

Impact analysis and target setting process

Interactive Guidance

V 1.4

This version includes the changes of the framework review that are under final consultation and the impact tool modules (v4)

14.09.2022

This Interactive Guidance will focus on P2



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**

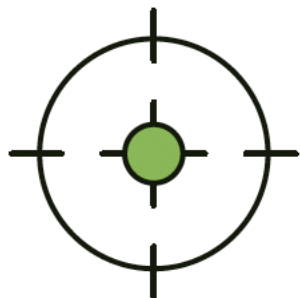
We will implement our commitment to these Principles through effective governance and a culture of responsible banking.



PRINCIPLE 6: **TRANSPARENCY & ACCOUNTABILITY**

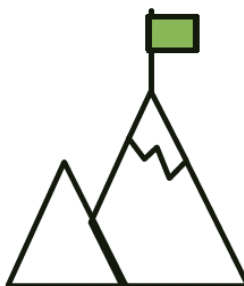
We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

Initial 4-year Journey*



Analyzing your bank's Impact on Planet & People

4 requirements: scope, context, portfolio composition and performance measurement



Setting & Implementing Targets

At least 2 SMART targets



Accountability & Measuring Progress

Using PRB template and in line with the Annual Reporting cycle

You can find in this **Interactive Guidance** for Impact Analysis and Target Setting process the rationale, requirements, detail timeline and examples. The Guidance will be updated constantly, and we encourage banks to send us examples and resources that can be useful to everyone.

Please feel free to send us suggestions or comments of what else you would like to see in this interactive guidance (email to maria.sosataborda@un.org)

Instructions:

You can navigate **through the bar on the top**.

You can go through the **sessions of the PowerPoint** (on the left) 

We included only the initial 4-year implementation, however for the following years banks should improve their impact analysis, set more targets and implement action plans to achieve targets.

Rationale

Requirements

Journey

Starting

0-6 months

6-12 months

Year 1 - Year 2

Year 2 – Year 3

Year 3 – Year 4

Examples

Impact Tool

Glossary



What is meant by impact analysis?

Impact analysis is...

- Identification of the most relevant and significant positive and negative impacts of your **portfolio** on the societies, economies and environments that your bank operates in.
- Evidence and context-based (country needs)

It is **not**:

- A review of internal operational impacts.
- A financial materiality assessment or stakeholder analysis.
- Final or permanent.



Why is it required?

Impact analysis is the essential groundwork needed for meaningful target-setting.

Together, Impact Analysis and Target-Setting are the cornerstone of the PRB's aspiration to align the banking sector with societal goals.



How does it compare to traditional (GRI) materiality analysis?

Similarities

- 'Double materiality' focus (see slides 8-9)

Complementarity

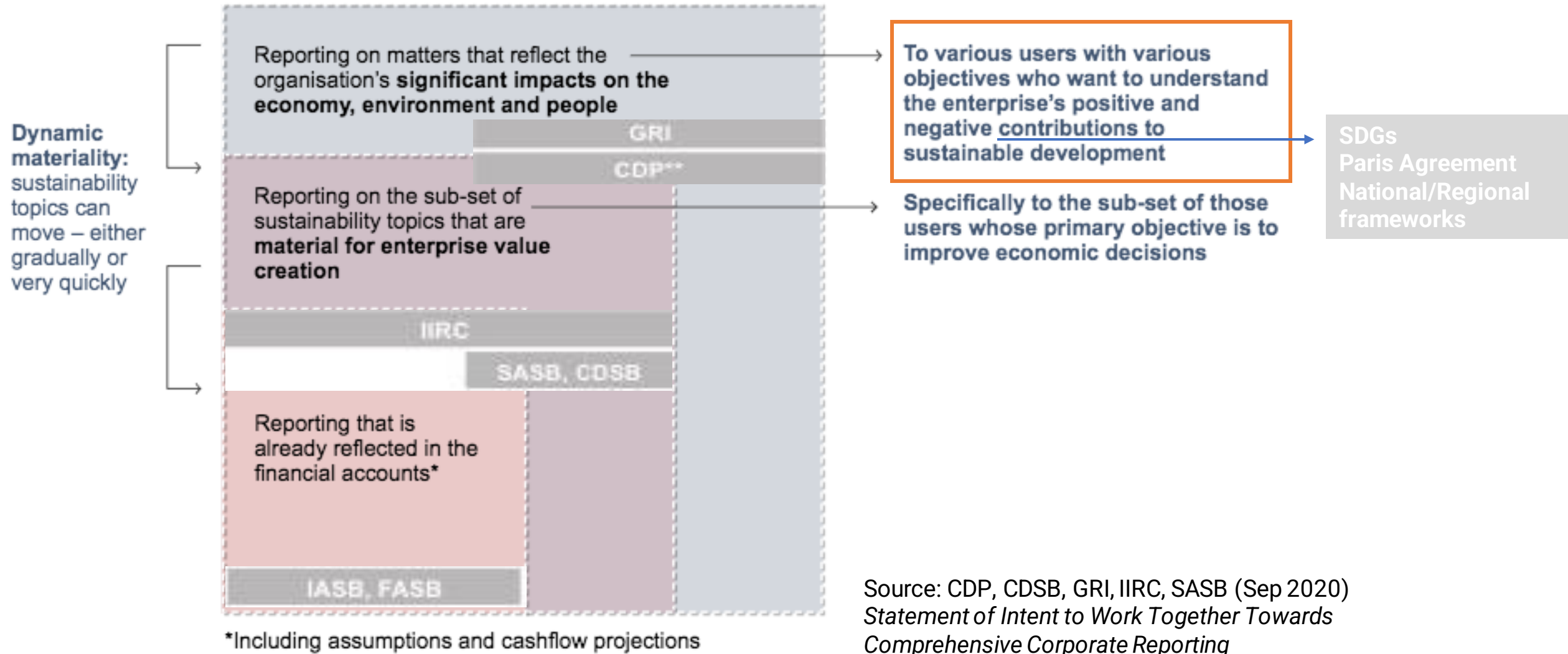
- GRI materiality, stakeholder identification and consultation (GRI) can be used to further corroborate impact analysis findings and hence help with the setting of priorities.

Differences

- Scope: business activities only (see slide 10)
- Methodology: Impact analysis is based on a review of portfolio composition and associated positive and negative impacts combined with a needs assessment and expert consultations
- Finality: target-setting and business strategy evolution

