



UNEP  
FINANCE  
INITIATIVE

PRINCIPLES FOR  
RESPONSIBLE  
BANKING

# SERIE

Diálogos sobre la implementación de los  
Principios de Banca Responsable en LAC

**ANÁLISIS DE IMPACTO**

**Supporting material (English version)**



# Summary

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- 1. Principles for Responsible Banking**
- 2. Impacts of the banking industry**
- 3. Impact analysis and target setting**
- 4. A perspective from a regional fund– eco.Business Fund**
- 5. A perspective from practitioners: Itaú (Brazil)**
- 6. A perspective from practitioners: Produbanco (Ecuador)**
- 7. Appendix: Key Resources**

# The PRB are designed to guide banks in the strategic alignment of their business with the ESG agenda



## PRINCIPLE 1 ALIGNMENT

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.



## PRINCIPLE 2 IMPACT & TARGET SETTING

**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.**



## PRINCIPLE 3 CLIENTS & CUSTOMERS

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.



## PRINCIPLE 4 STAKEHOLDERS

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.



## PRINCIPLE 5 GOVERNANCE & CULTURE

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.



## PRINCIPLE 6 TRANSPARENCY & ACCOUNTABILITY

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

# The Guidance Document provides an example implementation of the Principles

## Guidance Document

- Demonstrates the steps taken by a fictitious signatory bank to implement the Principles over **4 years**
- Establishes the focus given for **each Principle**
- Includes examples of **target setting**

## EXAMPLE IMPLEMENTATION OF THE PRINCIPLES

The following is an example of the steps taken by a fictitious signatory bank. Its purpose is to provide guidance on the steps a bank can take to implement the Principles. It is not binding or prescriptive.

### 1<sup>st</sup> Year of Implementing the Principles

Understanding where the bank stands and making a plan

P.30

### 2<sup>nd</sup> and 3<sup>rd</sup> year of Implementing the Principles

Developing the bank's foundation

P.31

### Examples of target setting

P.32

### 4<sup>th</sup> Year of Implementing the Principles

Build on the foundation

P.34

<https://www.unepfi.org/wordpress/wp-content/uploads/2019/09/PRB-Guidance-Document-Final-19092019.pdf>

# Examples for the first year: understanding where the bank stands and making a plan



## PRINCIPLE 1 ALIGNMENT

The bank works to get an understanding of what objectives established in relevant frameworks are specific important to the society in which it operates and starts to develop an understanding of how it can strategically contribute to society's priority goals and challenges.



## PRINCIPLE 2 IMPACT & TARGET SETTING

The bank undertakes an **impact analysis of its portfolio** to identify its significant impacts (both positive and negative).



## PRINCIPLE 3 CLIENTS & CUSTOMERS

The bank assesses how clients engaged in sectors and activities associated with significant impacts could transition towards more sustainable and resilient business models. This assessment helps the bank plan how it can support its clients in their transition.



## PRINCIPLE 4 STAKEHOLDERS

The bank undertakes a stakeholder mapping exercise to identify key external stakeholders and starts developing a stakeholder engagement strategy, which details its relevant stakeholders, what to engage them on, who engages them, how, and when.



## PRINCIPLE 5 GOVERNANCE & CULTURE

The bank considers whether its governance structure is adequate for supporting implementation of the Principles.



## PRINCIPLE 6 TRANSPARENCY & ACCOUNTABILITY

Within 18 months, the bank communicates its progress considering the Reporting and Self-Assessment Template in its public reporting.

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## Principle 2 establishes that banks must assess their positive and negative impacts and set targets

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Assess the *positive and negative impacts of the portfolio* and identify areas with the *greatest impact* considering the context of the regions in which the bank operates



Set *objectives with targets* that can be monitored over the years: *at least two targets for the most significant impacts*

# What are the impacts banks have on society?

## América Latina, a la vanguardia de la financiación sostenible

Feb 26, 2018 | En la mira



El reporte muestra que América Latina ha dado un paso importante para cumplir con los Objetivos de Desarrollo Sostenible establecidos por la ONU para 2030. Por Revista Summa

Gracias a que 34 países —incluidas 11 naciones latinoamericanas han iniciado reformas bancarias para expandir los préstamos sostenibles, los mercados emergentes se han convertido en una fuerza mayúscula para impulsar el desarrollo y enfrentar el cambio climático, según el primer y exhaustivo Informe de Progreso Global de la Red de Banca Sostenible (SBN, por sus siglas en inglés).

**pv magazine**

Noticias - Características - Eventos - Imprimir archivo - Sobre Nosotros - Publicidad

### Banco Pichincha lanza la primera emisión de bonos verdes de Ecuador

BID Invest completó su participación con el diseño del marco conceptual y con la incorporación de una opinión de segundas partes para la verificación del bono, de US\$150 millones, que se agotó en menos de diez minutos.

DICIEMBRE 23, 2019 PILAR SÁNCHEZ MOLINA

FINANZAS - MERCADOS E POLÍTICAS - EDUCACIÓN

BONOS VERDES, SOCIALES Y SOSTENIBLES APOYADOS POR BID INVEST

Imagen: BID Invest

**GFL**  
Green Finance for Latin America and the Caribbean

### Bancóldex lanza nueva línea de crédito para financiar inversiones verdes de micros y pequeñas empresas

**BANCOLDEX**

El Banco de Desarrollo de Colombia (Bancóldex) ofrecerá una nueva línea de crédito para financiar a micros y pequeñas empresas que deseen invertir en proyectos que ayuden a la disminución del impacto ambiental de su actividad, la reducción de emisiones de gases de efecto invernadero y la adaptación al cambio climático.

Los préstamos que reciben micros y pequeñas empresas podrán destinarse a financiar distintas inversiones verdes, entre ellas, proyectos de eficiencia energética, incluyendo el reemplazo de equipos antiguos por nuevos, proyectos de desarrollo sostenible que incluyan ajustes en procesos y en productos, eco-innovación, y opciones de manejo y aprovechamiento de residuos y emisiones.

Fuente: Presidencia de la República de Colombia

# Indirect impacts are the most significant for banks

## Positive impacts

## Negative impacts

Direct impacts  
(internal operations)

Job creation

Water and energy  
consumption in operational  
activities

Indirect job creation

Waste generation

Indirect impacts  
(products and services)

Indirect job creation

Financial inclusion

Increase in renewable  
energy generation

CO2 emissions

Deforestation risk

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# First step: identifying the most significant impacts for the bank

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Assess the *positive and negative impacts of the portfolio* and identify areas with the *greatest impact* considering the context of the regions in which the bank operates



Set *objectives with targets* that can be monitored over the years: *at least two targets for the most significant impacts*

# First step: identifying the most significant impacts for the bank

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Banks should assess significant negative and positive impacts according to the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and the society's goals. It is important to identify:

Products and services provided by the bank

Products and services



Sectors

Main sectors and industries to which the bank provides its products and services

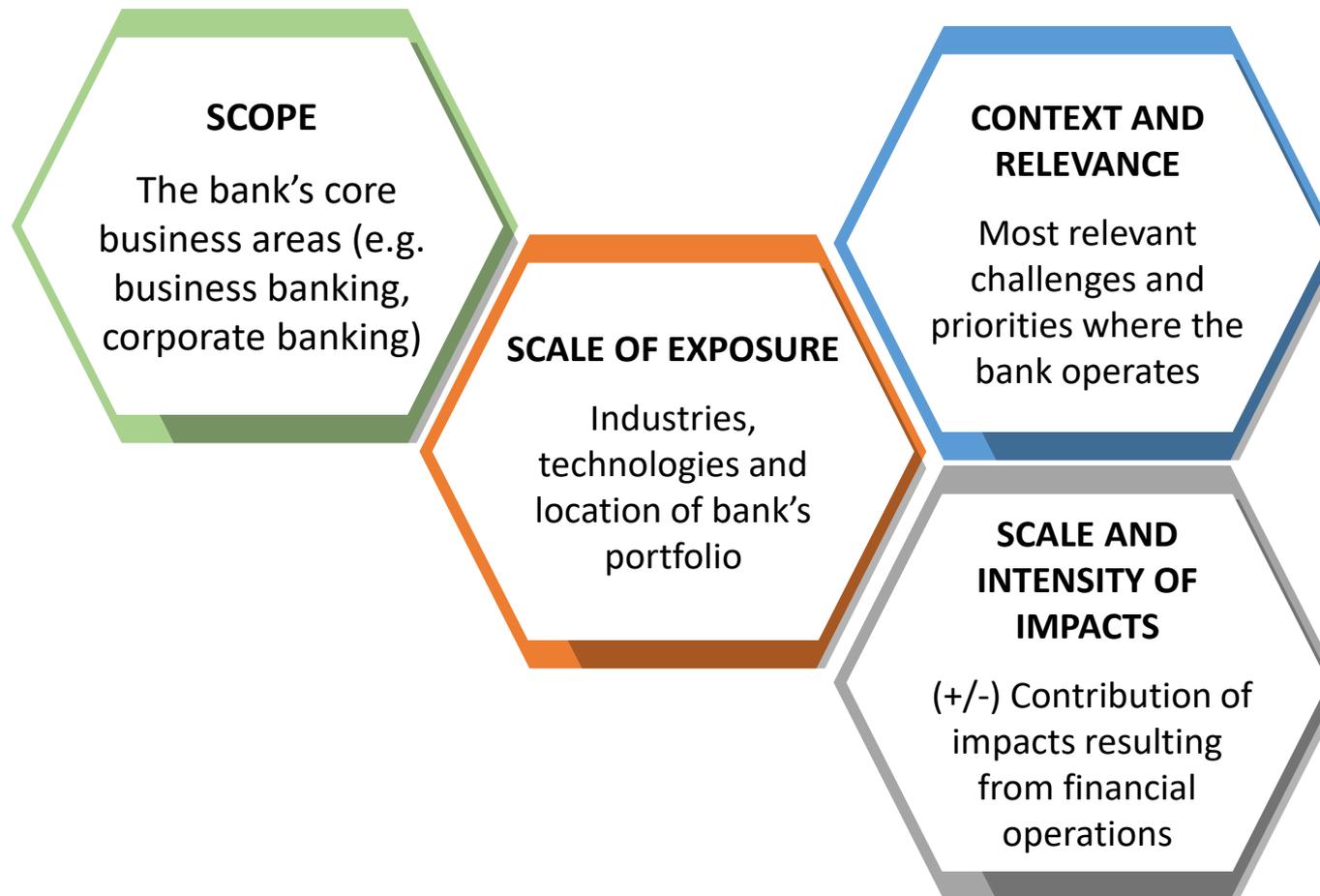
Countries in which the bank operates

Countries



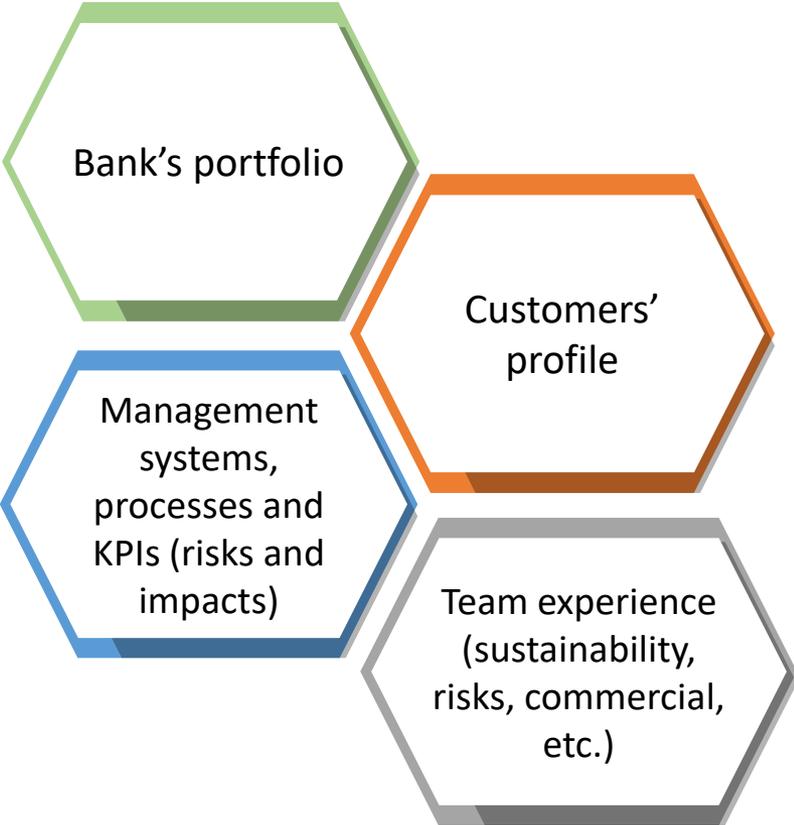
# The PRB Guide defines key concepts for banks to begin the impact analysis

## *Criteria to consider:*



# The PRB Guide defines key concepts for banks to begin the impact analysis

## Internal references



## External references



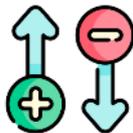
# Most significant impacts' identification must be carried out by a multi-disciplinary team



Establish a **team that will be responsible** for conducting the impact analysis



Gather **relevant information** on which and where economic activities are financed by the bank



Understand the **negative and positive impacts** associated with what is being financed by the bank



Engage with **civil society organizations**, political actors, and other institutions with relevant experience

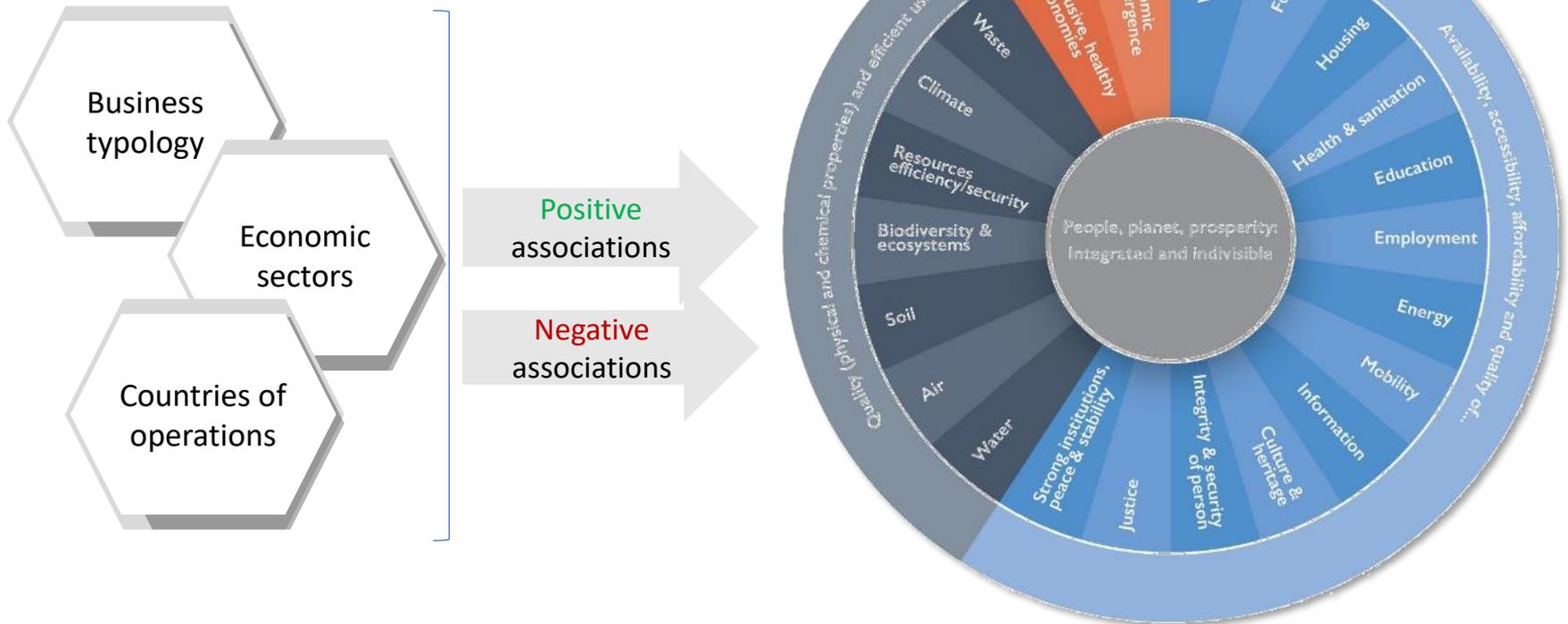
See also the [Guidance Document for Impact Analysis](#)



**Portfolio Impact Tool** was developed by UNEP-FI to support the analysis and can be used alongside other existing tools on the market and for internal analyzes.

