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User Guide

Portfolio Impact Analysis Tool for Banks (v.3)

**Institutional Banking/
Identification Module**

July 2022

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About the UNEP FI Impact Analysis Tools

UNEP FI's Holistic Impact Methodology

The Impact Analysis Tools are based on UNEP FI's unique Holistic Impact Methodology. This methodology is itself derived from a unique theory of change on the role of mainstream business and finance to close the SDG financing gap and the way in which this can be achieved.¹

As per Figure 1 below, the UNEP FI Holistic Impact Analysis Methodology is a two-step process to understand and manage actual and potential positive and negative impacts across the spectrum of environmental, social and economic issues.

Step one consists in understanding the impact areas and topics (e.g. employment, climate, economic convergence) that are associated with the object of analysis (e.g. a portfolio, a corporate's business activities, or a physical asset such as real estate). It also involves understanding the impact needs that exist in the location/s that the object of analysis finds itself in or interacts with, so as to contextualize its impact profile and determine its most significant impact areas. This is referred to as Impact Identification.

Step two consists in reviewing current practice and performance vis-a-vis the impact areas/topics identified in step one. Are the potential impacts identified in step one happening in reality? To what extent? How does current practice and performance relate to the impact needs, gaps and priorities in the geography/ies that the object of analysis finds itself in or interacts with? This is referred to as Impact Assessment.

The purpose of the Holistic Impact Analysis Methodology is to enable concrete action. Out of the insights generated by the analysis, users are empowered to define strategies, establish action plans and set meaningful financial and extra-financial targets.

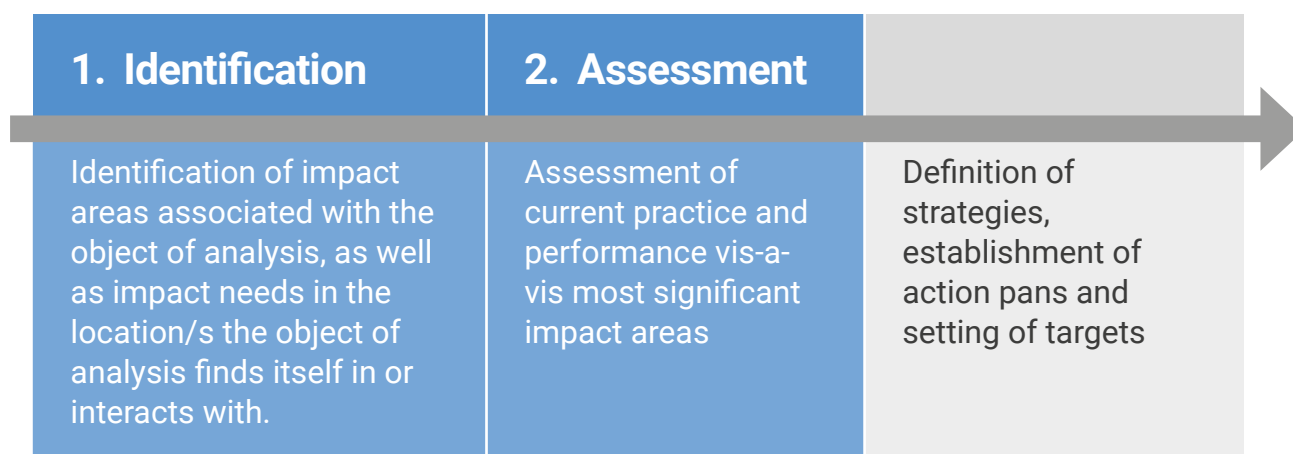


Figure 1: UNEP FI Holistic Impact Methodology

¹ *Rethinking Impact to Finance the SDGs—United Nations Environment Programme Finance Initiative*. November (2018). UNEP FI. [unepfi.org/positive-impact/rethinking-impact/](https://www.unepfi.org/positive-impact/rethinking-impact/)

About the Impact Analysis Tools

The Impact Analysis Tools are iterative input-output workflows built in Excel.² They requires users to input data to describe their business or portfolio (e.g. percentage of gross income per business line, percentage of drawn outstanding loans for a given sector and in a given country, etc.) and to reflect their current impact performance (e.g. quantitative data such as GHG reductions, diversity of SMEs financed, number of persons from vulnerable populations serviced and qualitative data such as the existence of policies and processes to detect and deal with wage theft or domestic violence).

The Tools use the input data in combination with a set of in-built impact mappings to produce a number of outputs, in particular a set of impact profiles by business line, and to guide the user in identifying most significant impact areas and determining priorities, thus setting the basis for strategy development and target-setting.

As of 2022, UNEP FI's Impact Analysis Tools are gradually transitioning to a 'modular' format, where main components of impact analysis are contained within distinct 'modules' (see Figure 2 below).

