data aligns with such goals and targets, impact needs will start to be fulfilled and the SDGs will start to be met.
- iv. Has the bank faced any controversies in relation to any of the impact areas? In the absence of performance data, this data point can act as a partial proxy.

Once the above questions have been responded to, users should select the appropriate performance status for each impact area. The table below summarises 7 possible levels of performance based on 4 criteria: availability of data, peer benchmarking, policy alignment and controversies. Figure 4 below provides the combination of factors per criteria for each level of performance.

Figure 4: Performance levels and criteria

Performance level	Availability of data	Peer benchmarking	Policy alignment	Controversies
Unknown	No quantitative or qualitative data available	No peer benchmarking available	No policy benchmarking available	No recent or significant controversies
A priori good	Data (quantitative and/or qualitative) available for a limited number of indicators, hence a priori status could be determined	Within or above peer averages	Aligned with policy targets	No recent or significant controversies
Good	Data (quantitative and/or qualitative) available for several indicators hence status could be determined	Within or above peer averages	Aligned with policy targets	No recent or significant controversies
A priori fair	Data (quantitative and/or qualitative) available for a limited number of indicators, hence a priori status could be determined	Within peer averages	Approaching policy targets	No recent or significant controversies
Fair	Data (quantitative and/or qualitative) available for several indicators hence status could be determined	Within peer averages	Approaching policy targets	No recent or significant controversies
A priori poor	Data (quantitative and/or qualitative) available for a limited number of indicators, hence a priori status could be determined	Below peer averages	Not aligned nor approaching policy targets	Recent and significant controversies
Poor	Data (quantitative and/or qualitative) available for several indicators hence status could be determined	Below peer averages	Not aligned nor approaching policy targets	Recent and significant controversies

Q. What are acceptable indicators and metrics?

A. While a number of examples are included in the demo version of the tool, these do not cover all the impact areas nor all the portfolios. Relevant sources of performance indicators include disclosure frameworks such the Global Reporting Initiative or CDP, the IRIS+ database of the GIIN, and the HIPSO repertoire compiled by a group of multilateral development banks, to name but a few. Efforts are currently underway to map these and drive harmonisation. More detailed guidance will be available in the next iteration of the Portfolio Tool (due 2021).

Q. What are examples of policy/regulatory targets? What if there are none to refer to?

A. The EU Taxonomy, with its collection of sectors, activities, indicators, metrics and thresholds is a prime example. The Taxonomy currently only covers climate change and is of course geographically specific. While similar efforts are underway for a number of impact areas and geographies, many gaps remain. Where there are no policy/regulatory targets to refer to, science-based research can be used as an alternative, if/when available.

Q. What are examples of peer benchmarks? What if they don't cover the impact areas I need?

A. The DJSI, CDP, Corporate Knights are a few examples but there are many others. Many focus on governance aspects of sustainability, or on a single impact area – not all impact areas are tracked. Where peer benchmarking does not exist this part of the 'Performance' worksheet should be left void.

2.2 Priority Impact Areas Worksheet

Now that you have an understanding of which impact areas the bank should concern itself with based on its portfolio and countries of operation, as well as an understanding of what your performance is, this section tries to bring it all together in a conclusion on what your priority impact areas are and hence where you should be setting targets for yourself.

The Priority Impact Areas Worksheets shows the list of most significant impact areas as previously identified on the worksheet of the same name, with a number of mark-ups:

- those impact areas where performance is above average are highlighted in green
- those where performance is low or average are highlighted in red
- those where there is insufficient data to get a sense of status are in black

Example of mark-up of most significant impact areas under the 'Priority Impact Areas' worksheet (Consumer banking/country view):

Canada					
Impact areas - Positive associations			Impact areas - Negative associations		
Rank	Positive associations	performance status	Rank	Negative associations	performance status
1	Inclusive, healthy ec	Good	1	Resources efficiency	Unknown
2	Housing	A priori good	2	Climate	Poor
3	Mobility	Good	3	Economic convergenc	Poor
4	Justice	Unknown	4	[please select an im	[please select]
5	[please select an im	[please select]	5	[please select an im	[please select]