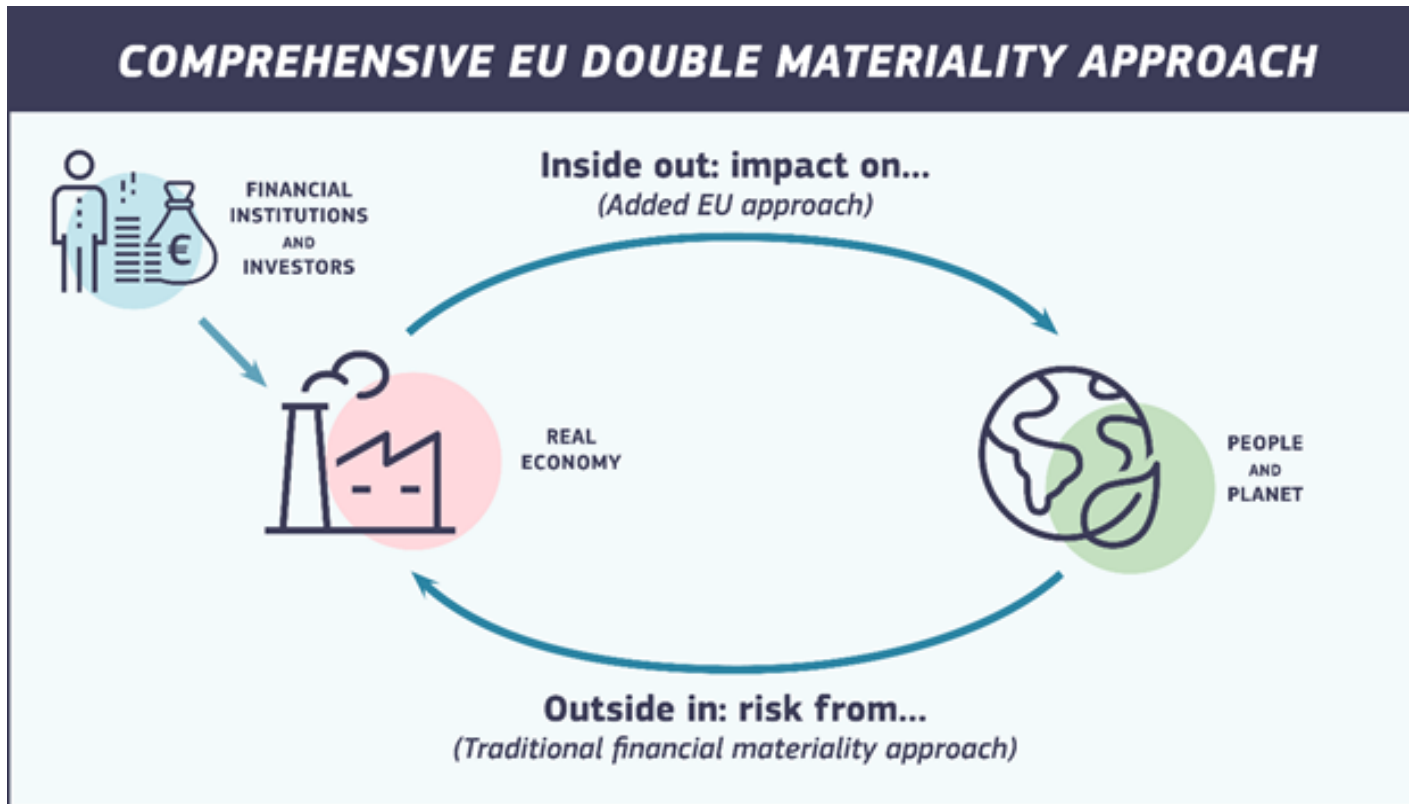


Single, Double and Dynamic Materiality....





The link between the two sides of 'Double Materiality'



Underlying philosophy of PRB

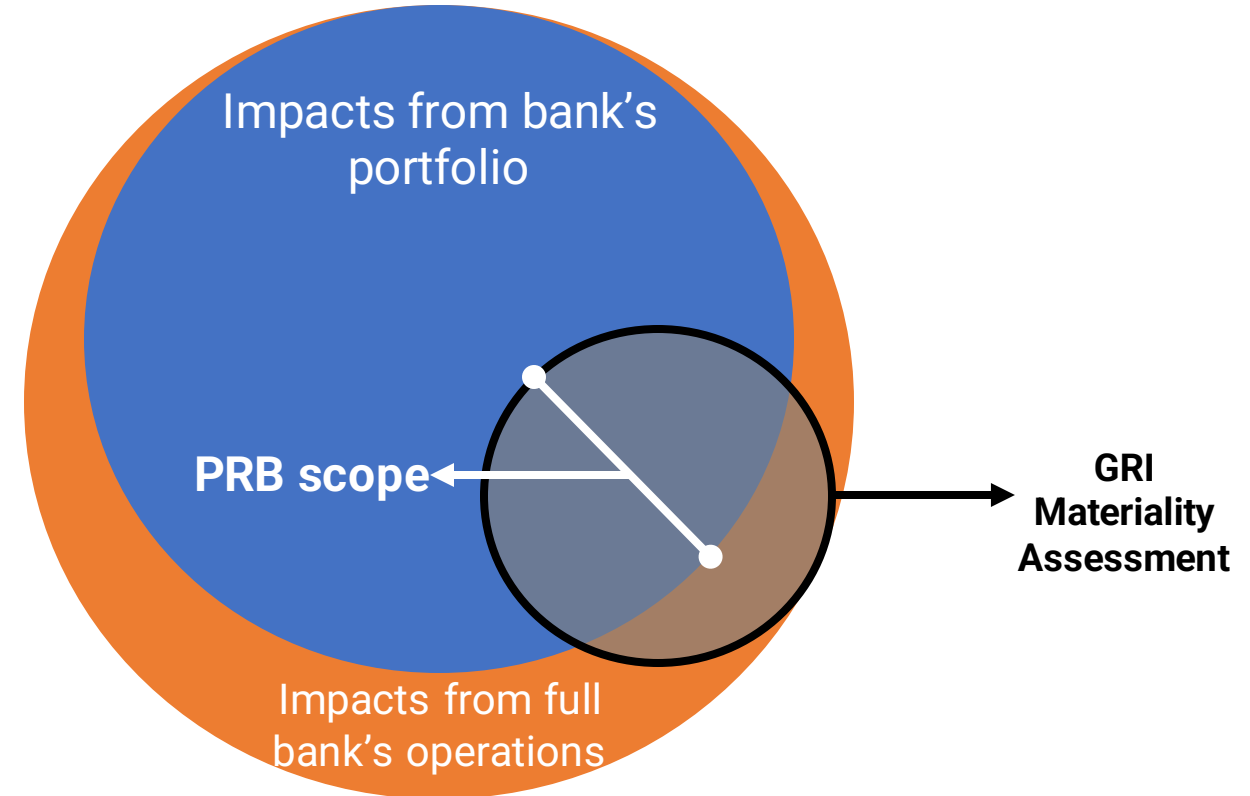
The ability of organizations to create positive impact (i.e. value to society and environment) is increasingly becoming an important part of corporate value creation (i.e. financial materiality) as sustainability issues become more critical, global and systemic.



GRI & PRB scope

Identify the common ground between your GRI material issues and the PRB significant impacts

- **GRI:** Identify your stakeholder groups and their sustainability related needs and expectations of your **full scope** (portfolio and operations)
- **PRB:** Identify what are the positive and negative impacts of your **portfolio** considering your context and country needs to achieve SDGs Paris Agreement or national or regional frameworks. It's a science-based approach.





NB. The [Radar](#) and [Mappings](#) are directly embedded in the [UNEP FI Impact Analysis Tools](#).



Benefits of impact analysis and target setting

Alignment with your business strategy

Align your business strategy to society goals using science-based data.

Impact management

The whole process will contribute to manage your portfolio's impact and your contribution for SDGs, Paris Agreement, and national and regional frameworks.

Opportunities and client's engagement

Identify business opportunities and how your bank will help clients for transition to an inclusive and greener economy.

Risk management

identify sectors that should make a low carbon transition and/or could be affected by other sustainability issues in the next years

Stakeholder's management and accountability

Be clear to your stakeholders (including civil society and regulators) what are your priorities and how you will monitor progress using science-based data.