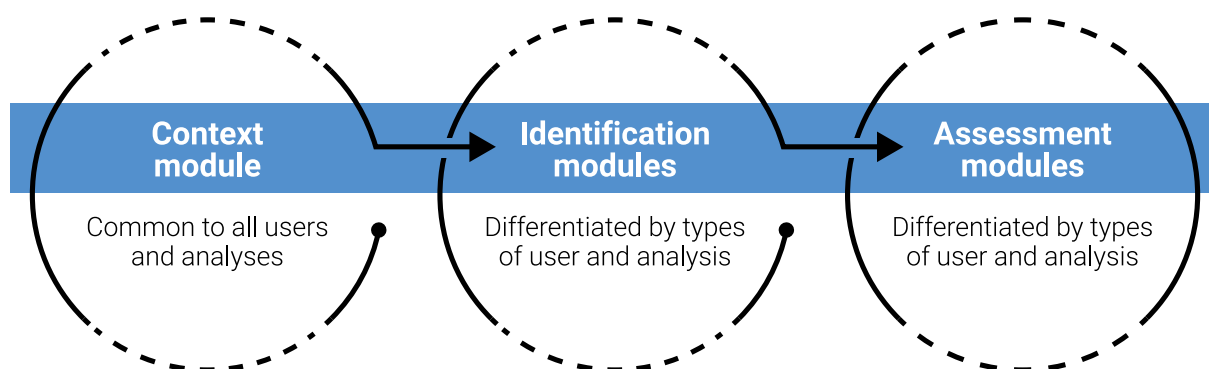


Figure 2: Overview of the Impact Analysis Modules

About the Impact Analysis Tools for Banks

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

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

² The Portfolio Tool is built in the Excel of Microsoft 365. Note that some functionalities may be affected if earlier versions of Excel are used.

The Institutional Banking Identification Module

Overview

The Institutional Banking Identification Module enables you to understand the environmental, social, and economic impacts (positive and negative) associated with your Institutional portfolio/s, and to overlay these associations with the impact needs and priorities of the countries and locations in which your bank operates, in order to identify the portfolio's most significant impact areas/topics.

This Module will enable you to comply with the 'exposures/portfolio composition' requirement for Principle 2 on Impact Analysis and Target-setting of the Principles for Responsible Banking (PRB) and lays the basis for performance assessment and target-setting, also required under Principle 2.

Scope of the Institutional Banking Identification Module

Figure 3 below lists the products and services understood to form part of Institutional Banking (sometimes also called commercial banking). Note that investments are the object of a separate impact analysis tool.³

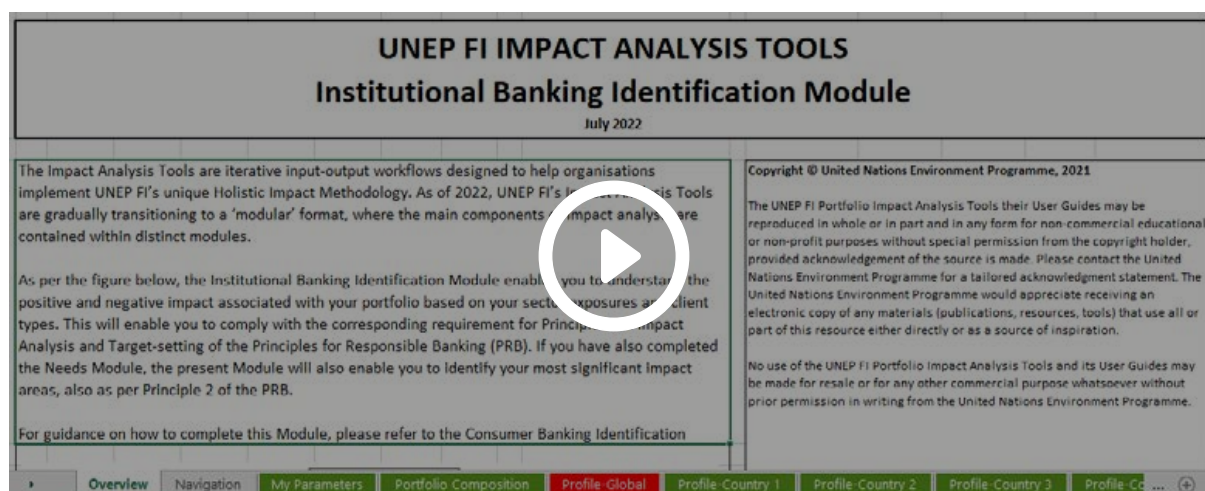
Business line	Description	Clients	Products and services
Business Banking (sometimes also called retail banking)	Provision of products and services to local businesses and government. Local means from the country where the bank or bank subsidiary is incorporated.	Professionals,* SMEs, cooperatives, associations,* corporates	Generic: Credit & overdraft Current accounts Savings accounts Payment services Specialised (purpose): Leasing Property lending Other Specialised (type of client): e.g. farmer financing
		FIs	Interbank loans Letters of credit Correspondent accounts
		Municipalities, regions	Loans Other
Corporate Banking	Provision of products and services to larger clients and/or clients beyond the bank's country/ies of incorporation	Corporates, multinationals, SPVs	Generic: Corporate credit & overdraft Payment services (e.g. cash management) Specialised (purpose): Trade finance Export credit Asset finance (e.g. ships, aircraft, fleets, property, etc.) Other Specialised lending (type of client): Project finance
		Sovereigns	Specialised (purpose): Trade finance Export credit Asset finance (e.g. ships, aircraft, fleets, property, etc.) Other Specialised (type of client): Project finance Other
		FIs	Interbank loans Other
Investment Banking	Provision of access to capital markets & raising of capital on capital markets and related services	Corporates, multinationals	Primary capital markets—debt (bond issuances) Primary capital markets—equity (IPOs) Advisory services (e.g. M&A, ratings, project finance, etc.) Other (e.g. Custodian banking)
		Sovereigns	Primary capital markets—debt Other

Figure 3: Institutional Banking Identification Module

³ [Investment Portfolio Impact Analysis Tool](#)—United Nations Environment–Finance Initiative. (2021). UNEP FI.

