UNEP FI Impact Analysis Tool for Banks (V3)

Institutional Banking/Assessment Module
Introduction
Portfolio Impact Analysis Tool for Banks

IMPACT MANAGEMENT PROCESS

1. Scoping
2. Impact Identification
3. Performance measurement and assessment
4. Target-setting
5. Monitoring

PORTFOLIO IMPACT ANALYSIS TOOL

Identification Modules
- Consumer Banking
- Institutional Banking

Assessment Modules
- Consumer Banking
- Institutional Banking
UNEP FI Impact Protocol
Holistic impact management for banks explained step by step

1. Scoping
   - Identify core business activities
   - Identify main geography/ies

2. Impact Identification
   - Understand context (country/level)
     - Status of needs
     - Policy & regulation
     - Trends & scenarios
   - Review portfolio composition & associated impacts
     - Consumer Banking: products/services and type of customers
     - Business, Corporate and Investment Banking: sectors/industries and type of clients
   - Cross data to determine & prioritise most significant impact areas
     - Portfolio composition and associated impacts (positive and negative)
     - Context

3. Performance Measurement & Assessment
   - Review practice
     - Portfolio composition/financial flows
     - Client engagement
     - Internal policies and processes
     - Advocacy and partnerships
   - Measure impacts
     - (in relation to the prioritised impact areas)

4. Target setting
   - Make alignment choices
     - International, regional or national policy frameworks
   - Understand baseline
     - Based on prior performance measurement/assessment and on alignment choices
   - Define SMART targets
     - Practice targets
     - Impact targets
   - Define Action Plan
     - In relation to the four categories of practice
     - Considering human resource and data system needs

5. Monitoring process
   - Monitor practice
   - Monitor impact
**PRB Signatory Implementation Journey**

**Year 1 & 2:**
- Conduct and complete an initial impact analysis
- Publish your first PRB report

Set multidisciplinary team and gather data

**Identify scope, context and exposure of your portfolio**

**Prioritize at least 2 significant impact areas**

**Deep dive into the two impact areas for performance measurement**

**Publish the first PRB report**

**Year 3 & 4:**
- Work on setting min. 2 SMART targets
- Publish your second and third PRB report

Determine baseline for your targets, assess relevant frameworks to align with

**Set SMART targets that address min. 2 areas of most significant impact**

**Report and monitor progress against targets**

**Publish the second PRB report**

**Year 5 and thereafter:**
- Work on implementing the targets
- Publish your subsequent PRB reports
- Set new or complementary targets if needed

Consider setting more targets, expanding the impact analysis

**Publish the third PRB report**

**Publish the fourth PRB report**
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Institutional Banking/Assessment Module
Overview

PRB requirements: 2.1.d. Performance Measurement / 2.2 Target Setting

Key highlights:

Measuring and assessing the current practices and impact performance of banks’ Institutional portfolio and determining targets and action plans accordingly.

• Works for business/corporate/investment banking portfolios
• Highlights impact interlinkages and ‘red flags’ in relation to potential human rights violations & nature
• Interoperability features (SDGs, EU taxonomy)
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Main data points

If you previously used the Context and Identification Modules:

• All the data concerning your portfolio size and composition will automatically display in the relevant parts of the Module (through the copy/paste of the Data OUT and IN worksheets)

If you did not previously use the other Modules, you would need to capture the following data points:

• Size of your institutional banking business (Business Banking, Corporate Banking or Investment Banking) and what proportion this is relative to your total business activity (gross income and/or balance sheet)

• For each selected geography, volume of business by sector.
  • Portfolio indicators for Business and Corporate banking: drawn outstanding loans, outstanding loans, exposure at default (EAD).
  • Indicators for Investment banking: total bond amounts + total amounts raised divided by the number of Mandated Lead Arrangers (MLAs), total bond amounts + total amounts raised, deal value, deal revenue.
Institutional Banking/Assessment Module

Navigation

Four types of worksheets:
- Reference worksheets (white)
- Workflow worksheets (green)
- Data transfer worksheet (black)
- 'Back-end' worksheets (grey) (hidden)

Note: only one Impact Area worksheet is displayed by default, right click on worksheet tab to unhide the other worksheets.
1. Importing data

Do you wish to import information from the Institutional Banking/Identification Module? Please select accordingly and make sure to follow the guidance.