# Banks can use the UNEP-FI Portfolio Impact tool

The tool has a map based on the **UNEP-FI Impact Radar**



The UNEP-FI Impact Analysis Tool is a option, **but its application is not mandatory** for signatories. **It is important to analyze the most significant positive and negative impacts of the portfolio.**

# Impact Tool workflow



## 1. Identification

What are the bank's most significant impact areas?



Bank cartography

Country Needs

Impact profile

Significant impact areas

## 2. Assessment

What is the bank's performance vis-à-vis its most significant impact areas?



Performance review

Impact priorities



# Bank Cartography

## What is the bank financing and where?

- Which **lines of business** is the bank involved in
- Which **countries** does the bank provides these products and services in
- What are the **sectors** the bank provides financial services to
- What **proportion of business** is associated with the different portfolios

ii. Business banking						
Geographic scope						
a. Which countries does the bank operate in? <i>Please list all countries per type of business activity (as per section 1 above). Please use one column per country.</i>	Australia	New Zealand	[Select country or area]	[Select country or area]	[Select country or area]	[Select country or area]
b. What portion of the bank's total retail business does each country represent? <i>Please indicate as a percentage of drawn outstanding loans, outstanding loans, or alternatively, exposure at default (EAD), depending on available information.</i>	70%	30%				
Sectors						
a. Would you like to use the Full sector list or the Key sector list?	Full sector list					
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>	0111 Growing of cereals (except rice), leguminous crops and oil seeds	0420 Organic animal production	410 Construction of buildings	3512 On-shore solar electric power generation, transmission and distribution	081 Quarrying of stone, sand and clay	03 Fishing and aquaculture
b. What portion of the bank's retail 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>	15%	9%	20%	11%	8%	17%

# Portfolio profiles



## Associations between sectors or industry activities and the Impact Areas

Australia															
1. Impact Associations (bold reflects key sector-area)															
Summary View - Balance sheet				Detailed view											
ISIC Section/Division/Group /Class	%	Impact areas	Availability - Water	Food	Housing	Health & sanitation	Education	Employment	Energy	Mobility	Culture & heritage	Integrity & security of person	Justice	Strong institutions, peace & stability	Quality - Water
<b>011 Growing of non-perennial crops</b>	15%	positive impacts		<b>0.15</b>		<b>0.15</b>		<b>0.15</b>							
		negative impacts	<b>0.15</b>			0.15		0.15					<b>0.15</b>		
<b>41 Construction of buildings</b>	29%	positive impacts			<b>0.3</b>	0.29		0.29	0.29						
		negative impacts				0.29		0.29	0.29		0.29	0.29			0.29
<b>3526 Shale gas power generation,</b>	20%	positive impacts							<b>0.2</b>						
		negative impacts	<b>0.2</b>			<b>0.2</b>					0.2				<b>0.2</b>
<b>042 Organic animal production</b>	11%	positive impacts			0.11	0.11									
		negative impacts		0.11											0.11
<b>3512 On-shore solar electric power generation</b>	18%	positive impacts							<b>0.18</b>						
		negative impacts													
<b>0321 Marine aquaculture</b>	7%	positive impacts		<b>0.07</b>		0.07		<b>0.07</b>							
		negative impacts				0.07		0.07							0.07



# Which Impact Areas are most significant?

## Ranking of Impact Areas

- The Tool ranks Impact Areas based on proportion of business associated with Key Sectors
- The ranking includes a column that indicates the level of country need
- Impact Areas associated a large proportion of business in Key Sectors and with a high levels of country need, are the **most significant**

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.							
Rank	Impact areas associated with key sectors- <b>Positive</b>	Proportion of portfolio	Level of country need	Rank	Impact areas associated with key sectors- <b>Negative</b>	Proportion of portfolio	Level of country need
1	<b>Health &amp; sanitation</b>	40%	4	1	<b>Availability - Water</b>	43%	4
2	Economic convergence	37%	1	2	Quality - Water	40%	2
3	Food	35%	2	3	<b>Soil</b>	38%	3
4	<b>Energy</b>	29%	4	4	<b>Biodiversity &amp; ecosystems</b>	33%	4
5	Inclusive, healthy economies	20%	1	5	Resources efficiency / security	33%	2
6	<b>Air</b>	20%	3	6	<b>Climate</b>	30%	3
7	<b>Climate</b>	20%	3	7	Waste	29%	2
8	<b>Soil</b>	17%	3	8	<b>Air</b>	26%	3
10	Employment	15%	2	10	Integrity & security of person	20%	1



# Most Significant Impact Areas

- Based on the rankings by involvement in key sectors and country needs in the profiles users can now 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.
- Impact areas with the highest levels of country needs should be prioritized
- Impact areas associated with countries and or sectors where the bank is a market leader should also be prioritized
- *NB.* The selection is based on the bank's judgement and cannot be attributed to UNEP FI.

Consumer Banking				Business Banking				Corporate Banking							
Global				Global				Global							
Impact areas - Positive		Justification		Impact areas - Negative		Justification		Impact areas - Positive		Justification		Impact areas - Negative		Justification	
1	Inclusive, healthy economies			1	Economic convergence			1	Employment			1	Resources efficiency / security		
2	Education			2	Climate			2	Culture & heritage			2	Climate		
3	[please select an impact area]			3	[please select an impact area]			3	Food			3	[please select an impact area]		
4	[please select an impact area]			4	[please select an impact area]			4	Economic convergence			4	[please select an impact area]		
5	[please select an impact area]			5	[please select an impact area]			5	[please select an impact area]			5	[please select an impact area]		
6	[please select an impact area]			6	[please select an impact area]			6	[please select an impact area]			6	[please select an impact area]		





# Priority Impact Areas

- 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 highlighted in **black**.
- The bank should prioritize impact areas where its performance is poor.

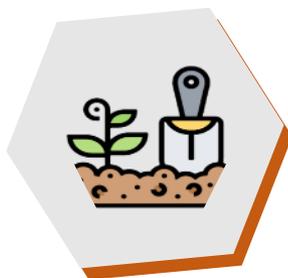
Consumer Banking				Business Banking				Corporate		
Global				Global				Global		
Rank	Impact areas - Positive associations	performance status		Rank	Impact areas - Negative associations	performance status		Rank	Impact areas - Positive	
1	Inclusive, healthy ec	[please select]		1	Economic convergen	[please select]		1	Resources efficiency	[please select]
2	Education	[please select]		2	Climate	[please select]		2	Climate	[please select]
3	[please select an im	[please select]		3	[please select an im	[please select]		3	[please select an im	[please select]
4	[please select an im	[please select]		4	[please select an im	[please select]		4	[please select an im	[please select]
5	[please select an im	[please select]		5	[please select an im	[please select]		5	[please select an im	[please select]
[Select country or area]				[Select country or area]				[Select c		
Impact areas -				Impact areas -		performance		Impact areas -		performance

# After identifying the most significant impact areas, it is important to undertake a more comprehensive analysis

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Undertake a more comprehensive analysis by **sector**, type of **business** or by type of **client**

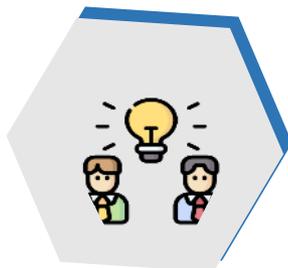
Agriculture and  
livestock



Development  
Bank



SMEs



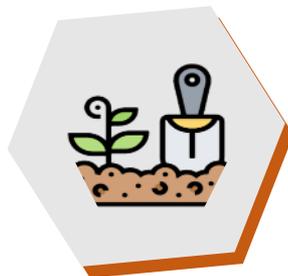
Consumer  
banking



# Specialist banks can access guiding questions for further impact analysis

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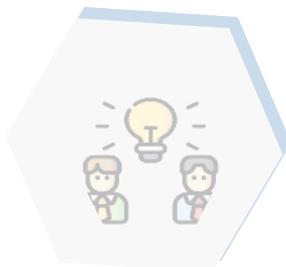
Agriculture and  
livestock



Development  
Bank



SMEs



Consumer  
banking



The questions and indicators presented in this material can be used for additional guidance during the impact analysis process, but **their utilization is not mandatory** for signatories.

# Questions to understand the gaps – Agriculture and livestock



## What is the scale of exposure of your business?

Industries, technologies, and geographies must be considered. It is important to know which activities are financed by the bank, the level of financing and which countries the bank operates

### Questions

1. What **crops** (soy, sugarcane, coffee, cotton and other) and **types of herd** (cattle, dairy, poultry) are financed?
2. What agriculture and livestock **technologies** (irrigation x rainfed, subsistence x industrial, intensive x extensive) do my clients apply?
3. Do my clients apply low carbon technologies (e.g. zero tillage (no-till), biological nitrogen fixation, crop-livestock integration, pasture recovery)?

### Indicators

- % of clients and % of credit (disbursement and balance) by **crop and type of herd**
- % of clients and % of credit (disbursement and balance) by **technology**
- % of clients and % of credit (disbursement and balance) for **low carbon technology**

# Questions to understand the gaps – Agriculture and livestock



## What is the context and relevance of the impact areas where the bank operates?

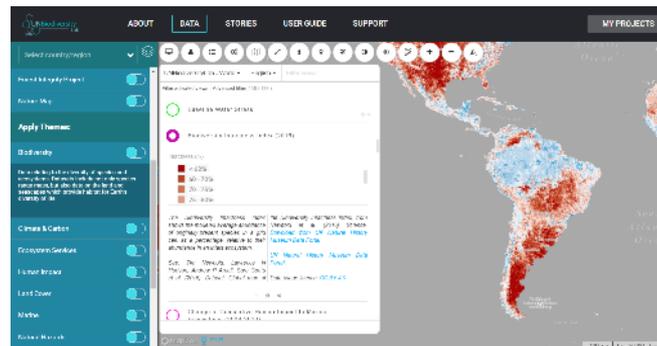
Identify the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates

In the *Portfolio impact Tool*, delve into the **Country needs table** where it is possible to evaluate some macro indicators on the most important areas (Biodiversity & ecosystems, Climate, Water, Food), to understand the main country needs.

### Questions

#### A. Biodiversity & ecosystems

1. What is the **agriculture and livestock degree of impact** on biodiversity and ecosystems in the country or region where the bank operates? [Example of indicator: Agriculture generates 35 percent of deforestation in the country]
2. What **areas** present **higher biodiversity risks**?
3. Which crops, herd types, practices and technologies identified in the previous stage generate **greater (+/-) impact** on biodiversity and ecosystems?



### References

[UN Biodiversity Lab](https://www.un-biodiversity.org/)



PRINCIPLES FOR RESPONSIBLE BANKING

# Questions to understand the gaps – Agriculture and livestock



## What is the context and relevance of the impact areas where the bank operates?

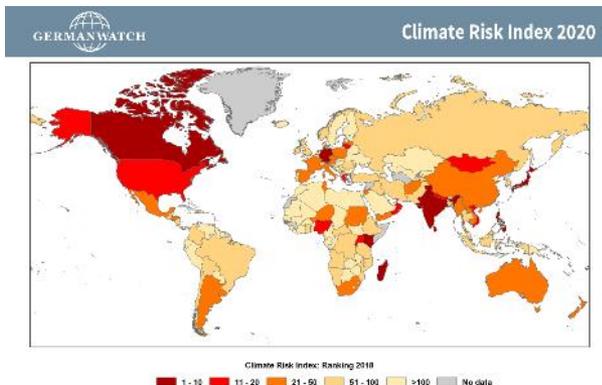
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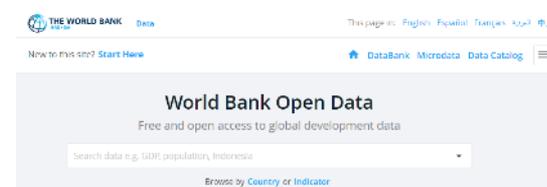
### Questions

#### B. Climate

1. What is the % of national or regional **GHG emissions** related to agriculture and livestock?
2. Which crops, herd types, practices and technologies identified in the previous stage have the capacity **to intensify and reduce** GHG emissions?



[Global Climate Risk Index 2020 \(Germanwatch\)](#)



[World Bank data](#)

### References



PRINCIPLES FOR  
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BANKING

# Questions to understand the gaps – Agriculture and livestock



## What is the context and relevance of the impact areas where the bank operates?

Identify the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates

In the *Portfolio impact Tool*, delve into the **Country needs table** where it is possible to evaluate some macro indicators on the most important areas (Biodiversity & ecosystems, Climate, Water, Food), to understand the main country needs.

### Questions

#### C. Water

1. What is the degree of **impact on water consumption** related to agriculture and livestock in the region where the bank operates?
2. What **areas** present **higher risk of water stress**?
3. Which crops, herd types, practices and technologies identified in the previous stage generate **greater (+/-) impact** on the conservation of water resources?



### SDGs indicators (UN)

### References



PRINCIPLES FOR  
RESPONSIBLE  
BANKING

# Questions to understand the gaps – Agriculture and livestock



## What is the context and relevance of the impact areas where the bank operates?

Identify the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates

In the *Portfolio impact Tool*, delve into the **Country needs table** where it is possible to evaluate some macro indicators on the most important areas (Biodiversity & ecosystems, Climate, Water, Food), to understand the main country needs.

### Questions

#### D. Food

1. What is the degree of **impact on food production** related to agriculture and livestock in the region where the bank operates?
2. What **areas** present **higher food vulnerability index**?
3. Which crops, herd types, practices and technologies identified in the previous stage have **greater (+/-) contribution** to food production?



[FAO Hunger Map](#)

### References

# Questions to understand the gaps – Agriculture and livestock



## What is the business scale and intensity/salience according to the context?

Scale and intensity of environmental, social and impacts related to the identified impacts

**Cross information** on the portfolio **exposure** according to crop, technology and geographies with most significant impact areas for the **country**. Subsequently, try to understand the scale and intensity of the environmental, social and economic impacts related to the identified impacts

### A. Biodiversity & ecosystems

1. What is the **clients' percentage located in the critical areas** identified in the previous stage?
2. What is the **cultivation areas and productivity historical** (e.g. tons/hectare) of the clients, particularly in critical areas identified in the previous stage?

### B. Climate

1. What is the **clients' percentage with low carbon agricultural technologies**?
2. How have my **customers' CO2 emissions evolved**?

### C. Water

1. What is the **clients' percentage in the critical areas** identified in the previous stage?
2. What is the **clients' annual water consumption** (e.g. m3/year), particularly in critical areas identified in the previous stage?

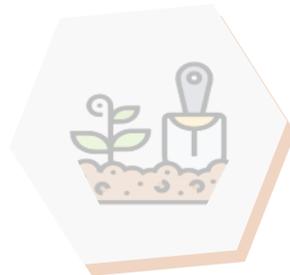
### D. Food

1. What is **the clients' percentage located in the critical areas** identified in the previous stage?
2. What is the **production or productivity historical** of my clients, particularly in critical areas identified in the previous stage?

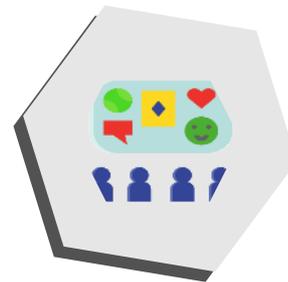
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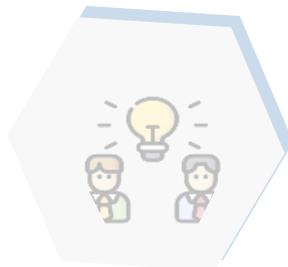
Agriculture and  
livestock



Development  
Bank



SMEs



Consumer  
banking



The questions and indicators presented in this material can be used for additional guidance during the impact analysis process, but **their utilization is not mandatory** for signatories.