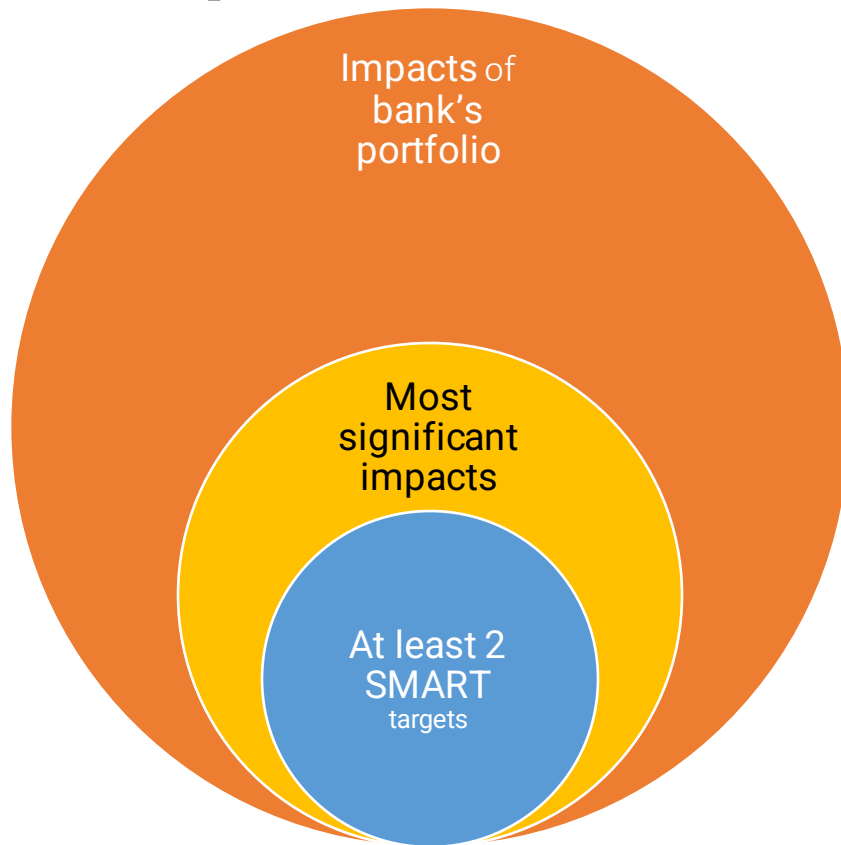
Investor's engagement

Communicate very clear what are your priorities and your progress using science-based data. Targets could also be used to issue Sustainability linked bonds.

For more information on the relevance of impact analysis and management, please refer to UNEP FI's grounding paper on impact: [Rethinking Impact to Finance the SDGs](#)



Principle 2 requirements



Impact Analysis

- Assess the positive and negative impacts of the portfolio and
- Identify areas with the most significant impact considering the context of the regions in which the bank operates.

Target Setting

Set at least two SMART targets that address at least two of the most significant impacts.

S – Specific
M – Measurable
A – Attainable
R – Relevant
T – Time-bound



The four requirements for impact analysis

The Principles for Responsible Banking require banks to conduct an impact analysis that:

- Determine **scope** to cover the bank's core business areas, products/services across the main geographies that the bank operates in
- Review **your portfolio composition**. Consider the proportional composition of your portfolio globally and per geographical scope (% sectors and % type of customers)
- Understand **context**, i.e., what the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates are
- **Measure your performance**: identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts and assess the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.



Common mistakes

- Do not define a clear scope for the impact analysis (business units, countries, sectors exposures) and don't disclose what is out of scope, reasons or next steps.
- Use only GRI materiality for the impact analysis
- Consider only environmental issues (or only social) to understand country needs
- Lack of consistency. E.g., retail banks don't consider social issues when it's a critical factor regarding their business model; scope, context, exposure and prioritization are not comprehensive.
- Do not disclose sources used and process to identify most significant impact areas.
- Do not explain how the most important impact areas were selected (methodologies)
- Do not consult and engage stakeholders about impact analysis and target setting process
- Include internal operations (branches, data center, internal diversity) as part of SMART targets e.g. gender equality is relevant for banks and we expect they set targets related to their products and services, not only internal diversity



Rationale

Requirements

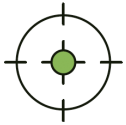
Journey

Step by Step

Examples

Impact tool

Glossary



Step 1:
Impact analysis

Determine your scope: business activities and countries of operations

Year 1

Identify your impact: review your portfolio composition, understand context

Year 1

Prioritize at least the two most significant impact areas to set targets

Year 1

Measure and assess your performance for the selected areas

Year 2

Set SMART targets for the selected areas: alignment, baseline, SMART target, action plans and KPIs to measure progress