The workflow is divided into three main steps:

- a. Setting your parameters (i.e., specifying your geographic scope, making your choice of indicators, etc.)
- b. Detailing your portfolio composition, by sectors and by client type
- c. Reviewing your portfolio impact profile (by country/location and, if applicable, across all countries/locations) and identifying your most significant impact areas.



► [Click here to watch a presentation of the Institutional Banking Identification Module](#)

Data checklist

Below is a list of the main data points requested in the Module.

- Gross income linked to the institutional banking business line under analysis (Business Banking, Corporate Banking or Institutional Banking) and what proportion this is relative to your total business activity.
- If the business line under analysis spans several geographies, gross income per geography.

For the remaining data points, the preferred indicator for Business Banking and Corporate Banking is drawn outstanding loans. Other possible indicators: outstanding loans, exposure at default (EAD). Preferred indicators for Investment Banking: total bond amounts + total amounts raised divided by the number of Mandated Lead Arrangers (MLAs). Other possible indicators: total bond amounts + total amounts raised, deal value, deal revenue.

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

A. Setting your parameters

What is this about?

Use the 'My Parameters' worksheet to:

1. Specify which business line/s you intend to cover in the Module (e.g. Business Banking, Corporate Banking, Investment Banking)
2. Indicate the size of the portfolio under analysis and the proportion this represents relative to your overall business activity
3. Determine the geographies (e.g. countries of operation) you will be considering, as well as the size and proportion of your business in each geography
4. Specify which industry classification you wish to use
5. Determine which indicators you will be using

All your choices will be reflected in the ensuing worksheets.

► [Click here to watch a demo of the 'My Parameters' worksheet](#)

How do I do it?

1. Business Lines

a. Which business line/s do you want to cover in this Module? <i>Please type the name of your business line in the first cell and then match it to the UNEP FI terminology in the second cell</i>	(type your business line here)	Business Banking
---	--------------------------------	------------------

Screenshot 1: Specification of business lines

The module can be used to analyse a variety of business lines (Business Banking, Corporate Banking, Investment Banking). For large banks with large portfolios and a clear differentiation between business lines it is recommended the Module be used separately for each one.

Please type the name of your business line in the first cell and then match it to the UNEP FI terminology in the second cell.

2. Size of the portfolio under analysis

b. Please indicate the size of the business you are analysing and what proportion this is relative to total business activity <i>Ideally, please provide both gross income and balance sheet and indicate the currency used.</i> Please specify currency ↓	Gross income (amount) →	5,000,000,000,00	Balance sheet (amount) →	
€	Gross income (percentage of total business) →	70,00%	Balance sheet (percentage of total business) →	

Screenshot 2: Size of portfolio

Please indicate the volume of the portfolio under analysis and what proportion this is relative to total business activity. Ideally, please provide both gross income and balance sheet. Please indicate the currency used.

This information will display in the subsequent worksheets; it will also carry forward to the Assessment Module (should you chose to use it). This enables you keep in mind the relative significance of the portfolio when setting targets and action plans; it also serves to clarify the scope of your impact analysis in your disclosures.

3. Geography selection

If you previously used the Context Module, copy the Data OUT worksheet of the Context Module and paste it in the Data IN worksheet of this Module. Then select 'yes' for question c. 'Did you complete the Context Module'. Your geographies will then automatically display.

Make sure you have selected the relevant geographies in the 'My Parameters' worksheet of the Context Module before copy-pasting the data. You can adjust your selection as many times as needed.

c. Did you complete the Context Module? Please select accordingly and make sure to follow the guidance	yes	Copy the Data OUT worksheet of the Needs Module and paste it in the Data IN worksheet of this Module. Your countries of operations and the corresponding priority areas based on needs assessment will be automatically displayed in this Module
--	-----	--

Australia N/A N/A N/A N/A N/A

Screenshot 3: Country selection (using data from the Context Module)

If you did not previously use the Context Module, select 'no' for question c. 'Did you complete the Context Module' and manually select your geographies from the drop-down list.

Note that your geography selection should be contingent on the nature and size of your bank. For a small bank operating in just one country your selection will be at the country level only. For a mid-sized bank operating in a handful of countries your selection is also best made at the country level, considering your different countries of operation. For large international banks with equally large and international clients, it is recommended that you use the 'global' option for corporate and investment banking portfolios, complemented with one or more countries for any business banking activities.

c. Did you complete the Context Module? <i>Please select accordingly and make sure to follow the guidance</i>	no			
Please specify your geographies	GLOBAL	Australia	(Select geography)	(Select geography)
	yes			

Screenshot 4: Geography selection (using drop-down lists)

Finally, for each geography, you must indicate the corresponding volume of the portfolio. Please use gross income and indicate the currency used. The percentage relative to your overall portfolio will display automatically.

This information will display in the subsequent worksheets; it will also carry forward to the Assessment Module (should you choose to use it). This enables you keep in mind the relative significance of the portfolio when setting targets and action plans; it also serves to clarify the scope of your impact analysis in your disclosures.

d. For each geography above, please indicate the corresponding size of business. <i>Please use gross income and indicate the currency used.</i>	Amount		5000000		
Please specify currency ↓					
AUD	Percentage of total business		50%	0%	0%

Screenshot 5: Size of portfolio per geography

4. Industry classifications

e. Industry classification <i>By default the Module is set to ISIC Rev 4. If you wish to use another industry classification for your sector selection, please select the industry classification from the drop-down menu.</i>	ANZSIC
---	--------

Screenshot 6: Selection of industry classification

By default the Module is set to ISIC Rev 4. If you wish to use another industry classification, please select the industry classification you wish to use from the drop-down menu.