You can use this summary of the bank's performance to:

- Prioritise action. Impact areas where the bank's performance is poor should become a priority. Targets should be set accordingly; the performance data collected in the 'Performance' worksheets enable you to know your baseline as well as any applicable international or local frameworks/policies. The targets you set should enable you to progress towards closing the gap between your current baseline and science-based targets and thresholds referenced in international or local frameworks/policies.
- Orient further research and data collection. Impact areas where the bank's performance is unknown or not clearly understood should become the focus of more attention and research so as to ensure a full understanding of where the bank's stands on its most significant impact areas.
- Develop your business strengths. Impact areas where the bank's performance is good could provide additional business opportunities, either by replicating good practices in additional business lines or sectors, or by scaling up to cover a broader geographic scope.
- Explore new business opportunities. Last but not least, the conjunction of the bank's different levels of performance across the different impact areas is worth exploring to seek out innovative SDG solutions and business opportunities. For example, based on Fig xxx above, where there is a good level of performance on housing and a poor level of performance on climate, it may be interesting to consider if the two are linked, and if so, to explore options to promote energy efficiency in homes. This could come out of new consumer banking products, but it could also be pursued through engagement and joint solution building with corporate clients in the energy and real estate sectors, for instance.

D. Reporting

Reporting on impact analysis in the context of the Principles for Responsible Banking

The Portfolio Impact Analysis Tool for Banks was designed specifically to support signatories to the Principles for Responsible Banking (PRB) in achieving Principle 2:

“We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.”

Specific PRB requirements as regards impact analysis are outlined in the following documents:

- i. Key Steps to be Implemented by Signatories⁶
- ii. PRB Reporting Template⁷

The PRB Key Steps state that signatories should:

“Analyse where your bank has significant positive and negative impacts on society, the environment and the economy. Then identify where your bank can realize the greatest positive impacts and reduce significant negative impacts.”

The reporting template specifically requires:

“Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements: Scope, Scale of exposure, Context and Relevance, Scale and intensity/salience of impact.”

Based on the above requirements and following the structure of the PRB reporting template, Figure 5 below is a mapping between the Tool components and specific PRB reporting requirements.

⁶ [unepfi.org/wordpress/wp-content/uploads/2019/07/Key-Steps-to-be-Implemented-by-Signatories.pdf](https://www.unepfi.org/wordpress/wp-content/uploads/2019/07/Key-Steps-to-be-Implemented-by-Signatories.pdf)

⁷ [unepfi.org/prb-reporting-and-self-assessment-template/](https://www.unepfi.org/prb-reporting-and-self-assessment-template/)

Figure 5: PRB Reporting Requirements & Corresponding Portfolio Tool Components

PRB Requirements & Reporting Template	Portfolio Impact Analysis Tool
<p>Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <ol style="list-style-type: none"> Scope: The bank’s core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis. Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies. Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. <p>(Your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d)).</p>	<ol style="list-style-type: none"> Scope: The Tool workflow specifically includes a review of the bank’s different business areas and countries of operation (see ‘Cartography’ segment of phase I – Identification); this ensures that the analysis is focused on the bank’s core business. Scale of Exposure: The Tool workflow specifically requires users to capture the industries, technologies and geographies that the bank is exposed to and the scale of that exposure (see ‘Cartography’ segment of phase I – Identification). Context & Relevance: The Tool workflow specifically requires users to capture the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates (see ‘Country needs’ segment of phase I – Identification). <p>The impact analysis as a whole is directly dependent on the identification of the bank’s core business activities, its different exposures, and the context in which it operates.</p> <ol style="list-style-type: none"> Scale and intensity/salience of impact: The Tool methodology singles out areas where the scale/ intensity/salience of impacts is highest. This is done vis a vis sectors/technologies via the ‘Sector/Impact map’ and ‘Key sector mapping’, which single out sectors and activities that are ‘key’ to different impact areas/ topics. Such ‘key sectors’ are prioritised in the identification of most significant impact areas. Scale/salience/intensity is also captured vis a vis the bank’s countries of operation (based on the level of income of the country) and vis a vis the typology of the bank’s clients (see ‘Client/Impact map’). Finally, the scale of the bank’s actual impacts are reviewed in the second phase of the analysis (“Impact Assessment”), where the bank assesses its performance vis a vis its most significant impact areas (see “Performance” worksheets). <p>Stakeholder engagement: It is expected that relevant stakeholders be engaged as part of the process of completing the analysis; for instance public authorities and civil society organisations, including academia, can be called on to consolidate the determination of country impact needs, while industry and topic experts might be called on in finessing users’ assessment of their impact performance.</p>