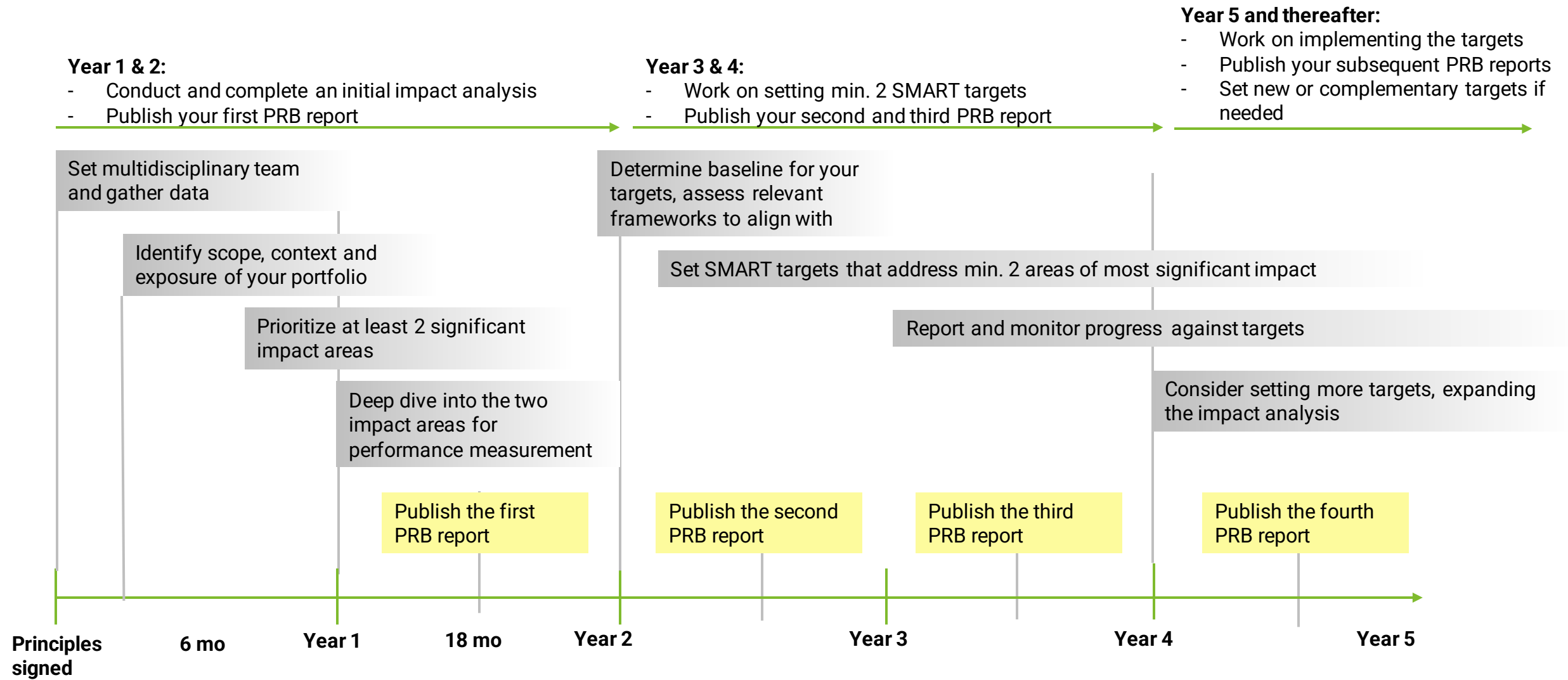
Year 3 and 4



Step 2:
Target setting

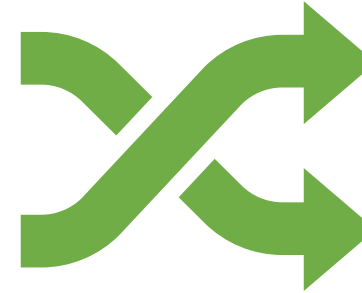


Suggested timeline for initial 4-year implementation period

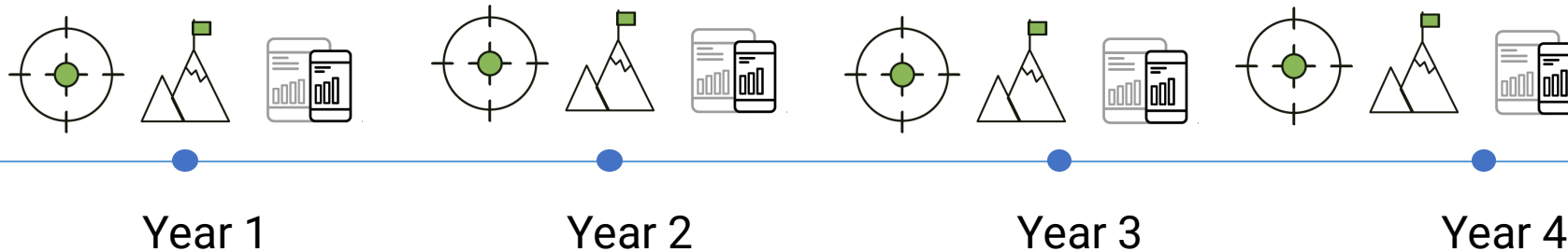




Iterative process



It's an iterative process and you have to progressively increase the scope of your analysis regarding your business lines, sectors and countries.



Review your scope/update context and portfolio composition and see if you can go more granular

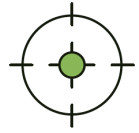
Consult and engage stakeholders during the whole process



It's a journey where the coverage, scope and granularity of your analysis will increase gradually.

The accuracy and quality of your impact management will increase over time accordingly.

Starting point	Progress	Ideal
<p>*Coverage limited but relevant n. of business areas/locations covered</p> <p>*Narrower scope and lower granularity: selection of key sectors (relative to a subset of impact areas/topics)</p>	<p>*Coverage increased: Core business areas and locations covered</p> <p>*Increasing scope and granularity: key sectors across all impact areas/topics)</p>	<p>*Full coverage: All business areas & locations are covered</p> <p>*Broader scope and higher granularity: all sectors/all impact areas, understanding and leveraging of inter-linkages</p>



3 months

Set a multidisciplinary team to:

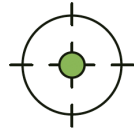
- develop a roadmap for PRB implementation and
- gather data and make the analysis

Potential departments to be engaged:
Sustainability, Risk, Credit, Data analytics, HR, Economic Research, Marketing/Communication and Business teams (retail, commercial, investment, corporate).

Data you will need:

- 1) % Business lines and % per Countries your bank operates (Revenue share)
- 2) Proportional composition your portfolio globally and per geographical scope
 - by sectors & industries for business, corporate and investment banking portfolios
 - by products & services and by types of customers for consumer and retail banking portfolios.
- 3) Country(ies) context: Environmental, social and economic issues most substantially affecting the country(s) or region(s) in which you provide your products and services.

Long term this should consider all aspects of your banking activities, but initially, it may make sense to prioritise the largest, and those with the most significant impacts

**6 months**

Identify scope, context, exposure of your portfolio and determine the most significant impact areas

Determine your scope

Business activities

Countries of Operation

Identify your impact**Review your portfolio composition:**

- Consumer Banking: % of products/services and type of customers
- Business, Corporate and Investment Banking: % sectors/industries and key negative sectors

Understand your context (Country, Local and/or Global Level)

- i. Statistical datasets
- ii. Policy and regulation
- iii. Trends and scenarios
- iv. Engage internal and external stakeholders

Determine the most significant impact areas

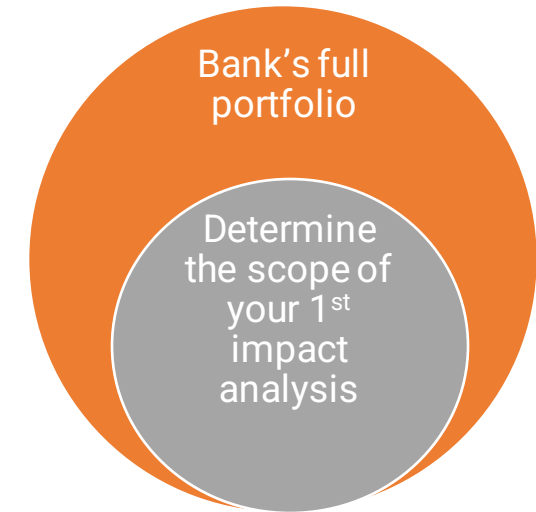
- i. Crossing portfolio composition and country context
- ii. Understanding positive and negative impacts



Determine SCOPE

Business activities and countries of operations:

What is the scope of your bank's impact analysis? Describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.



Example:

Business Lines					
Corporate banking		Retail Banking		Investment Banking	Asset management
50%		30%		10%	10%
France	60%	France	40%		
Italy	40%	Italy	60%		

We were able to analyze the products, services and activities in the bank's retail and corporate banking portfolios in Italy and France. Our investment banking and asset management business were not covered in the analysis at this stage because we prioritized for the first year the most relevant ones.

Download the Reporting example (page 12) [here](#)



Review PORTFOLIO COMPOSITION

Provide proportional composition your portfolio globally and per geographical scope

- i) by sectors & industries for business, corporate and investment banking portfolios
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

Example:

Corporate Banking		Retail Banking		Investment Banking	Asset Managment
Electricity generation	20%	Residencial real state	45%	Currently not yet assessed	
Agriculture	15%	Vehicle finance	25%		
Transport	15%	SME Lending	30%		
Commercial real state	10%	Total	100%		
Wholesale and retail	9%	Male	60%		
Human health and social work	8%	Female	40%		
Steel	8%	Low income	30%		
Cement	5%	Med. Income	50%		
Information and communication	3%	High income	20%		
Manufacturing	3%				
Other	4%				
Total	100%				

The main sectors, industries and technologies we finance across our France and Italy business are energy (constituting 20% of our corporate portfolio across our France and Italy business) (technologies include solar, wind, coal, oil and gas fired power stations), agriculture (15%), commercial real estate (10%), steel (8%), cement (5%) and transport (mainly aviation and shipping) (15%). Project finance constitutes 17%. Our retail portfolio is concentrated in residential real estate (45%), vehicle finance (25%), and SMEs lending (35%).

UNEP FI Tool: This is covered under the ‘Portfolio Composition’ segment of the Identification Modules. Please see the User Guides ([Consumer Banking p.11](#); [Institutional Banking p.13](#)) for further guidance.