Note that the sector/impact map which the Module relies on is built based on ISIC Rev 4; tool functionalities involving other industry classifications are derived from this 'master' mapping. While every effort has been made to ensure accuracy, the intrinsic differences in structure and granularity between industry classifications mean that some associations may be more approximative than in ISIC Rev 4. Please check your results carefully and please contact the Secretariat with any questions and/or observations so we can continue to improve tool functionality and guidance. If possible, consider using ISIC Rev 4 directly.

5. Indicators

e. Indicators <i>Please specify which indicators you intend to use for your data collection.</i>	
Business and/or Corporate Banking	(please select)
Investment Banking	(please select)

Screenshot 7: Selection of indicators

The 'Portfolio Composition' worksheet will require you to provide data on the volume of your business activity per sector/activity type. Please specify which indicators you intend to use for your data input.

For Business Banking and Corporate Banking portfolios, you can use any of the following depending on what data sets are available to you:

- drawn outstanding loans
- outstanding loans
- exposure at default-EAD

Note that drawn outstanding loans will generate the most accurate impact profile bearing as this reflects funds actually disbursed (and hence having impact).

For Investment Banking portfolios, you can use any of the following depending on what data sets are available to you:

- total bond amounts (over the full bond period)
- total bond amounts divided by the number of Mandated Lead Arrangers (MLAs)
- total amount raised
- total amount raised divided by the number of Mandated Lead Arrangers (MLAs)
- total bond amounts + total amounts raised
- total bond amounts divided by the number of Mandated Lead Arrangers (MLAs) + total amounts raised divided by the number of Mandated Lead Arrangers (MLAs)
- deal value
- deal revenue

Note that amounts divided by MLAs will generate the most accurate impact profile, as this takes into account the fact that most operations are syndicated, meaning that the associated impacts cannot in reality all be attributed to a single bank). Like total amounts (undivided by MLA), deal value may overstate amounts (and hence impacts) attributable to the bank. Deal revenue is a less accurate metric as it does not measure the amounts mobilized and hence actually having an impact.

B. Portfolio Composition

What is this about?

A bank's institutional banking impacts are driven by the nature of its business activities; they depend on the types of clients and the industries/sectors that these belong to. The first step is therefore to lay out the composition of the portfolio.

Use the 'Portfolio Composition' worksheet to provide data on the types of clients you are serving as well as industries/sectors these belong to. More specifically, you are required to:

1. Specify, for each geography, volume of business that involves SMEs (if possible, including 'professionals')
2. Specify the sectors you are financing/servicing in each geography and the corresponding volumes.

Portfolio Composition

Use the 'Portfolio Composition' worksheet to provide data on the types of clients you are serving as well as industries/sectors these belong to. More specifically, you are required to:

* specify the number and proportion of SMEs clients in each geography
 * specify the sectors you are financing/servicing in each geography and the corresponding volumes

For more guidance please refer to your User Guide (hyperlink)

N.B. Only grey coloured cells are input cells. Text in red indicate warning messages to help you fill out the worksheet correctly.

Total volume of your Corporate Banking portfolio (drawn outstanding loans)		15000000
		Algeria
		Volume of Corporate Banking portfolio in the country (drawn outstanding loans)
		10000000
		Indicator: drawn outstanding loans
		amount
		% of country Corporate Banking portfolio
		0
		6.66%
		Indicator: drawn outstanding loans
		General purpose (amount)
		General purpose (%)
		Dedicated (amount)
		Dedicated (%)

► [Click here to watch a demo of the 'Portfolio Composition' worksheet](#)

How do I do it?

Data must be inputted geography by geography, however, before inputting geography-by-geography data, you must provide the total volume of the business line under consideration, using the indicator/s specified in the 'My Parameters' worksheet (these will display automatically). Once this has been done, please specify the volume of business by geography.

Total volume of your Corporate Banking portfolio (drawn outstanding loans)	15000000
Australia	N/A
Volume of Corporate Banking portfolio in the country (drawn outstanding loans)	Volume of Corporate Banking portfolio in the country (drawn outstanding loans)
10000000	0

Screenshot 8: Total volume of business line and volume of business line split by country

1. Client types

You can input data for up to six geographies, including a 'global' option (for large corporate banking and investment banking portfolios composed of multinational enterprises). Please click the '+' sign at the top of the worksheet to unhide this option and then scroll to the right for country-level tables.

Specify the volume of business that involves SMEs in each geography. If possible, this should include 'professionals' (i.e. individuals whose professional activities are being financed). Percentages relative to the overall portfolio under analysis is auto-calculated.

Argentina			
a. Client type			
SMEs (including professionals) Indicator: drawn outstanding loans	amount	%	
	100000	10.00%	

Screenshot 9: Volume of business involving SMEs

2. Sectors

Data continues to be inputted geography by geography. Please indicate the volume of business for the main sectors in your portfolio in each geography. You can provide data for up to 50 sectors/activities. You may choose to distinguish between general purpose and dedicated products (see corresponding columns in the table); if not please capture everything in the first column marked 'General Purpose'.