# Questions to understand the gaps – Development Bank



## What is the scale of exposure of your business?

Industries, technologies, and geographies must be considered. It is important to know which activities are financed by the bank, the level of financing and which countries the bank operates

### Questions

1. What are the main **demands for social, economic and sustainable development** in the country or region where the bank operates in (infrastructure, energy, urbanization)?
2. What are the **main activities that characterize the economy** of the country or region where the bank operates (agriculture, transportation, industry)?
3. What **activities in bank's portfolio promote development** in the country or region where it operates?

### Indicators

- % of clients and % of credit (disbursement and balance) for **activities related to demands for the development of the country or region**
- % of clients and % of credit (disbursement and balance) by **activities that characterize the economy of the country or region**

# Questions to understand the gaps – Development Bank



## What is the context and relevance of the impact areas where the bank operates?

Identify the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates

In the *Portfolio impact Tool*, delve into the **Country needs table** where it is possible to evaluate some macro indicators on the most important areas (Employment, Housing, Energy, Financial inclusion), to understand the main country needs.

### Questions

#### A. Employment

1. Which **activities, practices and technologies** generate more positions in the country or region?
2. What is the % of **unemployed population** in the country or region where the bank operates?

The screenshot shows the ILOSTAT website interface. At the top, it says 'International Labour Organization | ILOSTAT' and 'The leading source of labour statistics'. Below the navigation bar, there is a search bar and a list of SDG labour market indicators. The indicators listed include:

- SDG indicator 1.1.1 - Working poverty rate (percentage of employed living below US\$1.90 PPP): [Annual](#)
- SDG indicator 1.3.1 - Proportion of population covered by social protection floors/systems: [Annual](#)
- SDG indicator 5.5.2 - Female share of employment in managerial positions: [Annual](#)
- SDG indicator 8.2.1 - Actual growth rate of output per worker (GDP constant 2011, international \$ in PPP): [Annual](#)
- SDG indicator 8.2.1 - Annual growth rate of output per worker (GDP constant 2010 US \$): [Annual](#)
- SDG indicator 8.3.1 - Proportion of informal employment in non-agricultural employment: [Annual](#)
- SDG indicator 8.3.1 - Proportion of informal employment in non-agricultural employment - Harmonized series: [Annual](#)
- SDG indicator 8.5.1 - Average hourly earnings of employees by sex: [Annual](#)
- SDG indicator 8.5.2 - Unemployment rate: [Annual](#)
- SDG indicator 8.5.2 - Unemployment rate by disability status: [Annual](#)
- SDG indicator 8.6.1 - Proportion of youth (aged 15-24 years) not in education, employment or training: [Annual](#)
- SDG indicator 8.7.1 - Proportion of children engaged in economic activity and household chores: [Annual](#)
- SDG indicator 8.7.1 - Proportion of children engaged in economic activity: [Annual](#)
- SDG indicator 8.8.1 - Non-fatal occupational injuries per 100,000 workers: [Annual](#)
- SDG indicator 8.8.1 - Fatal occupational injuries per 100,000 workers: [Annual](#)

### References

#### [Labour statistics \(ILO\)](#)



PRINCIPLES FOR RESPONSIBLE BANKING

# Questions to understand the gaps – Development Bank



## What is the context and relevance of the impact areas where the bank operates?

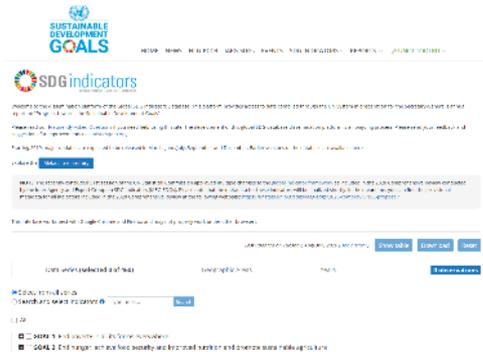
Identify the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates

In the *Portfolio impact Tool*, delve into the **Country needs table** where it is possible to evaluate some macro indicators on the most important areas (Employment, Housing, Energy, Financial inclusion), to understand the main country needs.

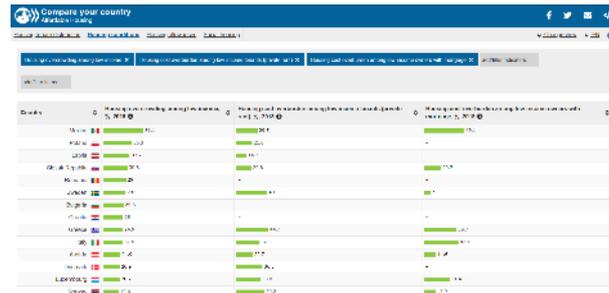
### Questions

#### B. Housing

1. What **activities**, practices and technologies generate more **impact** on the **level and quality of housing**?
2. What is the **housing deficit (% of population)** in the country or region where the bank operates?



[SDG Indicators \(UN\)](#)



[Affordable Housing Database \(OECD\)](#)

### References



PRINCIPLES FOR RESPONSIBLE BANKING



## What is the context and relevance of the impact areas where the bank operates?

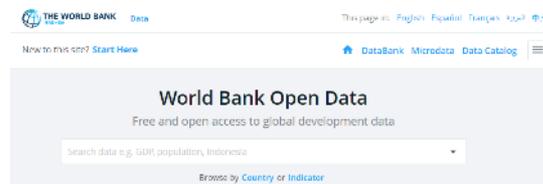
Identify the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates

In the *Portfolio impact Tool*, delve into the **Country needs table** where it is possible to evaluate some macro indicators on the most important areas (Employment, Housing, Energy, Financial inclusion), to understand the main country needs.

### Questions

#### C. Energy

1. What **activities**, practices and technologies **support power generation and transmission**?
2. What is **the level of power generation and transmission** in the country or region where the bank operates?
3. What is **the level of access to electricity** (% of population) in the country or region?



[World Bank data](#)

### References





## What is the business scale and intensity/salience according to the context?

Scale and intensity of environmental, social and impacts related to the identified impacts

**Cross information** on the portfolio **exposure** according to activities related to demands for the development of the country with most significant impact areas for the **country**. Subsequently, try to understand the scale and intensity of the environmental, social and economic impacts related to the identified impacts

### A. Employment

1. How has the **generation of employment** of clients evolved?
2. How is **the job creation** of my portfolio distributed in the country or region?

### B. Housing

1. What is the **served population historical**?

### C. Energy

1. What is the **credit %** (disbursement and balance) for **renewable energy generation**?

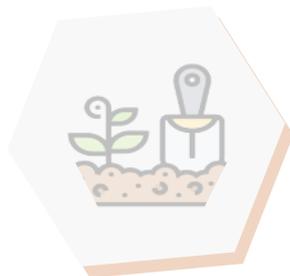
### D. Financial inclusion

1. What is the **credit %** (disbursement and balance) for **vulnerable clients**?
2. What is the % of **products and services** (including digital) **used by clients** (evaluate if clients are using financial products that help develop their business)?

# Specialist banks can access guiding questions for further impact analysis

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Agriculture and  
livestock



Development  
Bank



SMEs



Consumer  
banking



The questions and indicators presented in this material can be used for additional guidance during the impact analysis process, but **their utilization is not mandatory** for signatories.

# Questions to understand the gaps – SMEs



## What is the scale of exposure of your business?

Industries, technologies, and geographies must be considered. It is important to know which activities are financed by the bank, the level of financing and which countries the bank operates

### Questions

1. What are the **main economic activities developed by small and medium-sized enterprises** in the country or region where the bank operates (commerce, services, industry)?
2. What are **the main economic activities carried out by the small and medium-sized companies** in bank's portfolio (commerce, services, industry)?

### Indicators

- % of clients and % of credit (disbursement and balance) **by economic activities** (commerce, services, industry)
- % of clients and % of credit (disbursement and balance) of entrepreneurs assisted **by country or region**

# Questions to understand the gaps – SMEs



**What is the context and relevance of the impact areas where the bank operates?**  
 Identify the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates

In the *Portfolio impact Tool*, delve into the **Country needs table** where it is possible to evaluate some macro indicators on the most important areas (Gender, Resources efficiency, Financial inclusion, Climate), to understand the main country needs.

Questions

## A. Gender

1. What **economic activities** generate more opportunities for gender inclusion in the country or region?
2. What is the **level of gender inequality** in the country or region?

**TABLE 5** Gender Inequality Index

Country	Gender inequality index		GII		GII		GII		GII	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
<b>NEW HIGH INCOME DEVELOPMENT</b>										
1 Norway	0.840	0.840	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2 Switzerland	0.831	0.831	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3 Iceland	0.800	0.800	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4 Germany	0.760	0.760	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5 Hong Kong (China SAR)	-	-	-	-	-	-	-	-	-	-
6 Denmark	0.740	0.740	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7 Finland	0.730	0.730	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8 Netherlands	0.720	0.720	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9 Singapore	0.680	0.680	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10 Luxembourg	0.640	0.640	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11 Denmark	0.630	0.630	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 Iceland	0.620	0.620	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13 Canada	0.610	0.610	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14 New Zealand	0.590	0.590	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15 United Kingdom	0.580	0.580	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
16 United States	0.570	0.570	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17 Belgium	0.560	0.560	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18 Luxembourg	0.550	0.550	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19 Japan	0.540	0.540	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20 Austria	0.530	0.530	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21 Luxembourg	0.520	0.520	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22 Korea	0.510	0.510	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23 Korea Republic of	0.500	0.500	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24 South Korea	0.490	0.490	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25 Spain	0.480	0.480	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26 Sweden	0.470	0.470	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27 France	0.460	0.460	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

References

## UNDP Gender Inequality Index



PRINCIPLES FOR RESPONSIBLE BANKING

# Questions to understand the gaps – SMEs



**What is the context and relevance of the impact areas where the bank operates?**  
Identify the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates

In the *Portfolio impact Tool*, delve into the **Country needs table** where it is possible to evaluate some macro indicators on the most important areas (Gender, Resources efficiency, Financial inclusion, Climate), to understand the main country needs.

## Questions

### B. Financial inclusion

1. What activities, practices and technologies **support financial inclusion**?
2. What is the **ease of doing business score** in the country or region?
3. What is the **level of access to financial products and services** in the country or region?

Clasificación de las economías

CLASIFICACIÓN DE LAS ECONOMÍAS | PUNTAJACIÓN EN LA FACILIDAD PARA HACER NEGOCIOS

Puntuación en la facilidad para hacer negocios

La puntuación en la facilidad para hacer negocios de un país es el resultado de la suma de los puntajes de los 10 indicadores que componen la puntuación. A través de esta puntuación, es posible medir la facilidad para hacer negocios en un país y el mejor desempeño en un indicador se refleja en un puntaje más alto. El índice de facilidad para hacer negocios se actualiza anualmente y se publica en el informe de facilidad para hacer negocios de cada año. La puntuación en la facilidad para hacer negocios varía entre 1 y 100, donde 100 es el puntaje más alto y 1 es el puntaje más bajo. Por ejemplo, una economía con una puntuación de 75 en el Doing Business 2019 significa que esta economía se encuentra en el 75 percentil de las economías que componen el índice de facilidad para hacer negocios. Esto significa que el 25 por ciento de las economías que componen el índice de facilidad para hacer negocios tienen una puntuación de 75 o superior en el Doing Business 2019. La metodología que explica cómo se calcula la puntuación en la facilidad para hacer negocios se encuentra en el informe de facilidad para hacer negocios de cada año.

Calculación de puntuación en la facilidad para hacer negocios: el índice de facilidad para hacer negocios se calcula como el promedio de los puntajes de los 10 indicadores que componen la puntuación en la facilidad para hacer negocios. El índice de facilidad para hacer negocios de 2019 es de 75.

El índice de facilidad para hacer negocios de 2019 es de 75.

## References

## Ease of Doing Business Score



PRINCIPLES FOR RESPONSIBLE BANKING

# Questions to understand the gaps – SMEs



## What is the context and relevance of the impact areas where the bank operates?

Identify the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates

In the *Portfolio impact Tool*, delve into the **Country needs table** where it is possible to evaluate some macro indicators on the most important areas (Gender, Resources efficiency, Financial inclusion, Climate), to understand the main country needs.

### Questions

#### C. Resources efficiency

1. What economic activities are **intensive in natural resources use** (water, electricity, fuel)?
2. What is the **material consumption per capita** in the country or region?



[Water Risk Atlas \(Aqueduct – WRI\)](#)



[Raw material consumption per capita \(UN Stats\)](#)

### References

# Questions to understand the gaps – SMEs



## What is the context and relevance of the impact areas where the bank operates?

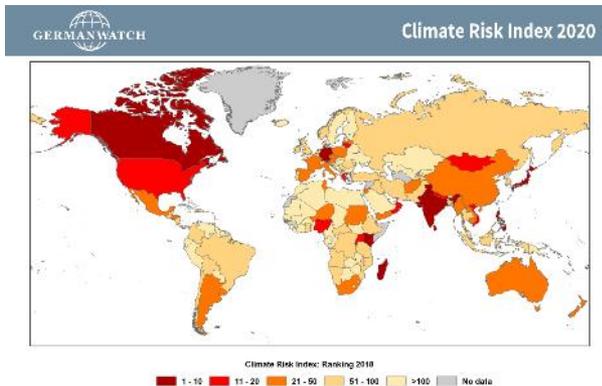
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In the *Portfolio impact Tool*, delve into the **Country needs table** where it is possible to evaluate some macro indicators on the most important areas (Gender, Resources efficiency, Financial inclusion, Climate), to understand the main country needs.

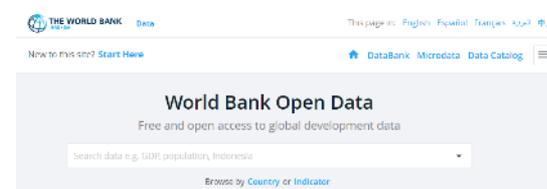
### Questions

#### D. Climate

1. What is the % of national or regional **GHG emissions** related to SMEs' activities?
2. What methods and technologies have the capacity to **intensify and reduce** GHG emissions?



[Global Climate Risk Index 2020 \(Germanwatch\)](#)



[World Bank data](#)

### References



PRINCIPLES FOR RESPONSIBLE BANKING

# Questions to understand the gaps – SMEs



## What is the business scale and intensity/salience according to the context?

Scale and intensity of environmental, social and impacts related to the identified impacts

**Cross information** on the portfolio **exposure** according to economic activities with most significant impact areas for the **country**. Subsequently, try to understand the scale and intensity of the environmental, social and economic impacts related to the identified impacts

### A. Gender

1. What are the credit % (disbursement and balance) and **clients** by gender (compare with the level of gender inclusion in the country)?
2. What is the credit % of other products and services' use by gender (evaluate if there is a difference in the way of products' use)?

### B. Financial Inclusion

1. What is the credit % (disbursement and balance) for **vulnerable clients**?
2. What is the % of **products and services** (including digital) **used by clients** (evaluate if clients are using financial products that help develop their business)?

### C. Resources efficiency

1. What is **the material consumption per capita** of the clients?

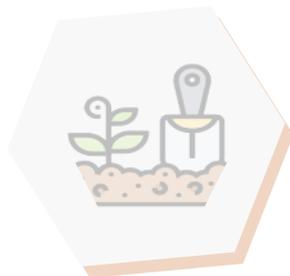
### D. Climate change

1. How have customers' CO2 emissions evolved?
2. What is the % e-learning by economic sectors considering levels of risk and carbon-intensive sectors?

# Specialist banks can access guiding questions for further impact analysis

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Agriculture and  
livestock



Development  
Bank



SMEs



Consumer  
banking



The questions and indicators presented in this material can be used for additional guidance during the impact analysis process, but **their utilization is not mandatory** for signatories.