Understand your CONTEXT

Identify the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate. Describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

You can download the UNEP FI Context Module [here](#) which has built in a compilation of statistical data-sets, policy documents (e.g. national development plans, national strategies, country Voluntary National Reviews, etc.) and research on trends & scenarios for different impact areas and topics

Example:

We were also able to determine that the most relevant challenges and priorities in France included **climate change, biodiversity loss and degradation, air pollution, affordable housing, and in Italy, climate change, biodiversity loss and degradation, and decent employment**, through a review of a number of international and national resources (**including the EU Action Plan, National Climate Action Plan and Programme for Government in France, and Italy national development goals framework, UN Biodiversity Lab platform, and WHO Global Ambient Air Pollution index**), and engagement with xx stakeholders.

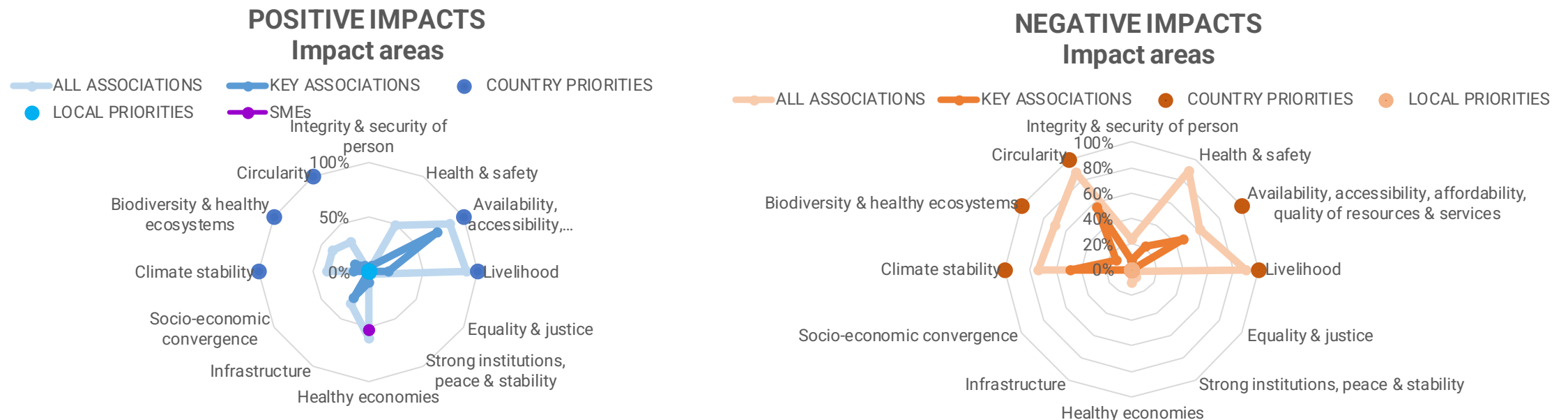
UNEP FI Tool: This is covered in the Context Module. Please see the User Guide for further guidance.



Determine the most significant impact areas

Based on these first 3 elements of an impact analysis, determine positive and negative impact areas

If you are using the [UNEP FI Tool](#), you can see the main positive and negative impacts associated with your portfolio in the 'Profile' segments of the Identification Modules. Please see the User Guides ([Consumer Banking p.13](#); [Institutional Banking p.17](#)) for further guidance on how to prioritize impact areas/topics.



The Tool data visualisations also include heatmaps and rankings to help you prioritize areas of most significant impact



Determine the most significant impact areas

If you are not using the Impact tool, you can create your own data visualization. See below an illustrative example. You will also need internal and external dialogues for your final decision.

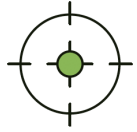
			Climate	Soil	Water (availability)	Biodiversity	Water (quality)	Air	Waste	Employment	Economic Convergence	Employment	Inclusive & Healthy Economy
		EAD (%)	SDG xx	SDG xx	SDG xx	SDG xx	SDG xx	SDG xx	SDG xx	SDG xx	SDG xx	SDG xx	SDG xx
	Major Country needs		x	x	x	x	x	x	x	x	x	x	x
Corporate portfolio (62% of total AUM)	Transport & logistics/distribution	22%											
	Electricity generation (renewable)	18%											
	Agriculture (crops)	16%											
	Textiles	8%											
	Services	7%											
	Cement	4%											
	Energy/power generation: coal	4%											
	Oil & gas	4%											
	Construction/infrastructure	4%											
	Automotive	3%											
	Others	10%											
100%			Positive impacts	Negative impacts									

Illustrative example

Potential priorities

The Impact tool is not mandatory, but we recommend you use the impact radar and mappings as a reference to determine sector-impact associations. If you use other reference materials, you must disclose the source. You should be using an authoritative, publicly available source.

You can download the UNEP FI Radar [here](#) and sector-impact map [here](#)



By the end of Year 1

Prioritize at least the two most significant impact areas to measure /assess performance and set targets

It's an iterative process and banks can progressively increase their scope. Check your analysis with a range of experts and other stakeholders, who can provide insight to ensure the comprehensiveness and credibility of your findings



Rationale

Requirements

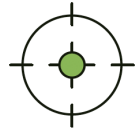
Journey

Step by Step

Examples

Impact tool

Glossary



Year 2

Deep dive into in the 2 prioritized impact areas
To measure and assess your performance

Determine your scope

Identify your impact

Prioritize at least the two most significant impact areas to set

Measure and assess your performance for the selected areas

Identify sectors & industries and types of customers financed or invested in are causing the strongest actual positive or negative impacts

Gather indicators to assess your current practice and performance. The outcome of this step should be your baseline.

Banks can also join working groups for specific impact areas to fast track



Measure and assess your performance

Identify which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts. Describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

You should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services.

- **Identify sectors & industries** (corporate and business portfolios) or type of customers/products (consumer portfolios) for the selected impact area
- **Identify potential indicators to measure your performance** on the selected impact areas considering your context and **gather data to set your baseline**
- **Examples of indicators to measure performance:** carbon emissions, gender equality on portfolios, volume of credit for renewables, credit access for vulnerable groups

The outcome of this step will then also provide the baseline (incl. indicators) for setting targets in two areas of most significant impact.



Methodologies or protocols to measure performance

Climate Change

[Platform Carbon Accounting Financials \(PCAF\)](#): PCAF has proposed a harmonized carbon accounting approach for the financial sector. The Standard equips financial institutions with robust methods to measure financed emissions across six asset classes. This enables banks to develop informed climate strategies, assess climate-related risks, set science-based targets and report to stakeholders.

PCAF's [Strategic Framework for Paris Alignment](#) is a framework that clarifies the complex landscape of net zero commitments, initiatives, methodologies and tools and describes the non-linear process that financial institutions can embark on to achieve Paris alignment, no matter what stage of the journey they are in.

[Paris Agreement Capital Transition Assessment \(PACTA\)](#): this is a free online tool from 2 Degrees Investing Initiative (2°i) enables banks to measure the alignment of their corporate lending portfolios with climate scenarios across a set of key climate-relevant sectors and technologies.