ANNEX: UNEP FI Impact Radar



CATEGORY	DEFINITION
Availability, accessibility, affordability and quality (degree to which a set of inherent characteristics fulfils needs) of...	
Water	<p>Population's accessibility to sufficient, safe, acceptable and affordable water for personal, domestic and economic uses. Safe water is water free from micro-organisms, chemical substances and radiological hazards that constitute a threat to a person's health.</p> <p>International source: United Nations Office of the High Commissioner for Human Rights (OHCHR), UN-Water</p>
Food	<p>Population's accessibility, physical, social and economic, to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life.</p> <p>International source: Food and Agriculture Organization of the United Nations (FAO)</p>
Housing	<p>Population's accessibility to adequate, safe and affordable housing: a place where to live in security, peace and dignity.</p> <p>International source: OHCHR, UN-Habitat</p>
Health and sanitation	<p>Population's ability to live in a state of physical, mental and social well-being, including but not limited to the absence of disease or infirmity. This includes the ability to access quality essential health-care services and effective, quality and affordable essential medicines and vaccines. It also includes sanitation, which refers to population's accessibility to facilities and services that ensure privacy and dignity, ensuring a clean and healthy living environment for all.</p> <p>International source: World Health Organization (WHO), UN-Water</p>
Education	<p>Population's ability to access quality education and lifelong learning opportunities in an inclusive and equitable way. This refers to accessibility for all to elementary education, free and compulsory; and to technical, professional and higher education, as made available, equally accessible to all on the basis of merit.</p> <p>International source: Universal Declaration of Human Rights; United Nations Educational, Scientific and Cultural Organisation (UNESCO)</p>
Employment	<p>Population's accessibility to full and productive employment and decent work, which delivers a fair income, security in the workplace, social protection for families, and involves prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment.</p> <p>International source: The International Labour Organisation</p>
Energy	<p>Population's accessibility to modern energy, to include: household access to a minimum level of electricity and to safer and more sustainable cooking and heating systems; access to energy enabling productive economic activity, and to modern energy for public services, such as health facilities, schools and street lighting.</p> <p>International source: Organisation for Economic Co-operation and Development (OECD), International Energy Agency (IEA)</p>

