UNEP FI Impact Analysis Tool for Banks (V3)

Institutional Banking/Identification 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

Context Module
Identification Modules
- Consumer Banking
- Institutional Banking

Assessment Modules
- Consumer Banking
- Institutional Banking

PORTFOLIO IMPACT ANALYSIS TOOL
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/local/global 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

Publish the third 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 fourth PRB report

6 mo  18 mo

Year 1  Year 2  Year 3  Year 4  Year 5

Principles signed
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Overview

**PRB requirement: 2.1.b. Portfolio Composition**

Key highlights:

Understanding the environmental, social, and economic impacts (positive and negative) associated with banks’ Institutional portfolio/s and overlaying these associations with country priorities, in order to identify most significant impact areas/topics

- Works for business/corporate/investment banking portfolios
- Sector selection possible in a variety of industry classification codes (ISIC, NACE, NAICS, ANZSIC, JSIC, CNAE)
- Interoperability features (SDGs, EU taxonomy, main human rights violations)
Institutional Banking/Identification Module
Main 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.
- If the business line under analysis spans several geographies, the size of the business in each geography.

- Total volume of the institutional banking business line under analysis (Business Banking, Corporate Banking or Investment Banking).
- If the business line spans several geographies, the volume of the business line per geography.
- For each selected geography, volume of business by sector.
- For each selected geography, volume of business per client type (SMEs).

Business line indicators: gross income and/or balance sheet.

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/Identification Module

Navigation

List of Worksheets

Welcome
Navigation
My Parameters
Portfolio Composition
Profile-Global
Profile-Country 1
Profile-Country 2
Profile-Country 3
Profile-Country 4
Profile-Country 5
Summary
Sector-Impact Map
Interlinkages Map
Data IN
Data OUT
Pivot P
Pivot N
Correspondence Tables
Lists

Four types of worksheets:

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

Note: only one profile worksheet is displayed by default, right click on worksheet tab to unhide the other worksheets
Institutional Banking/Identification Module

My Parameters

Specify whether you wish to transfer your data from the Context Module to the Identification Module.
Institutional Banking/Identification Module
My Parameters

Choice of business line

Size of your consumer banking business (overall and by geography)

Choice of industry classification and indicators
You can quickly identify your sectors using the filters of the table. You can see which sectors are key and which are eligible based on the EU Taxonomy. Here you indicate the exposures and you may choose to distinguish between general purpose and dedicated products.
Based on the portfolio breakdown, outputs are generated by country. High level outputs: proportion of portfolio associated with the different impact areas and priorities in the country/locations.
Detailed outputs: heatmap showing impact associations between the individual sectors you are financing in the country and the different impact areas and topics.
### Institutional Banking/Identification Module Outputs

#### Detailed outputs: Overview of significant impact areas/topics (based on sector exposure, country priorities, key sectors, client types, interlinkages)

<table>
<thead>
<tr>
<th>Impact areas</th>
<th>Impact topics</th>
<th>Proportion of portfolio</th>
<th>Associated impacts (positive)</th>
<th>Associated impacts (negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livelihood</td>
<td>Employment, Wages</td>
<td>100.00%</td>
<td>Modern slavery, Child labour, Health &amp; safety, Wages, Social protection, Gender equality, Human rights, Land rights, Water, Food, Energy, Housing, Healthcare, Education, Mobility, Information &amp; communication, Culture &amp; heritage, Finance, Employment, Agriculture, Habitat, Natural resources, Biodiversity &amp; healthy ecosystems</td>
<td>Health &amp; safety, Water, Food, Energy, Housing, Healthcare, Education, Mobility, Information &amp; communication, Culture &amp; heritage, Finance, Employment, Agriculture, Habitat, Natural resources, Biodiversity &amp; healthy ecosystems</td>
</tr>
<tr>
<td>Healthy economies</td>
<td>Flourishing MSMEs</td>
<td>78.57%</td>
<td>Employment, Sector diversity, Socio-economic convergence</td>
<td>Resource intensity, Waste</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Infrastructure</td>
<td>12.86%</td>
<td>Natural disasters, Health &amp; safety, Water, Food, Energy, Housing, Healthcare, Education, Mobility, Information &amp; communication, Culture &amp; heritage, Finance, Employment, Agriculture, Habitat, Natural resources, Biodiversity &amp; healthy ecosystems</td>
<td>Modern slavery, Health &amp; safety, Social protection, Gender equality, Human rights, Land rights, Water, Food, Energy, Housing, Healthcare, Education, Mobility, Information &amp; communication, Culture &amp; heritage, Finance, Employment, Agriculture, Habitat, Natural resources, Biodiversity &amp; healthy ecosystems</td>
</tr>
</tbody>
</table>

#### Prioritized significant impact areas and corresponding SDGs

<table>
<thead>
<tr>
<th>Impact areas/topics</th>
<th>Prioritised SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health &amp; safety</td>
<td>SDG 1, SDG 2</td>
</tr>
<tr>
<td>Livelihood</td>
<td>SDG 3, SDG 4</td>
</tr>
<tr>
<td>Water, Food, Energy, Housing, Healthcare, Education, Mobility, Information &amp; communication, Culture &amp; heritage, Finance, Employment, Agriculture, Habitat, Natural resources, Biodiversity &amp; healthy ecosystems</td>
<td>SDG 5, SDG 6, SDG 7, SDG 8, SDG 9, SDG 10, SDG 11, SDG 12, SDG 13, SDG 14</td>
</tr>
</tbody>
</table>
Resources
Where to find the Modules and more

Find the Impact Protocol [here](https://www.unepfi.org/impact/positive-impact/)

Find the Tool Modules, User Guides and Demos [here](https://www.unepfi.org/impact/positive-impact/)

Find the Interactive Guidance [here](https://www.unepfi.org/impact/positive-impact/)

Find the Case studies [here](https://www.unepfi.org/impact/positive-impact/)

Find the Impact Radar [here](https://www.unepfi.org/impact/positive-impact/)

Find the Sector-Impact Map [here](https://www.unepfi.org/impact/positive-impact/)

Find the Target Setting Guidance [here](https://www.unepfi.org/impact/positive-impact/)

Find the Indicator Library [here](https://www.unepfi.org/impact/positive-impact/)
Contacts

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