[Credit Portfolio Alignment](#): this report provides an overview of the application of the PACTA methodology and the options viewed as most useful by the Katowice Banks



Example to measure performance

Financial Health & inclusion / Gender Equality

		Low income (%)	Mid. Income (%)	High income (%)	Male (%)	Female (%)	Vulnerable groups (%)	Age (18-30)	Age (30-60)	Age (+60)
Consumer bank portfolio (70% of total AUM)	Number of banking accounts	20%	50%	30%	52%	48%	2%	20%	50%	30%
	Volume of credit	10%	38%	52%	83%	17%	0,05%	10%	70%	20%
	Clients in Overindebt	30%	20%	5%	51%	49%	20%	15%	5%	20%
	Volume of Saving accounts	5%	10%	85%	80%	20%	3%	5%	65%	30%
	Level of financial resilience (1-10)	2	5	7	5	5	1	2	6	5
	Volume of Home loans	5%	60%	40%	80%	20%	1%	5%	75%	20%
	others	5%	30%	65%	60%	40%	1%	20%	60%	20%
	National Context	30% without banking account, low level of credit for women, 30% of the population don't save money, low level of final education, low financial resilience								

Illustrative example

Banks should disclose methodologies and assumptions

[Rationale](#)[Requirements](#)[Journey](#)[Step by Step](#)[Examples](#)[Impact tool](#)[Glossary](#)

Year 3

Set SMART targets for 2 impact areas

Determine your scope

Identify your impact

Prioritize at least the two most significant impact areas to set targets

Measure and assess your performance for the selected areas

Set SMART targets for the selected areas

Alignment: international, regional or national policy frameworks to align your bank's portfolio with (should set the ambitious)	Baseline: selected indicators and assessed the current level of alignment (output of the performance measurement)	Set SMART target: Specific, Measurable, Achievable, Relevant and Time-bound targets	Define action plans to meet targets and indicators to measure progress
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Important to align targets with business departments, Executive Committee and Board of Directors. Targets, KPIs and actions should be approved by them and should relate to the business strategy.



Alignment

Define which international, regional or national policy frameworks your bank's portfolio will align with. Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and/or other frameworks.

Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets.

Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

An extensive set of resources is available per country and per topic in the UNEP FI [Context Module](#)



Alignment

Potential sources

Climate Change

An extensive set of resources is available per country and per topic in the UNEP

FI [Context Module](#)

[Nationally Determined Commitments \(NDCs\)](#): to translate their commitment under the Paris Climate Agreement into national targets, plans and priorities, countries have published NDCs. This provides a valuable starting point for banks wishing to understand the local priorities and the scale of action required at country level.

The [EU Action Plan on sustainable finance](#): this framework supports the goal of the EU to support the flow of private finance towards sustainable economic activities to make the transition to a carbon neutral economy by 2050 possible.



Alignment

Potential sources

Financial health & inclusion

Global indicators of financial inclusion (Findex) and National public policies

Appendix A and B with database indications

<https://www.unepfi.org/publications/guidance-on-financial-inclusion-and-financial-health-target-setting>

Financial Health for Policy Makers

<https://www.unsgsa.org/sites/default/files/resources-files/2021-09/UNSGSA%20Financial-health-introduction-for-policymakers.pdf>

Measuring financial health

<https://www.unsgsa.org/sites/default/files/resources-files/2021-09/UNSGSA%20Measuring-Financial-Health%20Policy%20Note.pdf>



Baseline

Determined a baseline for selected indicators and assess the current level of alignment.
Disclose the indicators used as well as the year of the baseline.

You should build upon the performance measurement undertaken previously.

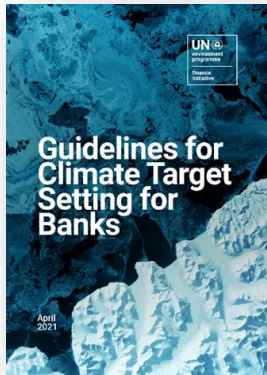
Examples of KPIs to set your baseline:

- Absolute Carbon emissions of your portfolio
- Carbon Intensity for each of the 9 sectors of Net Zero Banking Alliance
- Number and volume of loans for vulnerable groups

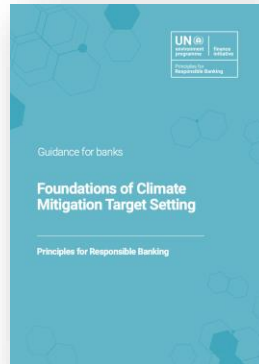


Set SMART targets

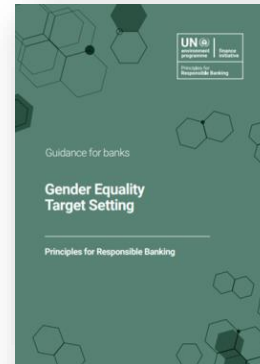
UNEP FI Target-Setting Existing Guidance



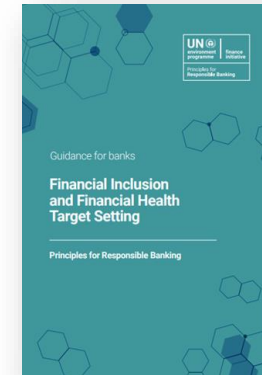
Climate Change



Climate Change



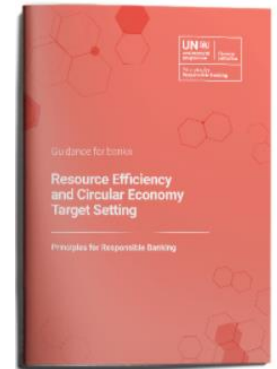
Gender Equality



Financial
Health &
Inclusion



Biodiversity



Resource efficiency
& Circular economy

SET the targets for your first and your second area of most significant impact and define KPIs you are using to monitor progress towards reaching the target.



What is a good target?

A good target:

- is ambitious
- aims for impacts on the society and environment (impact indicators)
- is Specific, Measurable, Achievable, Relevant and Time-bound (SMART)
 - Specific:** Well defined, clear, and unambiguous
 - Measurable:** With specific indicators to measure progress toward the accomplishment of targets
 - Achievable:** Attainable and not impossible to achieve
 - Relevant:** for the core business as well as for society and the environment
 - Time-bound:** With a clearly defined timeline, including a starting date and a target date.
- considers interlinkages between impact areas and banks need to revisit their business strategy to transition towards positive impact and ensure that negative impacts are properly managed.
- is derived from a process: All targets should be accompanied by clear explanations of how the target was developed, and why certain metrics were chosen or how proxies were used.

Soon: Target Setting Q&A for more details

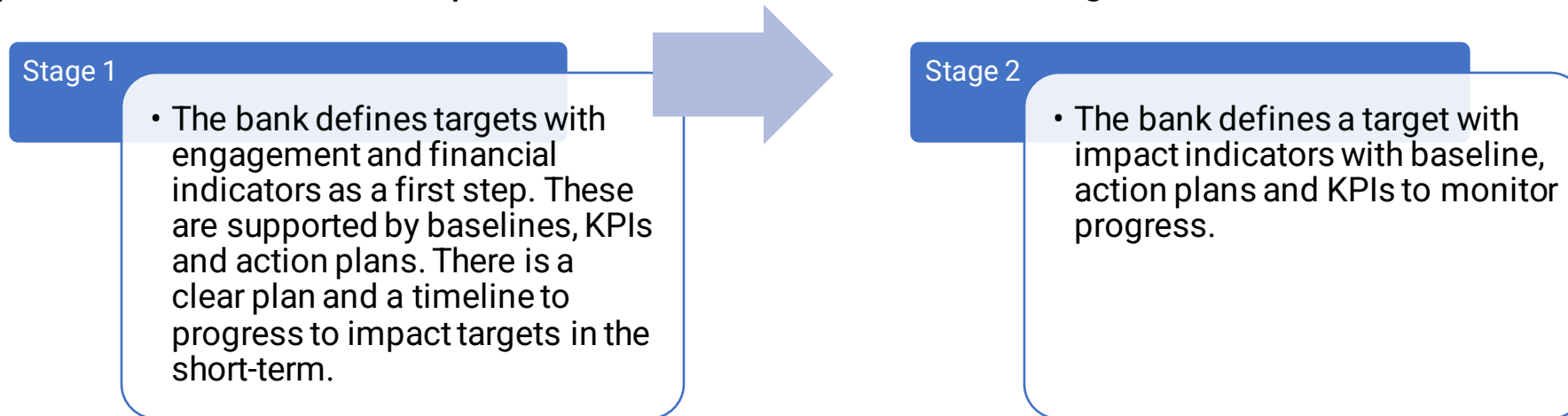


Progressive approach

Banks may take a progressive approach and set targets in nascent impact areas by starting with engagement and financial targets as an interim step on the way to an impact target.