Yes: Copy the Data OUT worksheet of the Institutional Banking/Identification Module and paste it in the Data IN worksheet of this Module. Your business lines and sectors will be automatically displayed in this Module.

Yes: Copy the Data OUT worksheet of the Context Module and paste it in the Data IN Context worksheet of this Module. Your needs and priorities data will be automatically displayed in this Module.

INSTITUTIONAL BANKING/IDENTIFICATION MODULE
- Summary
- Sector-Impact Map
- Interlinkages Map
- Data IN
- Data OUT

INSTITUTIONAL BANKING/ASSESSMENT MODULE
- Welcome
- Navigation
- My Parameters
- Impact Area 1
- Dashboard
- Impact Radar
- Interlinkages Map
- Data IN-Context
- Data IN-Identification

CONTEXT MODULE
- Country & Local Results
- Global Assessment + Results
- Data OUT

UN environment programme
Institutional Banking/Assessment Module

My Parameters

Specify the Impact Areas/Topics and the Geographic Scope

Specify the sectors you intend to cover; they will automatically display if you have imported data from the Identification Module.

The interlinkages with other Impact Areas/Topics will automatically display.

The table will automatically display: the type of impact driven by the sector on the Impact Area (+ or -), its strength of association (color), and if it is a priority sector as per PRB guidance (X).
### 1. Alignment

**a. Status of Needs and Priorities**

<table>
<thead>
<tr>
<th>Impact Topics — Resource Intensity</th>
<th>Waste</th>
<th>Other (Circularity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDGs 6.3, 6.4, 8.4, 12.1, 12.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SDGs 6.3, 11.6, 12.3, 12.4, 12.5, 14.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Summary of the status of needs and priorities of the selected Impact Area/Geography**: If you have carried over data from the Context Module, the information will automatically display.

**Determine your alignment choices based on the identified needs and priorities**: You may include additional research if/as needed.
### Assessment per Impact Area – Baselines and Targets (Practice & Impact)

**Table: Overview of sectors and impact associations**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All selected sectors</td>
<td>107</td>
<td>87.07%</td>
<td>87.06%</td>
<td>0.00%</td>
<td>N/A</td>
<td>Use this column to capture the eligible circular economy business model category.</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>101 Distillation, rectifying and blending of spirits</td>
<td>1.33%</td>
<td>0.00%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>351 Electric power generation, transmission and distribution</td>
<td>15.33%</td>
<td>11.33%</td>
<td>X</td>
<td>Water bodies: fresh water areas</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H Transportation and storage</td>
<td>0.67%</td>
<td>0.67%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Legend:**
- **Sectors under review, volumes within the portfolio and type of impact association**
- **Priority sectors as per PRB guidance and EU Taxonomy eligible sectors**
- **Red flags**
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Assessment per Impact Area – Baselines and Targets (Practice & Impact)

2. BASILINES AND TARGETS (PRACTICE & IMPACT)

b. Practice

<table>
<thead>
<tr>
<th>Sector</th>
<th>General Purpose</th>
<th>Data Collection</th>
<th>Impact Areas/Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISIC Industry Classification</td>
<td>Baseline</td>
<td>Exceedance</td>
<td>Target</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.6 Management of other property</td>
<td>6.6%</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>30.14 Manufacture of machinery</td>
<td>1.8%</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

**PRACTICE:** Assess current practice & set targets; 4 categories of actions to manage impacts may be considered

Sector Red Flags & Interlinkages will automatically display

**IMPACT:** Capture baseline and set targets using impact indicators
Gathers all targets (practice & impact) defined previously and allows you to capture implementation information.

Gathers all the information provided previously on your approach to managing red flags and interlinkages.
Overview of your impact assessment and target-setting, including thematic and geographic scope, as well as portfolio and practice/impact coverage.

Impact Pathway for each Impact Area/Topic, displaying needs, alignment choices and the action plans previously determined.
Where to find the Modules and more

Find the Impact Protocol here

Find the Tool Modules, User Guides and Demos here

Find the Impact Radar here

Find the Interactive Guidance here

Find the Case studies here

Find the Sector-Impact Map here

Find the Target Setting Guidance here

Find the Indicator Library here

All Resources are freely available on: https://www.unepfi.org/impact/positive-impact/
Contacts

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