# Questions to understand the gaps – Consumer banking



## What is the scale of exposure of your business?

Industries, technologies, and geographies must be considered. It is important to know which activities are financed by the bank, the level of financing and which countries the bank operates

### Questions

1. What are the **main products and lines** in the consumer portfolio (credit card, mortgage loan, savings accounts)?
2. What are the **consumer purposes** in the country or region where the bank operates?

### Indicators

- % of clients and % of credit (disbursement and balance) by **consumer product**

# Questions to understand the gaps – Consumer banking



**What is the context and relevance of the impact areas where the bank operates?**  
 Identify the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates

In the *Portfolio impact Tool*, delve into the **Country needs table** where it is possible to evaluate some macro indicators on the most important areas (Education, Economic convergence, Financial inclusion, Data protection), to understand the main country needs.

Questions

## A. Education

1. What **consumer products and lines** influence education in the country or region?
2. What is the **population's average level of education** in the country or region where the bank operates?

UNITED NATIONS DEVELOPMENT PROGRAM  
 Human Development Reports

Education index

Definition: Education index is an average of mean years of schooling (MYS) and expected years of schooling (EYS), both expressed as an index determined by scaling with the corresponding maxima.

Source: HDQ indicators based on official years of schooling and mean years of schooling from UNESCO Institute for Statistics (UIS) and other sources. Accessed on 15 June 2016.

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016			
Algeria	0.122	0.133	0.146	0.155	0.168	0.176	0.186	0.193	0.200	0.205	0.207	0.214	0.221	0.224	0.227	0.232	0.238	0.242	0.245	0.248	0.251		
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
Algeria	0.000	0.147	0.000	0.418	0.000	1.018	0.939	1.424	0.829	0.487	0.753	0.610	0.724	0.610	0.677	0.539	0.666	0.533	0.406	0.181	0.000	0.174	
Algeria	-	-	-	-	-	-	-	-	-	0.244	0.088	0.332	0.090	0.040	0.029	0.040	0.012	0.000	0.000	0.000	0.000	0.000	
Algeria	-	-	-	-	-	-	-	-	-	0.210	0.225	0.000	0.312	0.024	0.339	0.348	0.382	0.370	0.300	0.424	0.308	0.442	0.440
Algeria	-	-	-	-	-	-	-	-	-	0.073	0.079	0.076	0.071	0.073	0.077	0.071	0.075	0.077	0.071	0.066	0.072	0.069	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Algeria	0.000	0.000</																					

# Questions to understand the gaps – Consumer banking



## What is the context and relevance of the impact areas where the bank operates?

Identify the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates

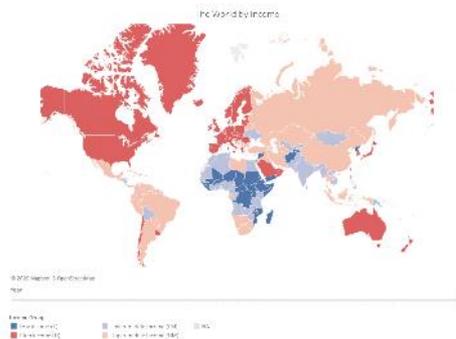
In the *Portfolio impact Tool*, delve into the **Country needs table** where it is possible to evaluate some macro indicators on the most important areas (Education, Economic convergence, Financial inclusion, Data protection), to understand the main country needs.

### Questions

#### B. Economic convergence

1. What **consumer products and lines** generate more **impact** on the level of **personal income**?
2. What is the **average level of income** in the country or region where the bank operates?
3. What is the **social mobility index** of the country or region?

The world by income



[Country by income \(World Bank\)](#)

#### Social Mobility Index

Show: All Economies

Rank / 101	Country / economy	Value (0-100)
1	Denmark	95.2
2	Norway	93.6
3	Finland	93.6
4	Sweden	93.5
5	Iceland	92.7
6	Netherlands	92.4
7	Switzerland	92.1
8	Austria	90.1
9	Belgium	90.1
10	Luxembourg	79.8

[WEF Social Mobility Index](#)

### References



PRINCIPLES FOR RESPONSIBLE BANKING

# Questions to understand the gaps – Consumer banking



**What is the context and relevance of the impact areas where the bank operates?**  
 Identify the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates

In the *Portfolio impact Tool*, delve into the **Country needs table** where it is possible to evaluate some macro indicators on the most important areas (Education, Economic convergence, Financial inclusion, Data protection), to understand the main country needs.

Questions

## C. Financial inclusion and gender

1. What consumer products and lines support financial inclusion?
2. What is the % of the banked population?
3. How easy is it to do business and have access to financial products in the country or region?
4. What is the level of gender inequality in the country or region?

**BANCO MEXICANO DOING BUSINESS**

Clasificación de las economías

Participación en la facilidad para hacer negocios

La facilidad en la facilidad para hacer negocios ayuda a evaluar el desempeño de las economías en las regulaciones del ámbito de negocios en un comercio para poder ser fáciles. Esta participación captura la creación de un caso para ser más fáciles, por Doing Business desde 2007 y el mejor desempeño en cada uno de los indicadores que componen la puntuación. A través de esta puntuación se puede ver si la facilidad para hacer negocios ha mejorado o empeorado a lo largo de los años. La puntuación en la facilidad para hacer negocios se representa por 100, donde 100 representa el mejor desempeño y 0 el peor. El índice de facilidad para hacer negocios de 2019 de México es de 75 en 100, lo que significa que México es 25% más fácil para hacer negocios que el peor país del mundo.

Calculadora de puntuación en la facilidad para hacer negocios: [https://www.doingbusiness.org/en/easiness-calculator](#)

Indicador de la economía y el PIB: [https://www.doingbusiness.org/en/easiness-calculator](#)

Indicador de la economía y el PIB: [https://www.doingbusiness.org/en/easiness-calculator](#)

Indicador de la economía y el PIB: [https://www.doingbusiness.org/en/easiness-calculator](#)

**TABLE 5 Gender Inequality Index**

Country	2019		2018		2017		2016		2015		2014		2013	
	Score	Rank												
1 Norway	0.880	1	0.879	1	0.878	1	0.877	1	0.876	1	0.875	1	0.874	1
2 Iceland	0.860	2	0.859	2	0.858	2	0.857	2	0.856	2	0.855	2	0.854	2
3 Finland	0.850	3	0.849	3	0.848	3	0.847	3	0.846	3	0.845	3	0.844	3
4 Hong Kong (China SAR)	0.840	4	0.839	4	0.838	4	0.837	4	0.836	4	0.835	4	0.834	4
5 Denmark	0.830	5	0.829	5	0.828	5	0.827	5	0.826	5	0.825	5	0.824	5
6 Sweden	0.820	6	0.819	6	0.818	6	0.817	6	0.816	6	0.815	6	0.814	6
7 Singapore	0.810	7	0.809	7	0.808	7	0.807	7	0.806	7	0.805	7	0.804	7
8 Netherlands	0.800	8	0.799	8	0.798	8	0.797	8	0.796	8	0.795	8	0.794	8
9 Estonia	0.790	9	0.789	9	0.788	9	0.787	9	0.786	9	0.785	9	0.784	9
10 Czechia	0.780	10	0.779	10	0.778	10	0.777	10	0.776	10	0.775	10	0.774	10
11 Canada	0.770	11	0.769	11	0.768	11	0.767	11	0.766	11	0.765	11	0.764	11
12 New Zealand	0.760	12	0.759	12	0.758	12	0.757	12	0.756	12	0.755	12	0.754	12
13 Luxembourg	0.750	13	0.749	13	0.748	13	0.747	13	0.746	13	0.745	13	0.744	13
14 Latvia	0.740	14	0.739	14	0.738	14	0.737	14	0.736	14	0.735	14	0.734	14
15 Belgium	0.730	15	0.729	15	0.728	15	0.727	15	0.726	15	0.725	15	0.724	15
16 Lithuania	0.720	16	0.719	16	0.718	16	0.717	16	0.716	16	0.715	16	0.714	16
17 Slovenia	0.710	17	0.709	17	0.708	17	0.707	17	0.706	17	0.705	17	0.704	17
18 Austria	0.700	18	0.699	18	0.698	18	0.697	18	0.696	18	0.695	18	0.694	18
19 Korea	0.690	19	0.689	19	0.688	19	0.687	19	0.686	19	0.685	19	0.684	19
20 France	0.680	20	0.679	20	0.678	20	0.677	20	0.676	20	0.675	20	0.674	20

References

**Ease of Doing Business Score**

**UNDP Gender Inequality Index**



PRINCIPLES FOR RESPONSIBLE BANKING

# Questions to understand the gaps – Consumer banking



## What is the context and relevance of the impact areas where the bank operates?

Identify the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates

In the *Portfolio impact Tool*, delve into the **Country needs table** where it is possible to evaluate some macro indicators on the most important areas (Education, Economic convergence, Financial inclusion, Data protection), to understand the main country needs.

### Questions

#### D. Data protection

1. What **consumer products and lines** have an impact on data security?
2. What is the **level of data protection and privacy legislation** in the country or region where the bank operates?



[UNCTAD Data Protection and Privacy Legislation Worldwide](#)

### References

# Questions to understand the gaps – Consumer banking



## What is the business scale and intensity/salience according to the context?

Scale and intensity of environmental, social and impacts related to the identified impacts

**Cross information** on the portfolio **exposure** according to consumer portfolio products with most significant impact areas for the **country**. Subsequently, try to understand the scale and intensity of the environmental, social and economic impacts related to the identified impacts

### A. Education

1. How has the education level of clients evolved?
2. How is the **level of education distributed in the different consumer products and lines** of my portfolio?

### B. Economic convergence

1. What is the **average income historical** of my consumer clients?

### C. Financial inclusion and Gender

1. What is the % of **credit** (disbursement and balance) for **vulnerable clients**?
2. What is the % of **credit** (disbursement and balance) segregated **by gender**?
3. How are my **consumer products and lines** related to the **financial profile** of my clients and their **ability to pay**?

### D. Data protection

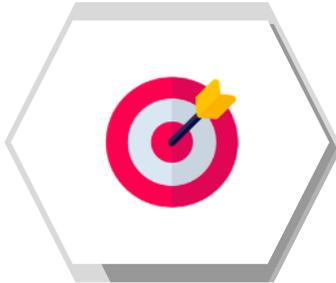
1. What are the **measures** internally applied **to protect the confidential data** of my customer clients?

## Second step: set targets to the most significant impact areas

---



Assess the positive and negative impacts of the portfolio and identify areas with the greatest impact considering the context of the regions in which the bank operates



Set objectives with targets that can be monitored over the years: at least two targets for the most significant impacts

## Second step: set targets to the most significant impact areas

---

**1**

The bank must establish and report a minimum of goals that address at least two **areas identified as having a significant impact**, resulting from its products and services.

**2**

Targets should be linked and aligned to the **Sustainable Development Goals**, the objectives of the **Paris agreement** and/or other **relevant frameworks** (at the international, national or regional level)

## Second step: set targets to the most significant impact areas

---

### The SMART method for target setting



S – Specific

M – Measurable

A – Achievable

R – Relevant

T – Time-bound

## Second step: set targets to the most significant impact areas

---

Establish a baseline  
(considering one year) and  
set targets against the  
determined baseline



Measure and monitor the  
progress against established  
targets



Develop quantitative and  
qualitative targets

It is important to set  
key performance  
indicators (KPIs)

# Targets examples – Climate



## Objective:

Align the bank's financing and investment to energy, transport and agriculture sectors with a goal below 2°C and pursuing efforts to limit it to 1.5°C within X years.

## Measures:

- Work with key clients in the identified sectors to achieve the target
- Identify new technologies in which the bank could expand its activities
- Engage with policymakers, transport government agencies, and stakeholders to understand how the bank can effectively contribute to make transport systems more sustainable
- Develop methodologies with peers and experts who will guide the bank and ensure that it reaches its target

## KPIs:

- Reduce exposure to carbon-intensive technologies by 60% within X years
- Increase financing and investment in renewable energy by X% annually
- Add conditions in loan agreements that require agricultural methods that reduce GHG emissions, by X year
- Partner with transport government agencies to support public transport infrastructure for X year

# Targets examples – Gender



## Objectives:

50% of loan allocation to companies with female leadership within X years

## Measures:

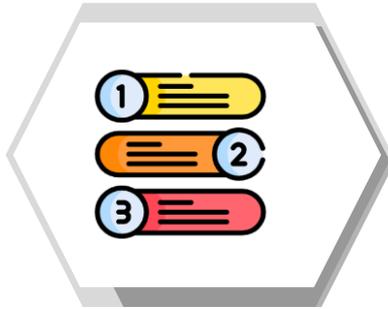
- Review policies, products, processes and promote training for internal teams and women clients
- Develop consistency and work to produce gender equality within your organization: policies, processes, internal awareness, incentives

## External KPIs:

- X% increase in loans granted to SMEs with female leadership
- Commitment to X% of identified existing corporate clients to encourage them to develop gender equality policies within X years
- Provision of X% of loans in the corporate portfolio for X years linked to incentives for corporate clients that achieve equitable gender representation at the Board level

# UNEP-FI suggests key resources to support banks identifying priorities and action points

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## Principles

Set of guiding principles as basis for impact analysis



## Tools

Guidelines or step-by-step instructions for impact analysis

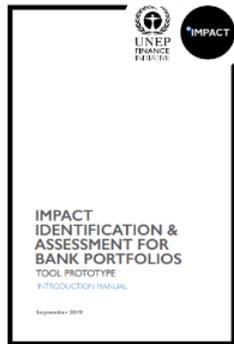


## Reports

Papers or research that reflects evidence-based studies.

All key resources can be accessed by clicking on the above hyperlinks. They are also available at the [end of this document](#).