Where a bank follows this approach, it should provide concrete evidence of its plans to develop an impact target within a defined period. In these circumstances, banks should report progress and clearly define a timeline to set impact targets within a short period of time, for example 2 years.

Biodiversity, water, circular economy, resource efficiency and climate change adaptation are examples of more nascent impact areas in terms of methodologies, data, and metrics



Soon: Target Setting Q&A for more details



Action plans

Define actions including milestones you defined to meet the targets. Show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

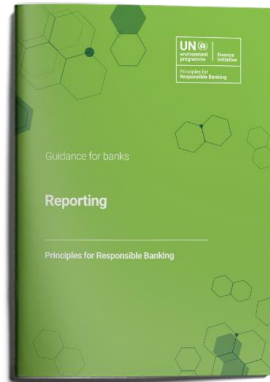
Examples of action plan components that should also come with indicators to measure progress.

Businesses strategy	Internal policies and processes	Client engagement	Advocacy
Development and implementation of transition plans to align portfolio	Set up or amend credit policies for specific sectors or types of clients (e.g., low-income customers, innovative projects)	Capacity building	Advocate governments or regulators
Development of services and products (e.g., advisory, credit lines)	Exclusion policies for certain sectors or activities, divestment strategies	Awareness raising campaigns	Issue policy positions
Strategy to grow client base for some specific sectors or type of clients	Zero deforestation policies	Engagement on impact profile and transition pathways, supporting clients on developing transition finance plans, structure financing solutions for clients' transition	Participate in sector commitments (e.g., plastic)
	Human rights policies incl. due diligence processes	Process for managed phase out	
	Reinforcement of risk management processes		
	Refinement of KYC processes		

[Rationale](#)[Requirements](#)[Journey](#)[Step by Step](#)[Examples](#)[Impact tool](#)[Glossary](#)

Annually

Report progress of your 2 SMART targets



[Guidance on Reporting and Providing Limited Assurance](#)

Use the [reporting and self-assessment template \(under revision\)](#)

Show your progress on implementing the Principles and be transparent about your impacts and contributions.

Assess if you are meeting the requirements and obtain assurance (mandatory by the end of year 3).

You can also download [here](#) a Check List and an example to report Principle 2.

The reports which banks have already published are [available online here](#).

[Rationale](#)[Requirements](#)[Journey](#)[Step by Step](#)[Examples](#)[Impact tool](#)[Glossary](#)

In the following slides you will find some examples.

*All examples have strengths and weaknesses.
Not necessarily 100% PRB compliance for all requirements.*

Impact
Analysis

Raiffeisen Bank International

Greatest negative impact

Business Banking	Corporate Banking	Consumer Banking*
<ul style="list-style-type: none">• SDG 3 and SDG 6: "Health and sanitation"• SDG 10 and SDG 16: "Integrity and security of person"• SDG 12: "Resource efficiency"• SDG 12: "Waste"• SDG 13: "Climate protection"	<ul style="list-style-type: none">• SDG 3 and SDG 6: "Health and sanitation"• SDG 16 and SDG 17: "Strong institutions, peace and stability"• SDG 12: "Resource efficiency"• SDG 12: "Waste"• SDG 13: "Climate protection"	<ul style="list-style-type: none">• SDG 8 and SDG 9: "Inclusive, healthy economies"• SDG 12: "Resource efficiency"• SDG 13: "Climate protection"

* Only negative impact areas were determined here.



As a result of the extensive data analysis using the UNEP FI Portfolio Impact Analysis Tool, RBI identified two impact areas of strategic importance that are relevant in all three business areas:

- Climate protection (SDG 13)
- Resource efficiency (SDG 12)

<https://www.rbinternational.com/en/sustainability/sustainability-report.html> (page 56)

In their sustainability report RBI also detailed their scope of analysis (Consumer banking: share of around 35%; Business banking: share of around 21%; Corporate banking: share of around 34%) as well as their scope of exposure per sector and country. The context and relevance analysis consisted in mapping the sectors and industries that positively or negatively contribute to the 22 impact areas in the UNEP FI Portfolio Impact Analysis Tool.

Note that RBI chose to focus on their (possible) negative impacts.

All examples have strengths and weakness. Not necessarily 100% PRB compliance

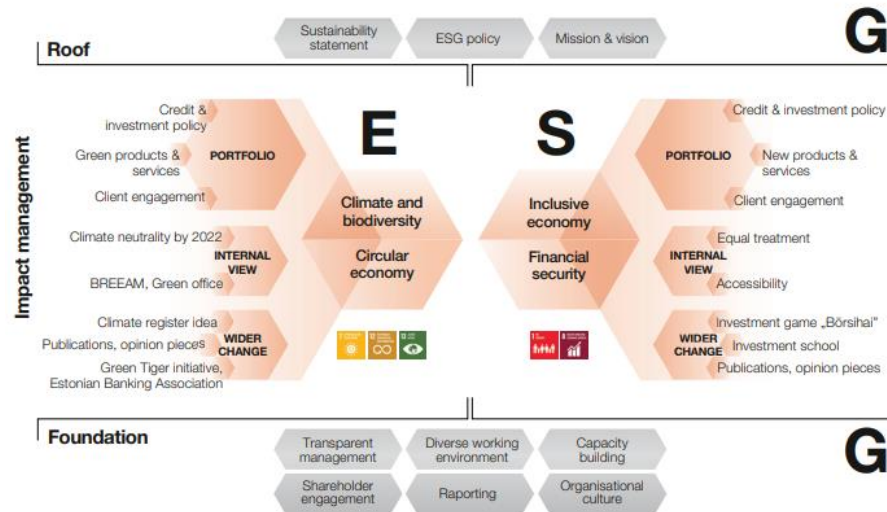


Impact Analysis

LHV

ESG framework and core activities

The graph below illustrates LHV's main impact areas, goals, and respective core activities, as well as the main elements governing and supporting our sustainability efforts.



https://investor.lhv.ee/assets/files/LHV_Group_Annual_Report_2020-EN.pdf

https://www.lhv.ee/assets/files/LHV_PRB_Report_2021-EN.pdf

Scope: LHV described the core business areas, products/services across geographies it operates in. **Scale of exposure:** LHV considered where its core business lie in terms of industries, technologies and geographies. **Context and Relevance:** LHV found out the most relevant sustainability challenges and priorities in its countries of operation. **Intensity and Salience:** In identifying its areas of most significant impact, the bank considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the banks' activities.