Note that by default the full sector list is displayed (as per your selection of industry classification system in the 'My Parameters' worksheet). You can tailor the list by applying a number of filters: the 'Sectors' filter enables you to select the relevant sectors and the desired level of granularity, also using key words; the 'My sectors' filter enables you to filter sectors based on the nomenclature used in your bank; the 'Key sectors' filter enables you to filter by key sectors (blue stands for key positive, orange stands for key negative, yellow stands for key positive and negative); the EU Taxonomy filter (available with the ISIC and NACE industry classifications only) enables you to filter by EU Taxonomy eligible sectors (marked with an X).

Note that your indicator selection will have carried over automatically from the 'My Parameters' worksheet). Once volumes have been entered, the percentages are auto-generated.

b. Sector exposure				Indicator: drawn outstanding loans			
Sectors (ANZSIC) <i>(use the filter to tailor this list)</i>	My sectors <i>(optional: use this column to capture the nomenclature used in your bank)</i>	Key sectors <i>(use the filter to see key sectors)</i>	EU Taxonomy <i>(use the filter to see eligible sectors)</i>	General purpose (amount) Argentina	General purpose (%) Argentina	Dedicated (amount) Argentina	Dedicated (%) Argentina
TOTAL				2000000	100.00%	0	0.00%
A. Agriculture, forestry and fishing							
01. Crop and animal production, hunting and related service activities							
011. Growing of non-perennial crops			X	100000	5.00%		
0111. Growing of cereals (except rice), leguminous crops and oil seeds			X				
0112. Growing of rice			X				
0113. Growing of vegetables and melons, roots and tubers			X				
0114. Growing of sugar cane			X				
0115. Growing of tobacco			X				
0116. Growing of fibre crops			X				
0119. Growing of other non-perennial crops			X				
012. Growing of perennial crops			X	1000000	50.00%		
0121. Growing of grapes			X				

Screenshot 10: Volume per sector

Q. Do all clients and deals need to be accounted for? There are only 50 slots available per geography; the business banking portfolio is extremely diverse, and the corporate and investment banking portfolios are also diverse—how can I appropriately capture the impacts associated to the portfolio?

A. Business banking portfolio

Please prioritise on the basis of two factors:

- i. the size/portion of your business in the different sectors/activities
- ii. the systemic importance of the different sectors/activities. Please use the 'key sectors' filter of the table to more easily identify sectors and activities that are key in terms of achieving and/or undermining the different impact areas/topics. Sectors or activities that do not show as 'key' could be omitted in favour of others that do feature on the mapping, especially if they feature on multiple front (e.g., agriculture).

Corporate banking portfolio

Please prioritise on the basis of two factors:

- i. the sectors of the bank's biggest clients. Note, some sectors may rapidly dwarf others (e.g., oil & gas, metals & mining) in terms of revenue by virtue of the sheer size of the clients, but not in terms of number of clients or other indicators of volume. Select at less granular levels of the sector lists (ISIC or other) to avoid creating blind spots in your impact identification. See also the question below on sector selection.
- ii. the systemic importance of the different sectors/activities. Please use the 'key sectors' filter of the table to more easily identify sectors and activities that are key in terms of achieving and/or undermining the different impact areas/topics.

Investment banking portfolio

Please prioritise on the basis of two factors:

- i. the sectors of the biggest deals in the portfolio.
- ii. the systemic importance of the different sectors/activities. Please use the 'key sectors' filter of the table to more easily identify sectors and activities that are key in terms of achieving and/or undermining the different impact areas/topics.

Q. At what level of granularity should I be doing sector selection?

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

Note that less granular selection may result in impact associations being reflected that do not apply to you; this should be reviewed carefully in the Profile worksheets before landing conclusions on most significant impact areas.

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

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

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

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

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

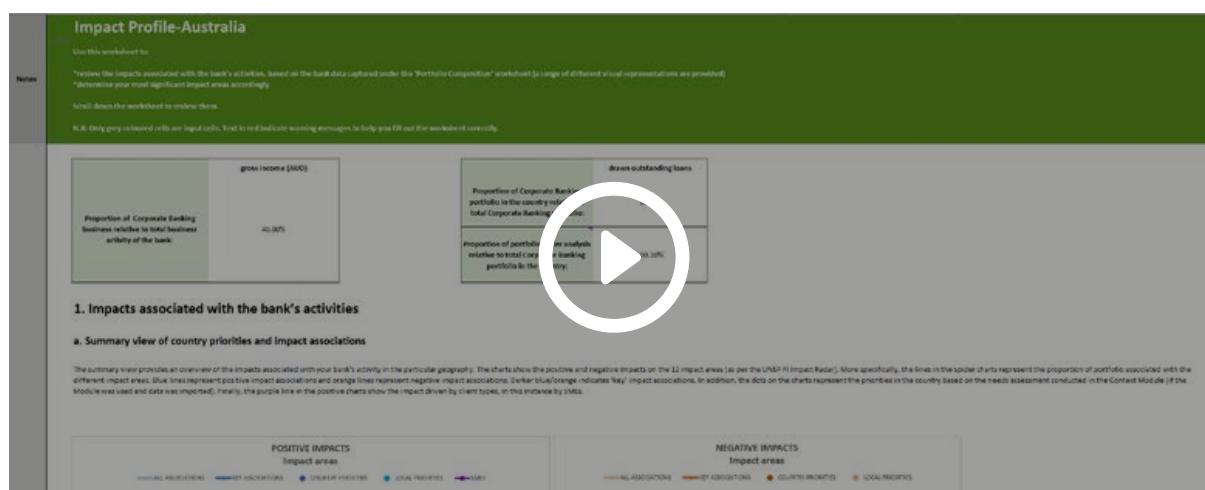
C. Impact Profile & Most Significant Impact Areas

What is this about?