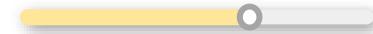
# Example – Impact Identification Tool



Nature

Tool

Maturity



SDGs



Main user

Banks

Second user

Other financial institutions

What

Resource for banks to identify their significant impact areas and set positive and negative impact targets

Goal

Provide both a global and country-by-country view of the bank's significant impact areas and helps contextualize these vis a vis the banks' current impact performance, and countries' impact needs

Output

Toolkit for banks identify, assess and monitor their significant impact areas

# Summary

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**1. Principles for Responsible Banking**

**2. Impacts of the banking industry**

**3. Impact analysis and target setting**

**4. A perspective from a regional fund– eco.Business Fund**

**5. A perspective from practitioners: Itaú (Brazil)**

**6. A perspective from practitioners: Produbanco (Ecuador)**

**7. Appendix: Key Resources**





## **Misión:**

Promover prácticas empresariales y de consumo que contribuyan a la conservación de la biodiversidad, al uso sostenible de los recursos naturales, a la mitigación del cambio climático y al desarrollo socioeconómico

## Focalizando sectores estratégicos



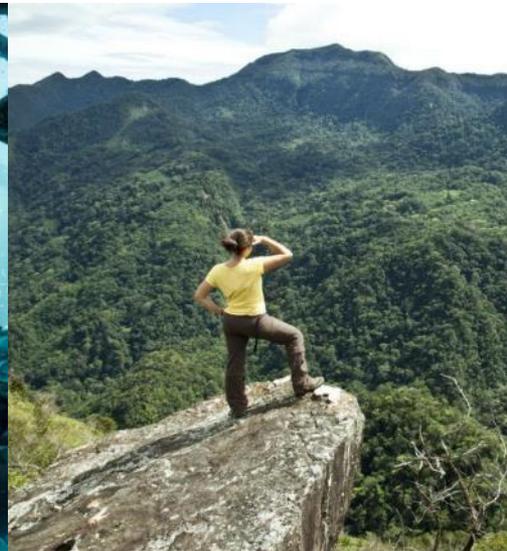
**Agricultura y  
agro-procesamiento**



**Silvicultura**

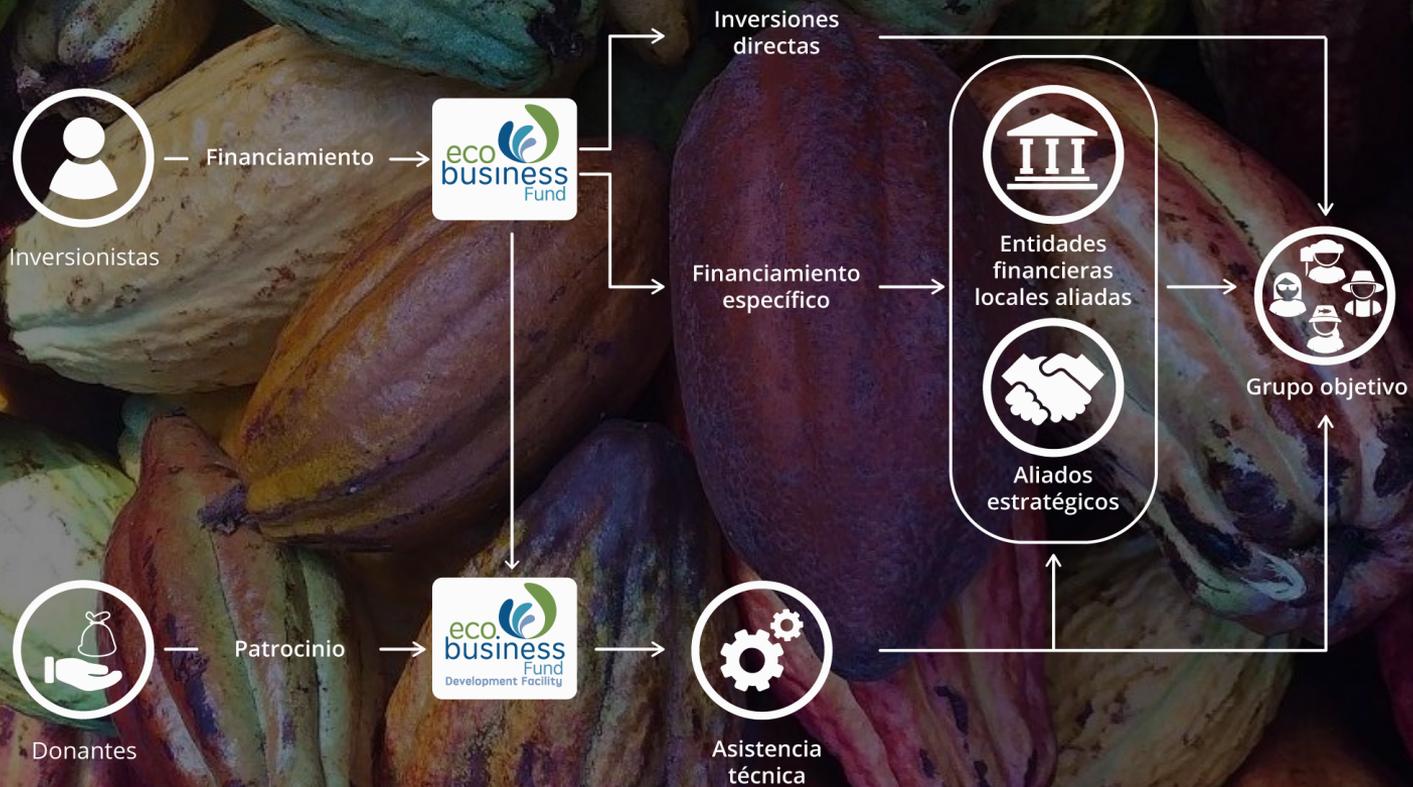


**Pesca y acuicultura**



**Turismo**

# Logrando un impacto directo en nuestros clientes



Nos enfocamos  
en tres áreas de  
trabajo:



### **Impacto & sostenibilidad**

Orientar inversiones hacia resultados sostenibles y sensibilizar sobre las últimas tendencias en impacto ambiental y social



### **Criterios de elegibilidad**

Diversificar el portafolio de instituciones financieras y apoyar a una mejor asignación de recursos



### **Intercambio de conocimiento**

Diseminar información acerca de la misión del fondo mediante talleres, eventos y capacitaciones

La ruta hacia el impacto:

Financiación dedicada

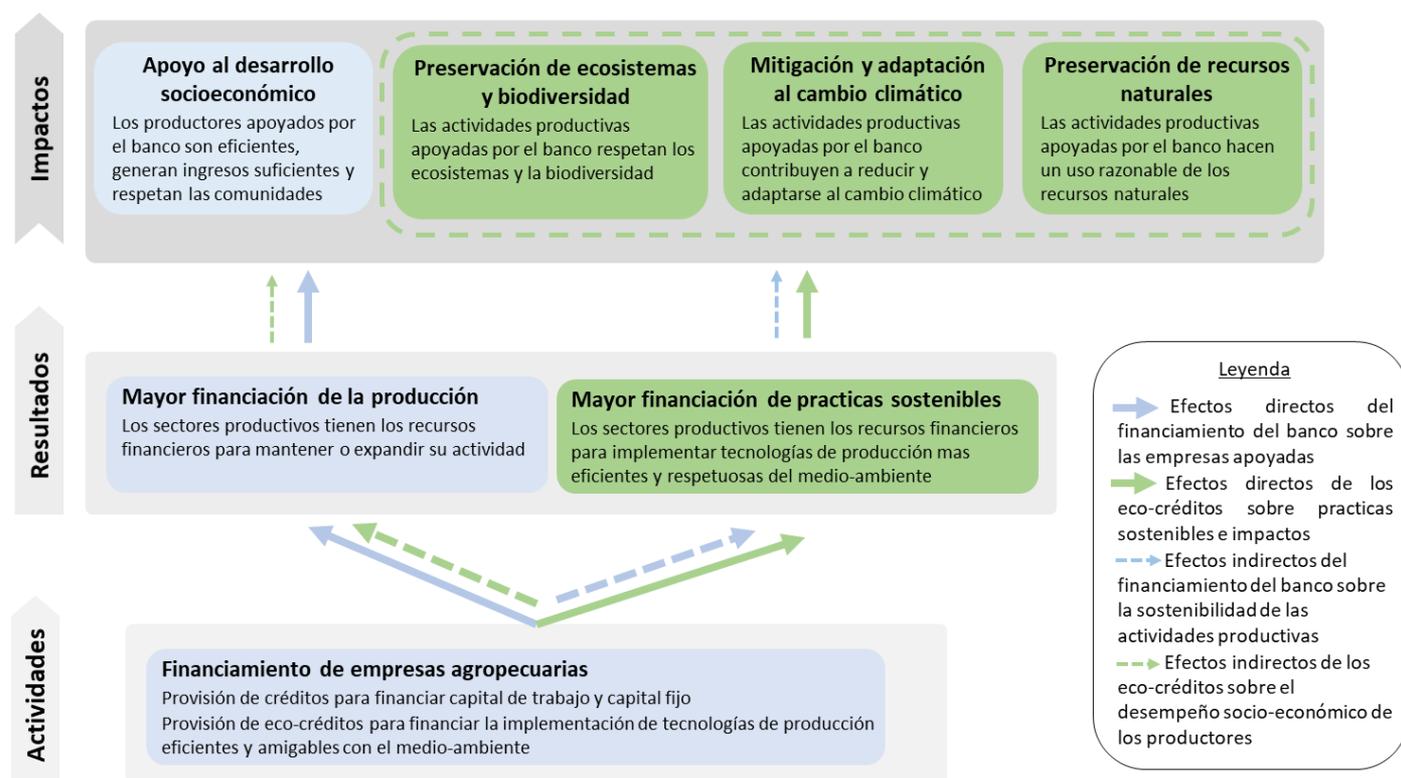
Asistencia técnica



[Consultar nuestra propuesta sobre Teoría del Cambio](#)



# Proceso de generación de impacto de en las Instituciones Financieras



**Enfoque de medición de impacto:**  
**información directa de IF + parámetros técnicos**



Información de subpréstamo del eco.business Fund

**Ejemplos:**

- Cantidad de prestatarios
- Cantidad de hectáreas por cultivo
- Cantidad de hectáreas por sello



Información de terceros

**Ejemplos:**

- Parámetros técnicos: CO2 almacenado/ha, agua ahorrada/ha, etc.
- Indicadores de impacto por estándar



Casos que estudia el eco.business Fund

**Ejemplos:**

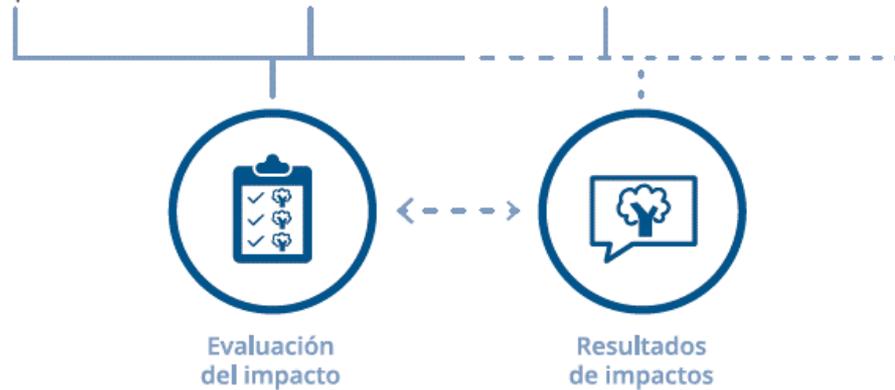
- Encuesta de café en El Salvador
- Programas piloto de ganadería en Nicaragua y Panamá



Visitas de campo

**Ejemplos:**

- Visitas presenciales a instituciones financieras aliadas y a los negocios apoyados por el eco.business Fund



Sistema de  
gestión del  
impacto:

supervisar el  
desempeño  
financiero

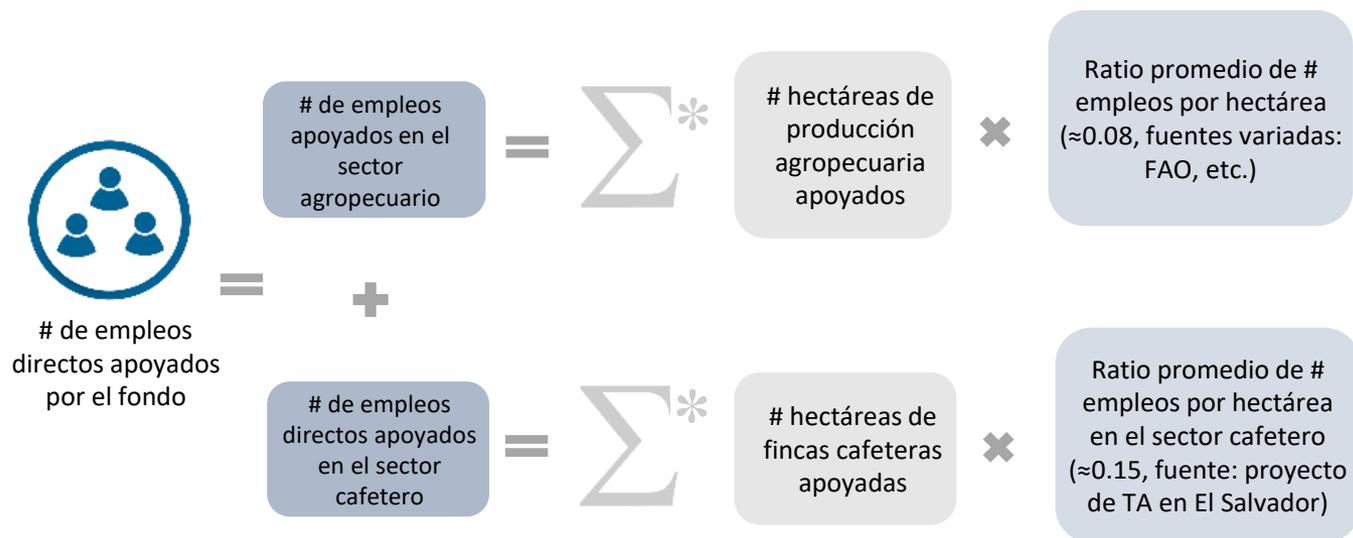


evaluación de  
estrategia y  
metas



# Ejemplo del indicadores clave

## Metodología de medición: indicador de empleos directos en el sector agropecuario



\* Sumando para todos los países en los cuales el fondo tiene (o tuvo) inversiones

# Indicadores de desempeño y contribución a los ODS

<b>Ecosistema y biodiversidad:</b>	<ul style="list-style-type: none"> <li>Cantidad de hectáreas bajo sistemas agroforestales apoyadas por el fondo</li> <li>Cambio en el puntaje de biodiversidad</li> </ul>	   	
<b>Suelos:</b>	<ul style="list-style-type: none"> <li>Cantidad de hectáreas apoyadas por el fondo con prácticas de poco o ningún arado</li> <li>Cantidad de metros cúbicos de erosión evitada</li> </ul>	 	
<b>Agua:</b>	<ul style="list-style-type: none"> <li>Cantidad de metros cúbicos de agua ahorrada</li> <li>Cantidad de litros de agroquímicos cuyo uso se evitó</li> </ul>	 	
<b>Residuos:</b>	<ul style="list-style-type: none"> <li>Cantidad de toneladas de residuos sólidos tratados o reciclados</li> <li>Cantidad de toneladas de residuos líquidos tratados o reciclados</li> </ul>	 	
<b>Cambio climático:</b>	<ul style="list-style-type: none"> <li>Cantidad de toneladas de CO2 almacenado</li> </ul>		
<b>Socioeconómicos:</b>	<ul style="list-style-type: none"> <li>Cantidad de prestatarios finales que recibieron apoyo</li> <li>Cantidad de empleos respaldados</li> </ul>		

# Proceso para definir el marco de impacto

- *Alineación a la estrategia*
- *Identificación de sectores representativos*
- *Identificación de impactos negativos y positivos*
- *Grupos de interés*



- *Rendición cuentas*
- *Comunicación*
- *Ajuste de la estrategia*
- *Desarrollo de productos*

## Cifras clave 2019

### Datos del Fondo

**USD 373,2 millones**

Total de fondos disponibles

**7 países**

en los que se realizaron inversiones

**USD 872,8 millones**

Volumen acumulado de los subpréstamos facilitado a los prestatarios finales

**19 instituciones financieras**

en las que se realizaron inversiones

### Impacto Ambiental



**31.000 litros**

de herbicidas evitados



**4,2 millones**

de m<sup>3</sup> de agua ahorrados



**261.000 hectáreas**

de tierras cultivadas bajo gestión sostenible



**7,9 millones**

de toneladas de CO<sub>2</sub> almacenadas por actividades agroforestales (absolutas)



GRACIAS

Initiated by



# Summary

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# Estratégia de Impacto Positivo

O papel do Itaú Unibanco na construção do futuro

2020

## Banco universal | 95 anos de história | maior banco da América Latina<sup>1</sup>

Valor de Mercado<sup>3</sup>  
**US\$ 45,9 bi**

Ativos totais<sup>3</sup>  
**R\$ 2.075,1 bi**

Carteira de crédito<sup>3</sup>  
**R\$ 811,3 bi**

ROE<sup>4</sup>  
**13,5%**

Lucro líquido<sup>4</sup>  
**R\$ 4,2 bi**

Capital Tier I<sup>3</sup>  
**12,1%**

### Estamos presentes em 18 países



A marca mais valiosa<sup>2</sup> do Brasil  
**R\$ 33,5 bilhões**

Aproximadamente

**56 milhões<sup>5</sup>** de clientes no Varejo

**434 mil** acionistas diretos

**4,5 mil** agências e PABs

**97 mil** colaboradores

**46 mil** caixas eletrônicos

(1) Maior banco em valor de mercado; (2) Ranking Interbrand em 2019; (3) Em junho de 2020; (4) No 2º trimestre de 2020. (5) Em abril de 2020.

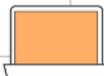
Oferta completa de produtos e serviços | base diversificada de clientes | solidez da marca

Um banco completo físico e digital



Plataforma aberta

Produtos de investimento e seguros comercializados em plataformas abertas.