CATEGORY	DEFINITION
Mobility	Population's accessibility to safe, affordable, inclusive, efficient and sustainable mobility and transport systems and infrastructure. International source: The World Bank
Information	Population's accessibility to information and ideas through any media regardless of frontiers. This includes universal and affordable access to information and communications technology. International source: Universal Declaration of Human Rights, UNESCO, United Nations General Assembly
Culture and heritage	Population's ability to access and participate in cultural life, to enjoy the arts and to share in scientific advancement and its benefits. This includes the safeguarding and promotion of cultural heritage in all its forms: tangible and intangible, cultural and natural, movable and immovable. International source: UN General Assembly, Universal Declaration of Human Rights, UNESCO
Integrity and security of person	Population's ability (read as ability of the person) to enjoy freedom from injury to the body and mind; freedom from torture and cruel, inhuman or degrading treatment or punishment; freedom from slavery and servitude. It also includes data security, data privacy and protection. International source: United Nations General Assembly, Universal Declaration of Human Rights, United Nations Human Rights Committee, United Nations Development Group
Justice	Population's ability to access justice in an equal and inclusive way. International source: United Nations General Assembly
Strong institutions, peace and stability	Population's ability to benefit from effective, accountable and inclusive institutions, which support the expansion of rule of law, and overall political and economic stability. Protection from corruption and bribery in all their forms, illicit financial and arms flows, all forms of organized crime and interference with rule of law; and recovery and return of stolen assets. International source: United Nations General Assembly, Human Rights Council, OECD
Quality (physical and chemical composition and properties) and/or efficient use of...	
Water	Quality, understood as the physical, chemical, biological, and taste-related properties of water, as well as the quantity of surface water and groundwater. International source: United Nations, European Commission, International Monetary Fund, OECD, World Bank
Air	Quality of ambient (outdoor) and household (indoor) air as exposed to contaminant or pollutant substances that do not disperse properly and that interfere with human health and welfare, or produce other harmful environmental effects. International source: United Nations Statistics Division, WHO
Soil	Composition of soil and its ability to deliver ecosystem services, in terms of food production, as biodiversity pools and as a regulator of gases, water and nutrients. Exposure to pollutants and factors that may interfere with this ability and soil stability. International source: United Nations Glossary, FAO, European Environment Agency

CATEGORY	DEFINITION
Biodiversity and ecosystems	<p>Variety of living organisms from all sources including, terrestrial, marine and aquatic ecosystems and the ecosystems they are part of. This includes diversity within species, between species and of ecosystems.</p> <p>International source: United Nations, Convention on Biological Diversity</p>
Resource efficiency/ security	<p>Efficient use of limited, non-renewable natural resources (which cannot be regenerated after exploitation) and renewable natural resources (which can return to their previous stock levels by natural processes of growth or replenishment) in the process of exploiting nature for production and consumption purposes. Can also be read as resource security.</p> <p>International source: United Nations Glossary, International Resource Panel</p>
Climate	<p>Composition of the global atmosphere and its exposure to greenhouse gas (GHG) emissions as a direct factor contributing to climate change.</p> <p>International source: Intergovernmental Panel on Climate Change</p>
Waste	<p>Ability to manage waste, including the control, monitoring and regulation of the production, collection, transport, treatment and disposal of waste, and the prevention of waste production through in-process modifications, reuse and recycling during a project lifecycle. This includes waste reduction.</p> <p>International source: United Nations Glossary, United Nations General Assembly</p>
Economic value creation for people and society as a means for meeting human needs within the confines of our environment	
Inclusive, healthy economies	<p>Development and creation of sustainable, diverse and innovative markets, that add value to society and the economy. This includes under-served social groups' full and fair accessibility to labour markets, finance and entrepreneurship and, more generally, economic opportunity. It also includes, but is not limited to, access to affordable, effective and safe financial services for individuals as well as micro-, small and medium-sized enterprises.</p> <p>International source: European Bank for Reconstruction and Development, OECD, United Nations Special Advocate for Inclusive Finance, United Nations Development Programme, SDGs</p>
Economic convergence	<p>Ability of countries to reduce inequality at the level of average per capita income.</p> <p>International source: United Nations Department of Economic and Social Affairs</p>



United Nations Environment Programme Finance Initiative (UNEP FI) is a partnership between UNEP and the global financial sector to mobilize private sector finance for sustainable development. UNEP FI works with more than 300 members—banks, insurers, and investors—and over 100 supporting institutions – to help create a financial sector that serves people and planet while delivering positive impacts. We aim to inspire, inform and enable financial institutions to improve people’s quality of life without compromising that of future generations. By leveraging the UN’s role, UNEP FI accelerates sustainable finance.

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