Use the 'Profile' worksheets to:

- review the impacts associated with the bank's activities, based on the bank data captured under the 'Portfolio Composition' worksheet (a range of different visual representations are provided)
- determine your most significant impact areas accordingly

There is one 'Profile' worksheet per geography (note that only one profile worksheet is displayed by default, right click on worksheet tab to unhide the other worksheets). If you have inputted data at the country level for more than one country, use 'Summary' worksheet to look at an aggregated view of the different country-level profiles. The 'Summary' worksheet also displays your selection of most significant impact areas in each country and enables you to determine priority impact areas across your different countries.



► [Click here to watch a demo of the 'Profile' worksheets](#)

How do I do it?

1. Reviewing the impacts associated with the bank's activities should be in blue for consistency with previous sections

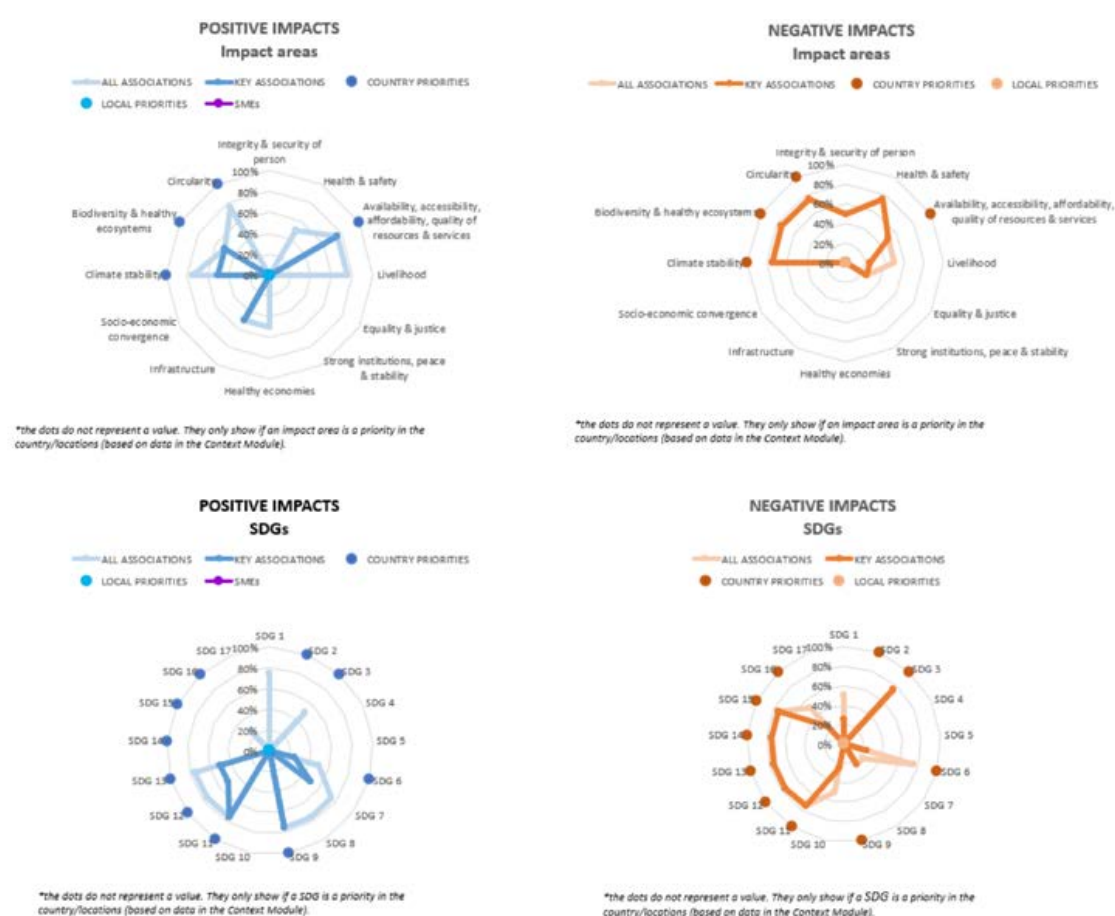
Based on the bank data captured under the 'Portfolio Composition' worksheet a range of different visual representations are provided. These are collected first in the form of a summary view of country priorities and impact associations, then in a more detailed view of country priorities and impact associations (heatmap).

a. Summary view of country priorities and impact associations

The summary view provides an overview of the impacts associated with your bank's activity in the particular geography. The charts show the positive and negative impacts on the 12 impact areas (as per the UNEP FI Impact Radar) and on the 17 SDGs. More specifically, the lines in the spider charts represent the proportion of portfolio associated with the different impact areas. Blue lines represent positive impact associations and orange lines represent negative impact associations. Darker blue/orange indicates 'key' impact associations. In addition, the dots on the charts represent the priorities in the country (and associated locations, if applicable) based on the needs assessment conducted in the Context Module (if the Module was used and data was imported).

In addition, the dots on the charts represent the priorities in the country (and associated locations, if applicable) based on the needs assessment conducted in the Context Module (if the Module was used and data was imported).

Finally, the purple line in the positive charts show the impact driven by client types, in this instance by SMEs.