Crédito

- Pessoal
- Cartões
- Capital de giro
- Imobiliário
- Microcrédito
- Veículos
- Rural
- Consignado
- Importação/Exportação
- Outros produtos

Serviços

- Conta corrente
- Cartões e adquirência
- Consórcio
- Corretagem
- Previdência
- Capitalização
- Meios de pagamento
- Mercado de capitais
- Investimento
- Outros produtos

Seguros

- Vida
- Imobiliário
- Auto
- Odontológico
- Cartão protegido
- Viagem
- Saúde
- Celular
- Garantia
- Outros produtos

O Banco de Varejo engloba clientes de varejo, clientes de alta renda e micro e pequenas empresas, além de produtos e serviços a não correntistas.

O Banco de Atacado é responsável pelos clientes com elevado patrimônio financeiro (private banking), pelas unidades da América Latina, *banking* para médias empresas, grandes empresas e corporações, por meio do Itaú BBA, unidade responsável por clientes corporativos e pela atuação como banco de investimento.

Principais marcas e parcerias comerciais





Em um mundo repleto de desafios econômicos, sociais e ambientais, **todas as pessoas e instituições têm um impacto diferente na construção de um futuro melhor.**

O sistema financeiro, presente em todas as camadas da sociedade, exerce um papel essencial neste mundo em transformação.



Nesse cenário, o Itaú Unibanco estabeleceu um propósito:



## estimular o poder de transformação das pessoas.

E reconhecemos o nosso papel como **AGENTE DE TRANSFORMAÇÃO.**

Por isso, queremos nos comprometer com uma agenda de impacto positivo e desenvolvimento sustentável cada vez mais conectada ao nosso CORE BUSINESS.

# Nossa jornada\_ No mundo



**1999** | Criação do **DJSI** e início da participação do Itaú na carteira

**2000** | Criação **CDP**

**2003** | Lançamento dos **Princípios do Equador**

**2005** | Criação do **ISE**

**2006** | Lançamento do **PRI**

## No mundo

Lançamento do Programa **GHG Procol Brazil**



Lançamento do **PSI**



Lançamento dos **Princípios de Responsabilidade Bancária da ONU**

1999-2007

2008

2011

2012

2013

2016

2017

2019

## No Itaú Unibanco



**2004:**

- Itaú lança o **1º Relatório GRI**
- Itaú assina os **Princípios do Equador**
- Lançamento do **FIES**

**2005:**

- Primeira resposta ao **CDP**
- Itaú passa a fazer parte do **ISE**

**2007** | Lançamento da **Política de Risco Socioambiental** para Crédito

**Fusão Itaú Unibanco**



- Nosso **1º Inventário de GEE**
- Itaú adere ao **PRI**

Lançamento da **Estratégia de Sustentabilidade**



- Itaú adere ao **PSI**
- **Itaú Asset**: metodologia própria de integração de critérios ESG na gestão de ativos

Lançamento do **1º Relatório Integrado**

Inclusão de **Sustentabilidade** no Conselho de Administração

- Instauração da **Comissão Superior de Ética e Sustentabilidade**
- Revisão da **Estratégia**
- Lançamento da **Plataforma Compromisso com o Clima**

- Término da revisão da estratégia e Lançamento dos oito **Compromissos de Impacto Positivo**
- Adesão aos **Princípios de Responsabilidade Bancária**

# Contexto | Construção dos Compromissos de Impacto Positivo



Etapas da revisão estratégia:

1



## Entendimento sobre a evolução do conceito de sustentabilidade corporativa

Diagnóstico

TRÊS GRANDES PERÍODOS\* QUE AJUDAM A COMPREENDER OS GRANDES MARCOS:

### Código residual

**Compensar débitos**

Regulamentação

Negócios >

Ecosistema



## Qual o futuro da sustentabilidade corporativa?

O trabalho da Consultoria Box 1824 evidenciou que o futuro da sustentabilidade corporativa não está apenas em compensar os impactos negativos gerados pelas empresas, mas em gerar impacto positivo por meio do core business.

# Contexto | Construção dos Compromissos de Impacto Positivo



Etapas da revisão estratégia:

2



## Diálogo com diversas partes interessadas

Alinhamento



3 painéis temáticos com públicos interno e externo



14 entrevistas com especialistas em sustentabilidade e mercado financeiro, formadores de opinião e executivos de empresas engajadas no tema



23 entrevistas com as altas e médias lideranças que têm papel fundamental na estratégia atual de sustentabilidade

Avaliação interna e externa para capturar como a nossa atuação é percebida por nossos colaboradores, nossa alta liderança e outros stakeholders relevantes para essa consulta.

# Contexto | Construção dos Compromissos de Impacto Positivo

Etapas da revisão estratégia:

## 3 Definição dos drivers de sustentabilidade no setor financeiro

Drivers

Práticas de mercado



Referências ONU



1) Entendimento dos códigos emergentes\_

2) Análise da concorrência e de importantes movimentos mundiais\_

3) **Definição dos Sustainable Finance Drivers** (temas potenciais para contribuímos com desafios globais), com base em análises realizadas. São eles: Acesso e inclusão financeira, Suitability com orientação financeira, Capital para infraestrutura, Inovação tecnológico-financeira, Inteligência e gestão de riscos, Integridade, Transparência e resiliência de mercado e Gestão inclusiva e responsável.

7 drivers



# Contexto | Construção dos Compromissos de Impacto Positivo

Etapas da revisão estratégia:

## 4 Definição das metas e sponsors

Metas

<b>1</b>	<b>Inclusão e Empreendedorismo</b> Sponsor: C. Padovan e João Filipe	    	
<b>2</b>	<b>Financiamento e Investimento para economia verde e inclusiva</b> Sponsor: Gabriel Guedes e M. Siniscalchi	   	
<b>3</b>	<b>Sustainability e Relacionamento</b> Sponsor: Wagner Sanches	  	
<b>4</b>	<b>Transparência nos reportes e comunicação</b> Sponsor: Alessandro Broede	 	
<b>5</b>	<b>Ética nas relações, negócios e uso de dados</b> Sponsor: Gilberto Frussa		
<b>6</b>	<b>Gestão Inclusiva</b> Sponsor: Valéria Marretto	  	
<b>7</b>	<b>Gestão Responsável</b> Sponsor: Claudio Airromatte	  	

1) Definição dos ODSs relacionados a cada compromisso

2) Identificação dos Sponsors, áreas internas relacionadas e Áreas de Impacto

3) Análise de dados históricos e projeções junto as áreas internas

4) Definição de indicadores e Metas\_

5) Criação de PMO para acompanhamento

# Temas materiais



Consideramos como temas materiais aqueles com a capacidade de afetar a nossa criação de valor no curto, médio e longo prazo, sob a perspectiva da administração de nossos principais públicos.

A revisão das diretrizes estratégicas de sustentabilidade e publicação dos 8 compromissos de impacto positivo, nos levou a adotar uma nova materialidade.

## Compromissos de Impacto Positivo

Transparência nos reportes e na comunicação

Cidadania financeira

Financiamento em setores de impacto positivo

Ética nas relações e nos negócios

Investimento responsável

Gestão inclusiva

Inclusão e empreendedorismo

Gestão responsável



**2018**  
ODS potenciais que podem ser impactados de maneira significativa, relacionados à materialidade e aos Sustainable Finance Drivers (SFD)

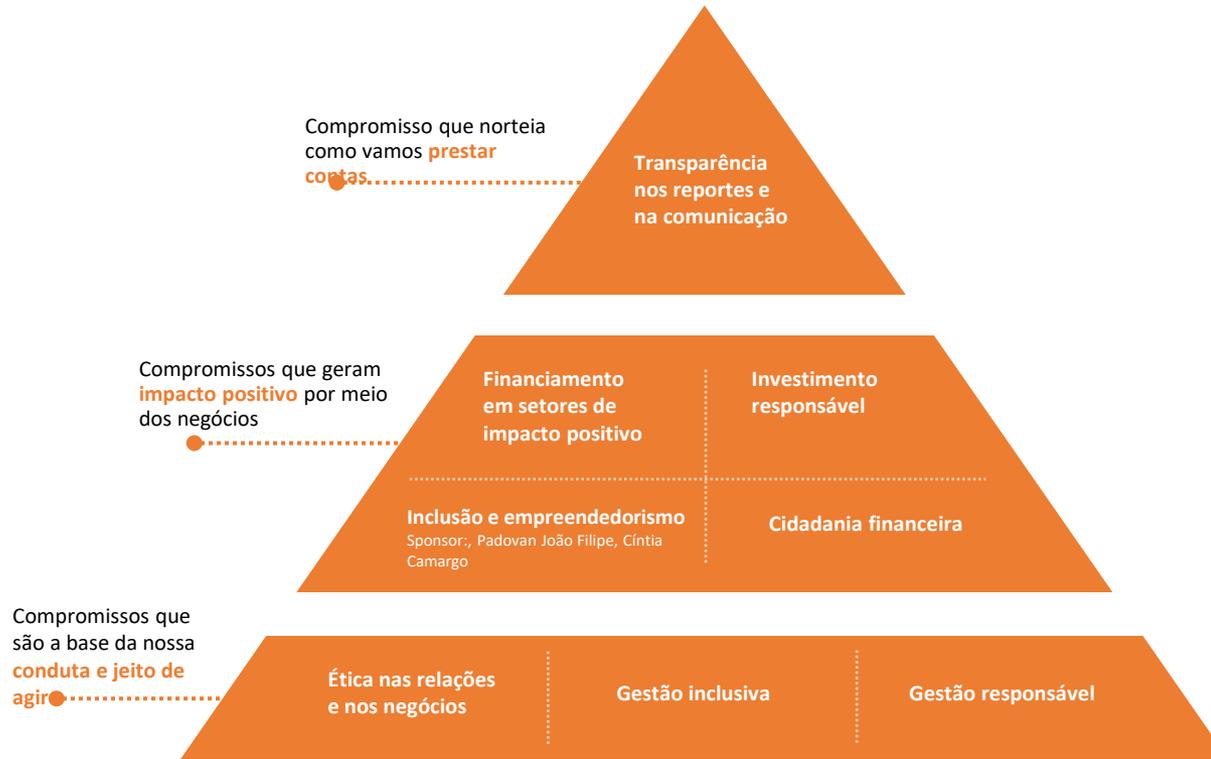
## Compromissos de Impacto Positivo



**2019**  
ODS prioritários definidos pelas áreas Executivas por meio dos Compromissos de Impacto Positivo

Durante o processo de desenvolvimento de nossos oito compromissos, determinamos também quais os **Objetivos de Desenvolvimento Sustentável (ODS)** são **prioritários para os nossos negócios**.

# Compromissos de Impacto Positivo



## Nova visão de impacto do Itaú

Foram realizadas reuniões com stakeholders do mercado, executivos das principais áreas (Atacado, Varejo, Tecnologia, Riscos, Operações, Jurídico e Pessoas) para a definição dos “compromissos de impacto positivo” e suas derivações.

Em 2019 lançamos os **8 compromissos** com metas de negócio que orientam nossas práticas e projetos rumo ao desenvolvimento sustentável.

Ver metas assumidas em cada uma das agendas em [itau.com.br/compromissos/](https://itau.com.br/compromissos/)

Os compromissos não são apenas um manifesto ou uma carta de intenções.

## **As 40 metas são lideradas pelos sponsors internos e acompanhadas pelo Comitê Executivo do banco.**

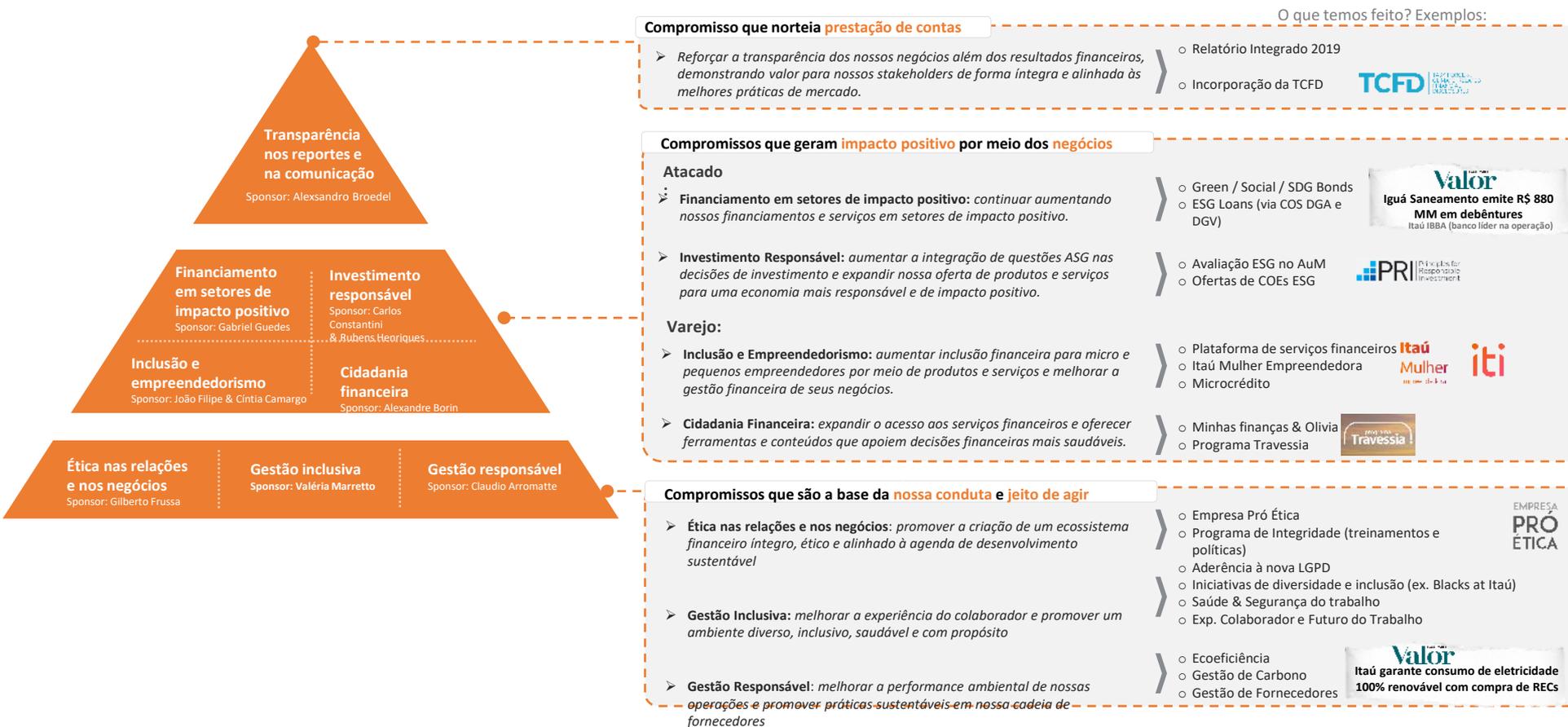
Para dar transparência à execução desses compromissos, reportaremos periodicamente os resultados alcançados.



# Agenda ESG traduzida em Compromissos de Impacto Positivo



8 agendas que se desdobram em 40 metas com executivos responsáveis e governança envolvendo CE e CA



# Summary

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**1. Principles for Responsible Banking**

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**7. Appendix: Key Resources**



# Sostenibilidad Análisis de impacto

Marcelo Delgado

Líder del equipo de riesgos A&S  
Produbanco Grupo Promerica

**Produbanco**   
Grupo Promerica

¿Por qué quiero ser  
sostenible?