Screenshot 11: Summary of positive and negative impact associations (impact areas of the Impact Radar + SDGs)

b. Detailed view of country priorities and impact associations (heatmap)

The detailed view again provides information on both context/impact needs and on impact associations.

Table (i) portrayed in screenshot 12 below, shows the main priorities in the different geographies at a more granular level (i.e at the 'impact topic' level) based on the needs assessment conducted in the Context Module (if the Module was used and data was imported).

Sustainable Development Pillars → Impact Areas → Impact Topics → Corresponding SDG(s) →								
	Integrity & security of person					Health & safety		
	Conflict	Modern slavery	Child labour	Data privacy	Natural disasters	Health & safety	Water	Food
	SDG 16	SDGs 8, 16	SDGs 8, 16	SDG 16	SDGs 11, 13	SDG 3	SDG 6	SDG 2

I. Context

Priority areas/topics based on country needs and priorities	Croatia		X	X
Priority areas/topics based on local needs and priorities	N/A			

Screenshot 12: Detailed view of priorities in the country (and specific locations)

Table (ii) portrayed in screenshot 13 below, shows the impact driven by client types, in this instance by the volume of business involving SMEs.

II. Clients

Types of clients	Total % of portfolio	Key sectors	Type of association
SMEs (including professionals)	25%		positive impacts

Screenshot 13: Impact associations driven by client types

Table (iii) portrayed in screenshot 13 below, shows the impact associations between the sectors you are financing in the particular geography and the different impact areas and topics. More specifically, blue cells indicate positive associations and orange cells indicate negative associations. Darker blue/orange signals 'key' impact associations. Note that it is possible to filter the contents of the heat map in multiple ways (e.g. by key sectors, by impact areas, etc.); this enables you to further zoom in and review results:

If you specified your bank's internal nomenclature in the 'Portfolio composition' worksheet, the heat map will also display this. Likewise, if you differentiated between general purpose and dedicated products, the breakdown will carry through to this table.

iii. Sectors

Sectors (ANZSIC Industry Classification)	My sectors	Total % of portfolio	% of general purpose	% of dedicated	EU Taxonomy eligible sectors	Key sectors	Type of association	Use this filter to see the impacts on Conflict	Use this filter to see the impacts on Modern Slavery	Use this filter to see the impacts on Child Labour
011 Growing of non-perennial crops		5%	5%		X		positive impacts			
011 Growing of non-perennial crops							negative impacts			
012 Growing of perennial crops		50%	50%		X		positive impacts			
012 Growing of perennial crops		50%					negative impacts			
013 Plant propagation		25%	25%				positive impacts			
013 Plant propagation		25%					negative impacts			
014 Animal production		20%	20%		X		positive impacts			
014 Animal production		20%					negative impacts			

Screenshot 14. Detailed view of positive and negative impact associations (impact topics of the Impact Radar)

Note that for all three tables, for each impact area/topic, you can also see the corresponding SDGs. In addition, areas/topics that relate to potential human rights violations are in red.

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

A. The data visualisations in the 'Profile' worksheets all pull from the following sources:

- the data inputted into the 'My Parameters' and 'Portfolio composition' worksheets (e.g., the percentage of the portfolio associated to a given sector, the geographies).
- the Context Module data imported into the 'Data IN' worksheet
- the 'Sector/Impact Map' worksheet. In this worksheet, positive and negative impacts associated with the sectors and activities in the ISIC industry classification code are mapped out for the impact areas and topics of the Impact Radar. This mapping builds on the IFC's EHS Guidelines, as well as UNEP FI's Risk Briefings. When a sector/activity is associated with an impact area, a '1' shows in the corresponding cell or cells (one cell if there is only a positive or only a negative association, two cells if there is both a positive and a negative association). If the sector is 'key sector' for the impact area, a '2' shows. The list of 'key sectors' per impact area, along with the justification and supporting research can be seen in the stand-alone Sector Mappings.⁴ The maps will be further refined and updated over time based on engagement with experts, as well as to take into account user experience

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

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

Q. How come the spider charts show both positive and negative associations for some of the impact areas?

A. This is not a mistake. All sectors have both positive and negative impacts. The chart simply shows that the bank is involved in sectors that have a positive impact on the impact area/s as well as sectors that have a negative impact. Note that some sectors can have both positive and negative impacts on different aspects of a single impact area

Q. How come the 'Employment' impact area is so prominent?

A. Access to employment is a cross-cutting impact to all sectors. Likewise, all sectors can potentially generate issues with working conditions. However, not all sectors are 'Key Sectors' for access to employment or for issues relating to employment conditions; this means that the prominence of the 'Employment' impact area is likely to diminish in part 2 'Rankings', which considers only those associations triggered by 'Key Sectors'.

⁴ [Sector Mappings](#), UNEP FI, 2023.

2. Determining and prioritising the bank's most significant impact areas/topics.

Having reviewed the impacts associated with your portfolio and how this relates to needs and priorities in the different geographies, it is now time to determine and prioritise your most significant impact areas/topics. A final data visualisation provides an initial approximation, synthesising results in the form of an overview of significant impact areas. Following this space and instructions are provided for you to define and prioritise most significant impact areas.

a. Overview of significant impact areas/topics

This section summarises the main information of the outputs in the previous section to enable you to quickly identify the significant impact areas associated with your portfolio in the geography.