***Tenemos la  
responsabilidad de  
administrar e invertir  
correctamente los  
fondos de nuestros  
depositantes***



***Cuidar los fondos  
que nos confían los  
depositantes es el  
inicio de una banca  
responsable***



***Administrarlos de  
forma prudente  
asegura la  
sostenibilidad en el  
largo plazo***

# **Sistema financiero como agente de cambio**

A través de la canalización de recursos bajo la óptica de Finanzas Sostenibles

# Compromisos Produbanco

## Protocolo Finanzas Sostenibles

Noviembre 2016



## Pacto Global

Septiembre 2017



## Principios Banca Responsable

Septiembre 2019



## Collective Commitment to Climate Action

Noviembre 2019



# Protocolo Finanzas Sostenibles



Desarrollo de Productos  
Financieros Sostenibles



Consumo  
Interno



Análisis de Riesgos  
Ambientales y Sociales

Acuerdo Voluntario de  
12 Bancos Privados de Ecuador



# Pacto Global



**OBJETIVOS  
DE DESARROLLO  
SOSTENIBLE**



# Principios para una Banca Responsable

## 6 PRINCIPLES SHAPING OUR FUTURE



Alignment



Impact &  
target setting



Clients &  
customers



Stakeholders



Governance  
& culture



Transparency &  
accountability





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***Sostenibilidad, como  
compromiso estratégico de la  
Banca***

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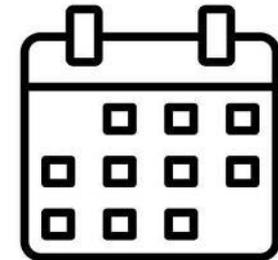
## Estrategia 2019 - 2023

Produbanco consolidará su crecimiento y diversificación a través de su transformación cultural, que le permita ser líder digital para ofrecer a sus clientes experiencias memorables, enmarcado en una administración integral del riesgo y **compromiso con la sostenibilidad y responsabilidad social**

# Diagnóstico de sostenibilidad



- Estrategia
- Medición de impacto
- Clientes y productos
- Grupos de interés
- Gobierno corporativo
- Colaboradores
- Transparencia
- Responsabilidad A&S
- Eco-eficiencia



Plan de sostenibilidad

# Marcando el camino



# Un amplia variedad de herramientas disponibles

B Banks	I Investors	BI Banks & Investors	◆ Focus of Initiative	High-level Commitment to Act	Measuring Financed Emissions	Scenario Analysis	Target-setting	Enabling Action	Reporting
B			◆	◆					
B				◆					
I			◆	◆					
I			◆	◆					
BI									◆
BI					◆				
B						◆			
BI						◆			
BI						◆			
I						◆			
BI							◆		
B								◆	
B								◆	
I								◆	
BI									◆

Fuente:  
PCAF

# Diferentes caminos, un mismo objetivo



Metodología utilizada para la contabilización de la huella de carbono de las emisiones financiadas

Enfoque: medio ambiente

Objetivo: acuerdo de Paris



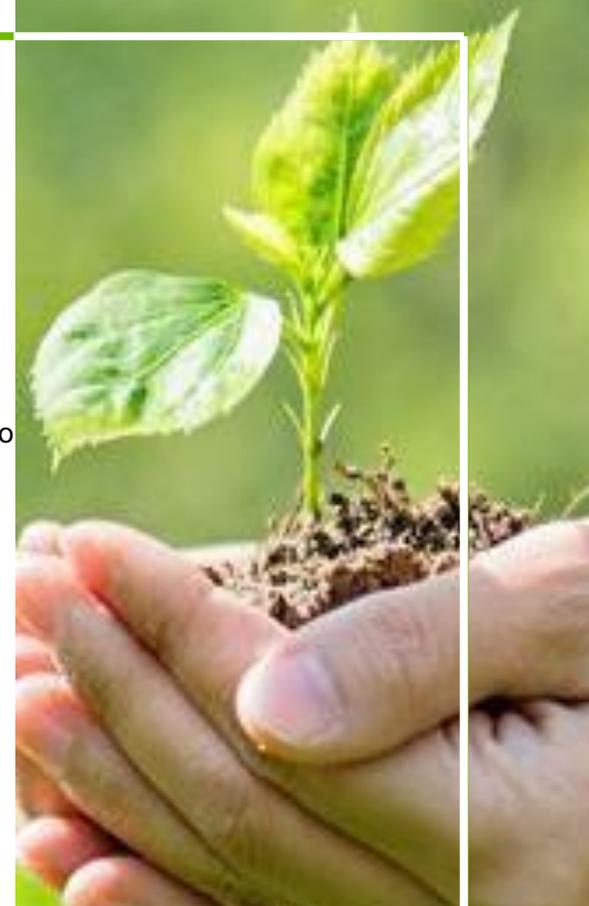
Herramienta que permite determinar los impactos positivos y negativos del portafolio

Enfoque: social, ambiental, económico

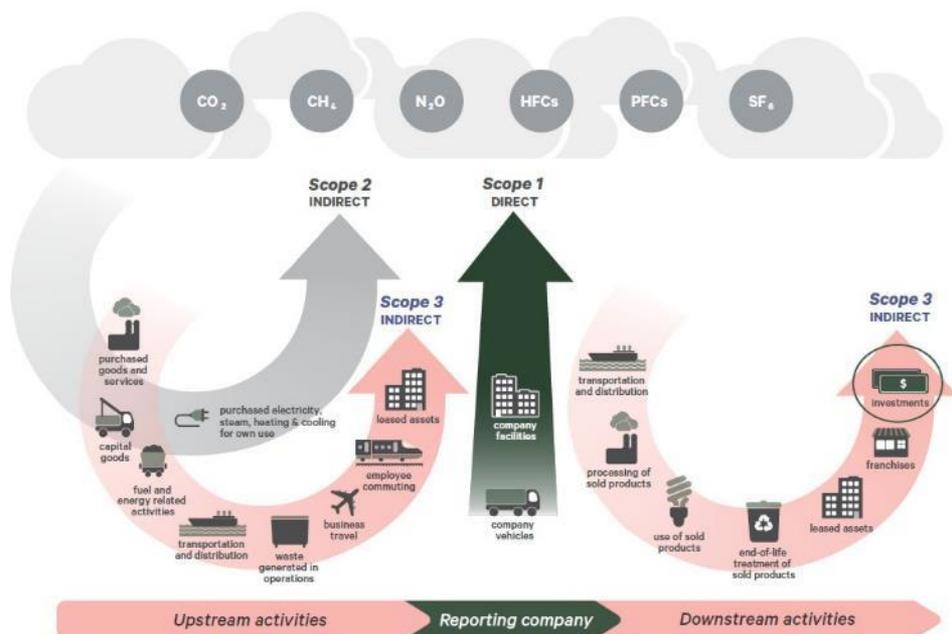
Objetivo: ODS



**Medir, medir, medir**



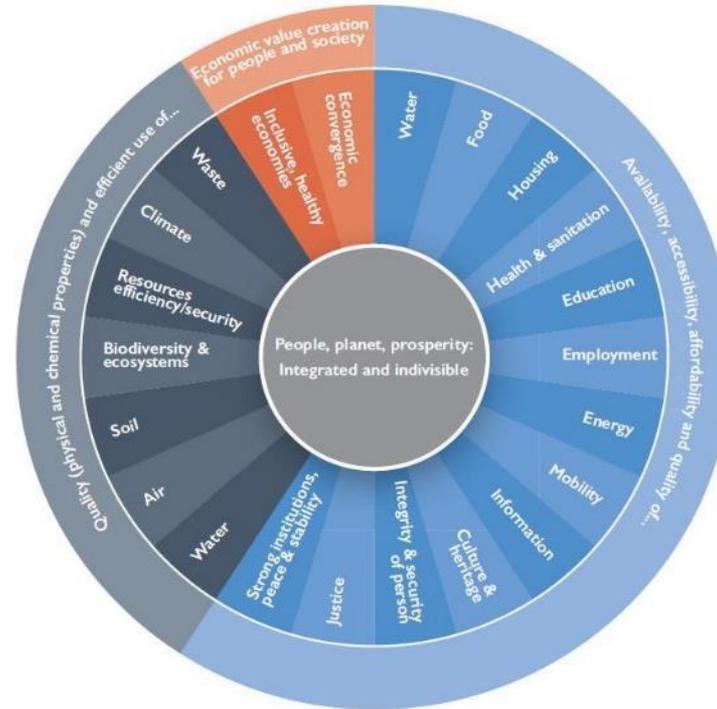
# PCAF



## Categorías:

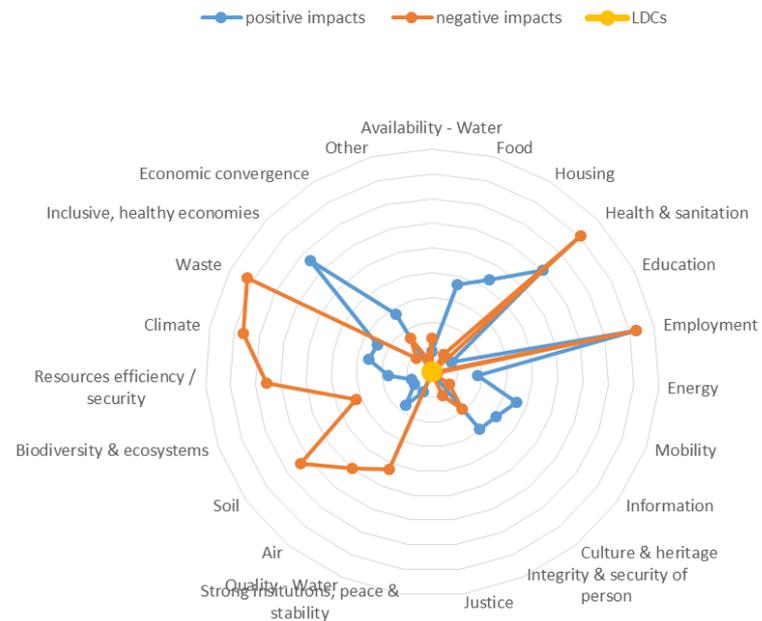
- Prestamos comerciales
- Acciones y bonos cotizados
- Bienes raíces
- Hipotecas
- Crédito automotriz
- Financiamiento de proyectos

# Impact tool



- Impacto en áreas significativas
- Priorización de acciones
- Identificación de impactos
- Evaluación de impacto
- Administración de impactos

# Impactos significativos



## Consideraciones para la priorización:

- Impacto
- Necesidades por país
- Segmentación por banca
- Análisis holístico



## Otros foros y actividades importantes

- UNEPFI Impact analysis working group participant
- Collective Commitment to Climate Action (CCCA) study group participant
- TCFD recommendation (Task Force on Climate-related Financial Disclosures)

*Si bien la banca genera rentabilidad y valor a sus accionistas, el hacerlo de manera responsable bajo una visión de sostenibilidad nos permite permanecer en el tiempo*

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**7. Appendix: Key Resources**

# Key resources were categorized to enable its understanding and prioritization



PRINCIPLES FOR  
RESPONSIBLE  
BANKING

## Implementación PRB en LAC

### Recursos clave - Impacto y fijación de objetivos

NOMBRE	ORGANIZACIÓN	AÑO PUBLICACIÓN	LINK	MADUREZ	NATURALEZA	PRINCIPAL USUARIO	OTROS USUARIOS	CONTENIDO	OBJETIVO
Herramienta de Análisis Corporativo	UNEP-FI	2019	<a href="https://www.unep.org/">https://www.unep.org/</a>	1	Herramienta	Sector Financiero	Compañías	Recurso para ide	Conectarse a sist
Herramienta de Identificación de Impacto	UNEP-FI	2019	<a href="https://www.unep.org/">https://www.unep.org/</a>	1	Herramienta	Bancos	Sector Financiero	Recurso para que	Proporcionar una
Principios rectores de la ONU sobre Empresas y Derechos Humanos	United Nations	2011	<a href="https://www.ohchr.org/">https://www.ohchr.org/</a>	3	Herramienta	Compañías	Sector Financiero	Marco mundialm	Fomentar debida
Herramienta de Orientación de Derechos Humanos del PNUMA FI para el Sector	United Nations	2007	<a href="https://www.unep.org/">https://www.unep.org/</a>	3	Herramienta	Sector Financiero	Compañías	Proporciona infor	Identificar riesgo
Suplemento del Sector Financiero al Protocolo de Capital Natural	Natural Capital Coalition	2018	<a href="https://www.ncccoalition.org/">https://www.ncccoalition.org/</a>	2	Herramienta	Sector Financiero	Compañías	Complemento de	Proporciona un n
ENCORE (Explorando las Oportunidades, Riesgos y Exposición del Capital Natura)	Natural Capital Finance Alliance	2018	<a href="https://encore.ncccoalition.org/">https://encore.ncccoalition.org/</a>	2	Herramienta	Bancos	Sector Financiero	Herramienta que	Proporcionar una
Evaluación de riesgo de crédito de capital natural en préstamos agrícolas	Natural Capital Finance Alliance	2019	<a href="https://www.ncccoalition.org/">https://www.ncccoalition.org/</a>	1	Herramienta	Bancos	Sector Financiero	Marco que permit	Presentar una el
Iniciativa de Ayuda Basados en la Ciencia	WRI/CDP/WWF/UNGC	2015	<a href="https://sciencebasedtargets.org/">https://sciencebasedtargets.org/</a>	2	Herramienta	Compañías	Sector Financiero	Metodología con	Establecer objeti
Acuerdo de París Evaluación de Transición de Capital (PACTA)	2 <sup>o</sup> Investing Initiative	2014	<a href="https://www.transitionsinitiative.com/">https://www.transitionsinitiative.com/</a>	3	Herramienta	Sector Financiero	Compañías	Herramienta grat	Alinear las Carter
Los Principios del Ecuador	The Equator Principles Association	2013	<a href="https://equatorprinciples.com/">https://equatorprinciples.com/</a>	3	Herramienta	Sector Financiero	Compañías	Principios para g	Proporcionar un
Grupo de Trabajo sobre Divulgaciones Relacionadas con el Clima (TCFD)	TCFD	2016	<a href="https://www.fsb.org/">https://www.fsb.org/</a>	3	Herramienta	Compañías	Sector Financiero	Revelaciones vol	Proporcionar un
Plan de Acción: Financiar el desarrollo sostenible	European Commission	2018	<a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a>	2	Herramienta	Sector Financiero	Compañías	Informe que ofre	Conectar las fina
UNEP FI TCFD Banking Pilot	UNEP-FI	2018	<a href="https://www.unep.org/">https://www.unep.org/</a>	2	Informe	Bancos	Sector Financiero	Informes que est	Equipar mejor a



PRINCIPLES FOR  
RESPONSIBLE  
BANKING

# Key resources were categorized to enable its understanding and prioritization



Main targets

NOMBRE	ORGANIZACIÓN	AÑO PUBLICACIÓN	LINK	MADUREZ	NATURALEZA	PRINCIPAL USUARIO	OTROS USUARIOS
Herramienta de Análisis Corporativo	UNEP-FI	2019	<a href="https://www.unep.org/">https://www.unep.org/</a>	1	Herramienta	Sector Financiero	Compañías
Herramienta de Identificación de Impacto	UNEP-FI	2019	<a href="https://www.unep.org/">https://www.unep.org/</a>	1	Herramienta	Bancos	Sector Financiero



The maturity level considers adherence, launch year and company's relevance

# Key resources were categorized to enable its understanding and prioritization



Main contents of the resource

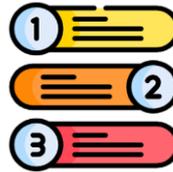
Final resource's format and output



CONTENIDO	OBJETIVO	RESULTADO	ODS	META ODS
Recurso para ide	Conectarse a siste	Kit de herramientas	Todos	13.2
Recurso para que	Proporcionar una	Kit de herramientas	Todos	13.2



Goal of the resource



## Principles

Set of guiding principles  
as basis for impact  
analysis

[Back to presentation](#)

# Key resource 1 – UN Guiding Principles on Business and Human Rights



Nature

Principles

Maturity



SDGs



Main user

Companies

Second user

Financial institutions

What

Globally recognized framework for the respective duties and responsibilities of Governments and business enterprises to prevent and address adverse impacts on people resulting from business activities in all sectors

Goal

Promote human rights due diligence to identify, prevent, mitigate and account for how banks address impacts on human rights and provide remediation for adverse impacts

Output

Guiding principles on human rights framework to be implemented by companies

# Key resource 2 – The Equator Principles



Nature Principles

Maturity



SDGs



Main user Banks

Second user Other financial institutions

**What** Financial industry benchmark for determining, assessing and managing environmental and social risk in four banking products: Project Finance Advisory Services, Project Finance, Project-Related Corporate Loans and Bridge Loans

**Goal** Ensure that large infrastructure and industrial projects are developed in a manner that is socially responsible and reflects sound environmental management practices

**Output** 10 principles for financial institutions to implement through internal environmental and social policies, procedures and standards for financing projects

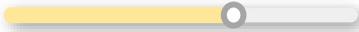
# Key resource 3 – Green Bond Principles



Nature

Principles

Maturity



SDGs



Main user

Bond issuers (Companies and financial institutions)

Second user

Investors

What

Voluntary process guideline that recommend transparency and disclosure and promote integrity in the development of the Green Bond market

Goal

Provide issuers guidance on the key components involved in launching a credible Green Bond

Output

Four principles for Green Bonds' issuance: Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting

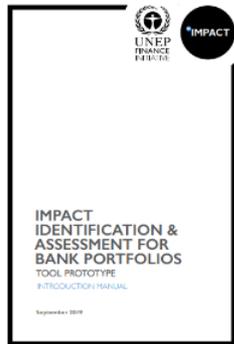


## Tools

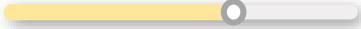
Guidelines or step-by-step instructions for governance analysis and implementation

[Back to presentation](#)

# Key resource 4 – Impact Identification Tool



Nature Tool

Maturity 

SDGs 

Main user

Banks

Second user

Other financial institutions

What

Resource for banks to identify their significant impact areas and set positive and negative impact targets

Goal

Provide both a global and country-by-country view of the bank's significant impact areas and helps contextualize these vis a vis the banks' current impact performance, and countries' impact needs

Output

Toolkit to help banks identify, assess and monitor their significant impact areas

# Key resource 5 – Corporate Impact Analysis Tool



Nature Tool

Maturity

SDGs

Main user Banks

Second user Other financial institutions

What Resource to identify, assess and monitor corporate impact, with a view to determining companies' impact status and possibilities

Goal Connect to credit, commercial and/or sustainability analysis systems to inform lending/investment decisions

Output Toolkit for banks and investors to identify, assess and monitor a corporate's significant impact areas

# Key resource 6 – UNEP FI Human Rights Guidance Tool for the Financial Sector



Nature Tool

Maturity

SDGs

Main user Financial institutions

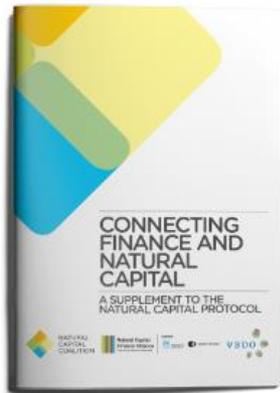
Second user Companies

What Provide information on human rights risks, specifically focusing on human rights issues relevant to the assessment of business relationships and transactions

Goal Identify human rights risk and possible risk mitigation measures, as particularly relevant for lending operations

Output Online signposting tool providing information on human rights risks for financial institutions

# Key resource 7 – Natural Capital Protocol – Finance Sector Supplement



Nature Tool

Maturity

SDGs

Main user Financial institutions

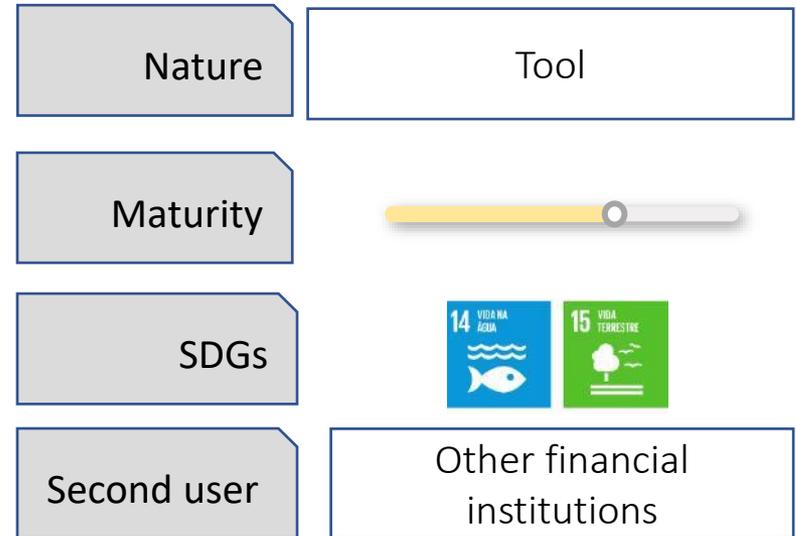
Second user Companies

What Framework to assess the natural capital made up of four stages covering “why”, “what”, “how”, and “what next”

Goal Provide a framework for financial institutions to assess the natural capital impacts and dependencies of the entities and portfolios that they support

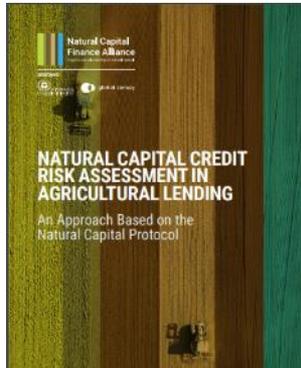
Output Tool for financial institutions to assess how their business is impacted by, and depends upon the natural world

# Key resource 8 – ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure)



Main user	Banks	Second user	Other financial institutions
What	Tool to help users better understand and visualise the impact of environmental change on the economy		
Goal	Enable comprehensive risk analysis across all ecosystem services and economic sectors, using drivers of change of environmental assets		
Output	Step-by-step guide to incorporating natural capital into bank's risk management processes		

# Key resource 9 – Natural Capital Credit Risk Assessment in Agricultural Lending



Nature Tool

Maturity

SDGs

Main user	Banks	Second user	Other financial institutions
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What	Framework for conducting analysis of natural capital in agricultural sector operations that covers the stages of “why”, “what”, “how”, “what's next”
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Goal	Take into account factors such as water availability, use and quality; soil health; biodiversity; energy use and greenhouse gas emissions in agricultural operations
------	--

Output	Framework that includes natural capital in credit risk assessment to be used by financial institutions
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# Key resource 10 – Science Based Targets Initiative



**Nature** Tool (under advisory services)

**Maturity**

**SDGs**

<b>Main user</b>	Companies	<b>Second user</b>	Financial institutions
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**What** Initiative that supports companies in the definition of science-based targets (sectoral-based, absolute-based, economic-based) for a transition to a low-carbon economy

**Goal** Establish and promote ambitious targets for the reduction of GHG emissions that are in line with the goals to maintain the increase in global temperature below 2°C

**Output** Solutions and references for companies to establish GHG emission reduction targets

# Key resource 11 – Paris Agreement Capital Transition Assessment (PACTA)



Nature Tool

Maturity

SDGs

Main user Financial institutions

Second user Companies

What Tool for financial institutions to integrate climate objectives and long-term climate risks into portfolio management

Goal Enable financial institutions to measure the alignment of financial portfolios with climate scenarios as well as to analyze specific companies

Output Online tool that, based on climate-related financial database, develops customized and confidential report to assess the overall alignment of portfolios with various climate scenarios

# Key resource 12 – Task Force on Climate-related Financial Disclosures (TCFD)



Nature

Tool

Maturity



SDGs



Main user

Companies

Second user

Financial Institutions

What

Framework for consistent disclosure on climate-related financial risks applicable to organizations across sectors and jurisdictions

Goal

Provide decision-useful and climate-related information, avoiding financial dislocations and losses in asset values

Output

Four recommendations on climate-related financial disclosure related to: governance, strategy, risk management, and metrics and targets

# Key resource 13 – IFC Performance Standards



**Performance Standards on Environmental and Social Sustainability**

January 1, 2012

Nature Tool

Maturity



SDGs



Main user

Financial Institutions

Second user

Regulatory bodies

What

Standards that define responsibilities related to environmental and social risks' management

Goal

Understand the environmental and social impacts and risks of projects and activities financed by financial institutions

Output

Eight Performance Standards that establish several requirements to be assessed for an appropriate environmental and social risks' management

# Key resource 14 – CDP



Nature Tool

Maturity

SDGs

Main user Companies

Second user Financial institutions

What Disclosure system for investors, companies, cities, states and regions on climate, water, forests and other issues

Goal Measure corporate and city progress and incentivize action on climate change, forests and water security

Output Guidance and questionnaires for companies and governments to disclose environmental data from their operations

# Key resource 15 – ISO 14097 Framework



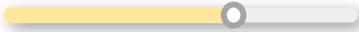
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## ISO/DIS 14097

Framework including principles and requirements for assessing and reporting investments and financing activities related to climate change

Nature	Tool
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Maturity



SDGs



Main user	Financial institutions
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Second user	Companies
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What	Framework with risk metrics and opportunities of financing activities related to climate change
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Goal	Support the financier's assessment of the impacts of investment and lending decisions
------	---

Output	Principles, requirements and guidance for assessing and reporting investments and financing activities related to climate change
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# Key resource 16 – Dutch Platform Carbon Accounting Financials (PCAF)



Nature Tool

Maturity

SDGs

Main user Financial institutions

Second user Companies

**What** Global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the greenhouse gas (GHG) emissions associated with their loans and investments

**Goal** Facilitate the financial sector alignment with the Paris Climate Agreement

**Output** GHG accounting methodology for loan and investment portfolios of banks and other financial institutions

# Key resource 17 – Water Risk Filter



Nature Tool

Maturity

SDGs

Main user Companies

Second user Other financial institutions

What Online platform that provides information to elaborate correct measures related to water risks

Goal Allow users to explore, assess, value and respond to water risks

Output Maps and reports on water risk assessments in four areas: explore, assess, respond and value

# Key resource 18 – Soft Commodity Risk Platform (SCRIPT)



Nature Tool

Maturity

SDGs

Main user Companies

Second user Financial institutions

What Tool to understand risks associated with financing companies in soft commodity supply chains

Goal Help financial institutions understand and mitigate the deforestation risks associated with financing companies in soft commodity supply chains

Output Freely available system with tools and guides for financial institutions to establish policies and processes to identify deforestation risks

# Key resource 19 – African Development Bank Group (AfDB) Integrated Safeguards System



African Development Bank Group's  
**Integrated Safeguards System**

POLICY STATEMENT AND OPERATIONAL SAFEGUARDS



AFRICAN DEVELOPMENT BANK GROUP



AFRICAN DEVELOPMENT BANK GROUP

Nature

Tool

Maturity



SDGs



Main user

Banks

Second user

Other financial institutions

What

AfDB strategic framework to assess environmental and social evaluation of operations financed by the institution

Goal

Promote growth that is socially inclusive and environmentally sustainable

Output

Tool for identifying risks, reducing development costs and improving project sustainability, thus benefiting affected communities and helping to preserve the environment

# Key resource 20 – B Impact Assessment

**2011 Patagonia, Inc. B Impact Report**

Impact Area	Average score of other businesses	Company score
<b>Governance</b>	10	15
Accountability	6	12
Transparency	3	3
<b>Workers</b>	22	25
Compensation, Benefits & Training	15	17
Worker Ownership	2	2
Work Environment	4	6
<b>Community</b>	32	20
Community Products & Services	15	0
Community Practices	15	20
Suppliers & Distributors	4	9
Local	5	1
Diversity	2	3
Job Creation	2	1



Nature Tool

Maturity



Main user Companies

Second user Financial institutions

What B Lab is a global network of companies dedicated to generate positive impact for their employees, communities, and the environment

Goal Assess a company's overall social and environmental performance

Output Question checklist on different sections related to sustainability to measure the business impact, to learn about performance against other companies and to develop an improvement plan



## Reports

Papers or research that reflects evidence-based studies.

[Back to presentation](#)

# Key resource 21 – Action Plan for Financing Sustainable Growth



Bruselas, 8.3.2018  
COM(2018) 97 final

COMUNICACIÓN DE LA COMISIÓN AL PARLAMENTO EUROPEO, AL CONSEJO EUROPEO, AL CONSEJO, AL BANCO CENTRAL EUROPEO, AL COMITÉ ECONÓMICO Y SOCIAL EUROPEO Y AL COMITÉ DE LAS REGIONES

Plan de Acción: Financiar el desarrollo sostenible

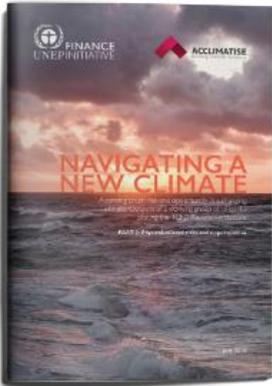
Nature Report

Maturity

SDGs

Main user	Financial institutions	Second user	Companies
What	Report offering a comprehensive vision on how to build a sustainable finance strategy for the EU		
Goal	Reorient capital flows towards sustainable investment in order to achieve sustainable and inclusive growth		
Output	Action plan to be implemented by financial institutions to promote sustainable investments across the EU		

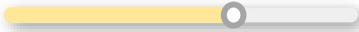
# Key resource 22 – UNEP FI TCFD Banking Pilot



Nature

Report

Maturity



SDGs



Main user

Banks

Second user

Regulatory bodies and other financial institutions

What

UNEP FI, together with 16 of the world’s leading banks, set out on a year-long project to pioneer and further develop transition and physical assessment models and metrics on climate-related risks and opportunities

Goal

Better equip participating banks and the banking industry at large to implement TCFD recommendations

Output

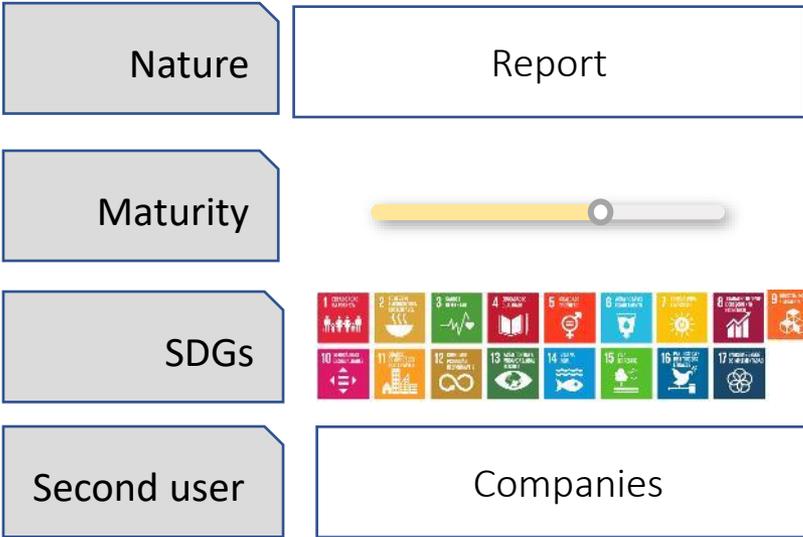
Two reports that detail methodology for scenario-based assessment of climate-related risk and opportunities

# Key resource 23 – Risk Assessment studies



Insight Report

**The Global Risks Report 2018**  
13th Edition



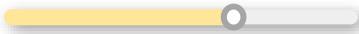
<b>Main user</b>	Financial institutions	<b>Second user</b>	Companies
<b>What</b>	Strategic risk assessment studies		
<b>Goal</b>	Assist banks when engaging stakeholders and assessing risk to their own strategies, operations, and their stakeholders as well as the natural environment		
<b>Output</b>	Reports that identify and analyze the most pressing risks in the world		

# Key resource 24 – Exploring Metrics to Measure the Climate Progress of Banks



Nature Report

Maturity



SDGs



Main user

Banks

Second user

Other financial institutions

What

Report on metrics that can be used to assess a bank's contribution to the climate solution

Goal

Inform the ongoing debate about how public- and private-sector banks should assess and report on the climate progress of their portfolios

Output

Recommendations for choosing climate metrics by asset class



UNEP  
FINANCE  
INITIATIVE

PRINCIPLES FOR  
RESPONSIBLE  
BANKING

Thank you

Access materials on [unepfi.org/latin-american-caribbean](https://unepfi.org/latin-american-caribbean)