The overview is contained in two tables, one focused on positive associations and one focused on negative associations. The tables concentrate all the relevant information, namely:

- they rank the different impact areas based on the proportion of portfolio associated with specific impact topics (also listed in the table);
- they highlight in colour those impact areas that were identified as priorities in the geography, based on the needs assessment conducted in the Context Module (provided the Module was used and that data was transferred);
- they also highlight impact areas where associations are driven by key sectors (items in bold) and those that refer to common human rights violations (items in red);
- they make apparent any impacts driven by client types, in this case by SMEs (items in purple—please note that this only applies to the 'healthy economies' impact area and will display only in the table focused on positive associations);
- finally, the table also shows any associated impact areas, i.e. other impact areas that are likely to be positively or negatively affected.

Positive associations					Negative associations				
Impact areas	Impact topics	Proportion of portfolio	Associated impacts (positive)	Associated impacts (negative)	Impact areas	Impact topics	Proportion of portfolio	Associated impacts (positive)	Associated impacts (negative)
Health & Safety	Health & Safety	100.00%			Integrity & Security of Person	Modern Slavery/Child Labour/Natural disasters & climate change	100.00%		
Availability, accessibility, affordability & quality of resources and services		100.00%			Health & Safety	Health & Safety	100.00%		
Livelihood	Employment/Wages	100.00%			Availability, accessibility, affordability & quality of resources and services	Food	100.00%		
Healthy Economies	Sector Diversity/Flourishing SMEs	75.00%			Livelihood	Employment/Wages/Social Protection	100.00%		
Integrity & Security of Person	N/A	40.00%			Biodiversity & Healthy Ecosystems	Water/bodies/Air/Soil/Species/Habitat	100.00%		
Equality & Justice	N/A	15.00%			Circularity	Resource Intensity/Waste	100.00%		

Screenshot 15: Overview of significant impact topics/areas

Take the time to critically review the results displayed. Do any of the results seem surprising? For instance, do any impact areas seem more or less prominent than you might have expected? The auto-generated charts and rankings are only as accurate as the data inputted in the 'Portfolio composition' and 'Context' worksheets.

Example: Reviewing your sector selection

Consider the level at which your selection was made. If it was made wholly or partly at level one (e.g. A—Agriculture) it is possible that the outputs are showing impact associations that do not apply to your portfolio. Please review any such cases; are there any sectors/activities that have been included as a result of level one selection that do not apply (see the list of sectors directly in the 'Portfolio Composition' worksheet for ease of reference)? If so, are these sectors/activities associated to a very different set of impact areas than the rest? Refer to the Sector/Impact map for guidance. If so, consider adjusting your data input under the 'Portfolio composition' worksheet accordingly.

A 'Notes' column is available on all the worksheets to help you keep track of your process along the way.

b. Prioritisation of significant impact areas/topics

While the 'Profile' worksheets provide a range of visualisations of the impacts associated with the bank's activities and puts them into the context of the impact needs of the bank's geographies, ultimately it is for the user to make the determination of which impact areas are the bank's most significant impact areas.

This section enables you to prioritise significant impact areas/topics based on the different outputs and visualisations. You should prioritise based on the following considerations:

- impact areas that correspond to the main priorities in the applicable geographies
- impact areas associated with large parts of the bank's portfolio
- impact areas/topics driven by key sectors
- impact areas associated with countries and or sectors where the bank is a market leader
- impact areas which, if addressed will enable other impact areas to be addressed (leveraging interlinkages)⁵

The PRB requirements are to prioritise at least 2 impact areas/topics across your portfolios for the specific purpose of target-setting. It is likely however that there are more than 2 significant impact areas/topics, especially if broken down by business line. The prioritisation of certain impact areas/topics does not preclude you from addressing the others, in particular as regards addressing negative impacts. For instance, it is expected that portfolio exposures to potential human rights violations are duly managed.

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

5 The UNEP FI Interlinkages Map considers the positive and negative impacts that can arise from taking action on sustainability issues (based on the Impact Areas and Topics of the UNEP FI Impact Radar, 2022 edition). [Interlinkages Map](#), UNEP FI, 2023.

Once you have selected priority impact areas/topics in the table, associated impacts (i.e. other impact areas likely to be positively or negatively affected) will automatically display. Also, the table on the far right provides an automatically generated read-across to the SDGs.⁶

Prioritised impact areas/topics	Associated impacts (positive)	Associated impacts (negative)	Comments
Climate stability	Natural disasters, Health & safety, Waterbodies, Air, Species, Habitat, Resource intensity	Energy, Other vulnerable groups, Socio-economic convergence	
Biodiversity & healthy ecosystems	Health & safety, Water, Infrastructure, Socio-economic convergence, Climate		
Circularity	Natural disasters, Health & safety, Water, Food, Energy, Healthcare & sanitation, Sector diversity, Climate	Flourishing MSMEs	
(select impact area/topic)			
(select impact area/topic)			
(select impact area/topic)			
(select impact area/topic)			
(select impact area/topic)			
(select impact area/topic)			
(select impact area/topic)			

Prioritised SDGs	
SDG 1	SDG 2
SDG 3	SDG 4
SDG 5	SDG 6
SDG 7	SDG 8
SDG 9	SDG 10
SDG 11	SDG 12
SDG 13	SDG 14
SDG 15	SDG 16
SDG 17	

Screenshot 16: Selection of most significant impact areas/topics (and related SDGs)

⁶ A mapping between the Impact Areas and Topics of the UNEP FI Impact Radar (2022 edition) and the SDGs is available. [SDGs Mapping](#), UNEP FI, 2023.



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