All examples have strengths and weakness. Not necessarily 100% PRB compliance

Focus area		Key indicator	2019	2020
Environment (E)		LHV's CO2 footprint (t CO2-eqv)	1210t	865t
		Share of corporate banking loan portfolio to the biomethane industry	0.55%	1.25%
		Share of green assets in LHV Asset Management portfolio	N/A	4.2%
		Share of loan portfolio to solar energy industry	0.05%	2%
		Proportion of active clients in II pillar Pension Fund Green	N/A	2.2%
Social (S)	Inclusive and cohesive economic space	Share of corporate banking loan portfolio to Local Governments	0	14.4%
		Proportion of consumer banking customers registered outside Harjumaa	34.3%	34.9%
		Proportion of home loans outside Harjumaa	19.8%	19.7%
	Financial literacy and economic sense of security	Total number of Investment School attendees	6000	7420
		Average number of clicks per article in Finantsportaal	2372	2393
		Share of use of investment products among customers up to 25 years of age	19.3%	26.1%
		Share of use of investment products among clients with native language other than Estonian	5.6%	5.5%
Governance (G)	Percentage of female employees in leadership positions	26.5%	44.8%	
	Client satisfaction index	93.5 %	94.9 %	
	Number of legal proceedings pending against the company as of end of year	0	0	
	Incidents of ethics and corruption	0	0	
	CEO pay ratio	0.18	0.19	



Impact
Analysis

ProCredit



https://www.procredit-holding.com/wp-content/uploads/2022/04/ImpactReport_2021_Appendix_3_L_.pdf

See page 32 of ProCredit's Impact Report Appendix to find out the detailed steps that they took to perform their impact analysis.

Considering the scale of exposure of ProCredit's activities and the highest SDG-related challenges in our countries of operation, the tool identified the most important positive/negative impact areas at group level as follows:

CONTENTS

2 Sustainability goals and achievements		32 UNEP FI Portfolio Impact Analysis
Green loan portfolio development	2	
Carbon neutrality	3	35 Accounting of the GHG emissions linked to our loan portfolio
Staff competence	4	
5 Materiality and impact reporting		38 UNEP FI Principles for Responsible Banking (PRB) – Self-assessment reporting
Reporting approach	5	
Stakeholder engagement and materiality analysis	6	
Overview of our material topics, related impacts and boundaries	8	46 Analysis of the portfolio in terms of EHS risk
9 Our material topics – management approach and overview		47 GRI content index 2021
23 SDGs, material topics and targets		
31 International principles, standards and memberships		

Navigating the Impact Report Appendix 2021

This document is part of a set of three that jointly comprise our Impact Report Package 2021 and complement our Annual Report. The three documents are closely interrelated and cover the period from 1 January to 31 December 2021. Please also refer to the following documents for comprehensive insight into our sustainability approach:

Impact Report 2021
Our Impact Report can be accessed separately; it discloses our approach to sustainability and our philosophy on the issues that matter the most to our stakeholders. In the three sections structured around the material topics identified through our sustainability, materiality and impact assessment, this report provides information about our non-financial performance progress and initiatives.

Impact Report Datasheet 2021
The Impact Report Datasheet is a downloadable spreadsheet that allows our stakeholders to easily search for, compare and analyse our sustainability key performance indicators.

The Impact Report Package and the GRI content index included in the present document have been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

Our full reporting suite, including annual reports and the full Impact Report Package, can be found at: <https://www.procredit-holding.com/downloads>.

Positive impact

Health and sanitation
(SDG 3,6)

Food
(SDG 2)

Employment
(SDG 8)

Housing
(SDG 3, 11)

Negative impact

Climate
(SDG 13)

Waste
(SDG 6, 12, 14, 15)

Biodiversity and ecosystems
(SDG 14, 15)

Resource efficiency/security
(SDG 6, 12, 13, 14, 15)



Impact Analysis

Vancity (Climate Change)

Breakdown of business lines by per cent of gross income generated

Retail banking		Other (out of scope)
Consumer banking	Commercial and Business banking	
57%	38%	5%

Breakdown of business loan book by sector (balance sheet value) and consumer products (% of members accessing)

Business banking: Lending to small- and medium-sized enterprises (% of portfolio by sector)		Consumer products (% of members accessing)	
Real estate activities	50%	Savings accounts (includes registered retirement savings accounts)	80%
Other monetary intermediation (e.g., financial advisors, investment companies)	14%	Current accounts	66%
Building construction and renovation (all building types)	8%	Consumer credit and overdraft (includes credit cards)	55%
Other construction (e.g., specialty trades, civil engineering)	<4%	Residential mortgages and housing-related credit	7%
Food and beverage services	3%	Vehicle-related lending, and microfinance	<1%
Activities of other membership organizations (e.g., not-for-profits, religious organizations)	3%		
Other (sectors representing 2% of the portfolio or less) ¹	18%		

Applying the Country Needs resource in the Portfolio Impact Tool, we determined that the most relevant challenges and priorities in Canada/B.C. are:

- Climate (based on greenhouse gas emissions)
- Resources efficiency (based on energy, water and materials consumption)
- Waste (based on solid waste generated and recycling rates)
- Food (specifically the prevalence of obesity)
- Housing (specifically the housing cost overburden for low-income owners and renters)

Conclusion and next steps

Priority areas – This work validates climate as our priority area of focus (and connected to this, resource efficiency). The Canadian government recently committed to achieving net-zero emissions by 2050, and climate is increasingly becoming a key area of focus for policy makers, regulators, and civil society organizations. We are working towards a climate transition that puts people at its centre and leaves no one behind.

In 2019, we expanded our measurement efforts beyond operations to include financed emissions.

To better understand the other impact associations and community needs highlighted above, and to help us determine at least one other priority area, we need to undertake further work. This may include engaging with thought-leaders, peers and community partners, and our members; conducting research and generating data; and generally digging deeper to more fully understand the opportunities to maximize positive and reduce negative impacts on people and the planet.

<https://www.vancity.com/SharedContent/documents/AnnualReportArchives/Vancity2020annualreport.pdf>

Impact analysis:
Page 35 and 42 -
44



Impact analysis/
performance
measurement

Vancity (Climate Change)

Financed emissions – initial analysis (tonnes CO₂e)

Asset class	Dollars Invested (millions)	Total tCO ₂ e	tCO ₂ e/dollar Invested	% Coverage	Data quality score ¹	Total \$ in asset class
Residential mortgages	12,892	31,162	2.4	98%	5	13,121
Business and commercial real estate mortgages	5,468	52,528	9.6	88%	5	6,236
Motor vehicle loans	20	3,527	179	100% ²	5	20
Business loans (general purpose)	227	18,097	80	92%	5	246
Consumer loans ²	Excluded – no methodology exists yet					312
Total – Loans	18,607	105,314	5.6	93%	5	19,935
Vancity Investment Management mutual fund sub-advisory for Inhance socially responsible funds	1,150	41,618	36	93%	3	1,234
Vancity Investment Management - private assets under management ³	314	12,262	39	97%	3	324
Total – Investments	1,464	53,880	36.8	94%	3	1,558

Estimated emissions calculated using the **PCAF Global Standard**.

1 The best data quality score is 1 and the worst is 5.

2 Some consumer loans are used to purchase vehicles, but we do not have comprehensive tracking for all these loans.

3 Investments do not include bond or other non-equity holdings.

<https://www.vancity.com/SharedContent/documents/AnnualReportArchives/Vancity2020annualreport.pdf>

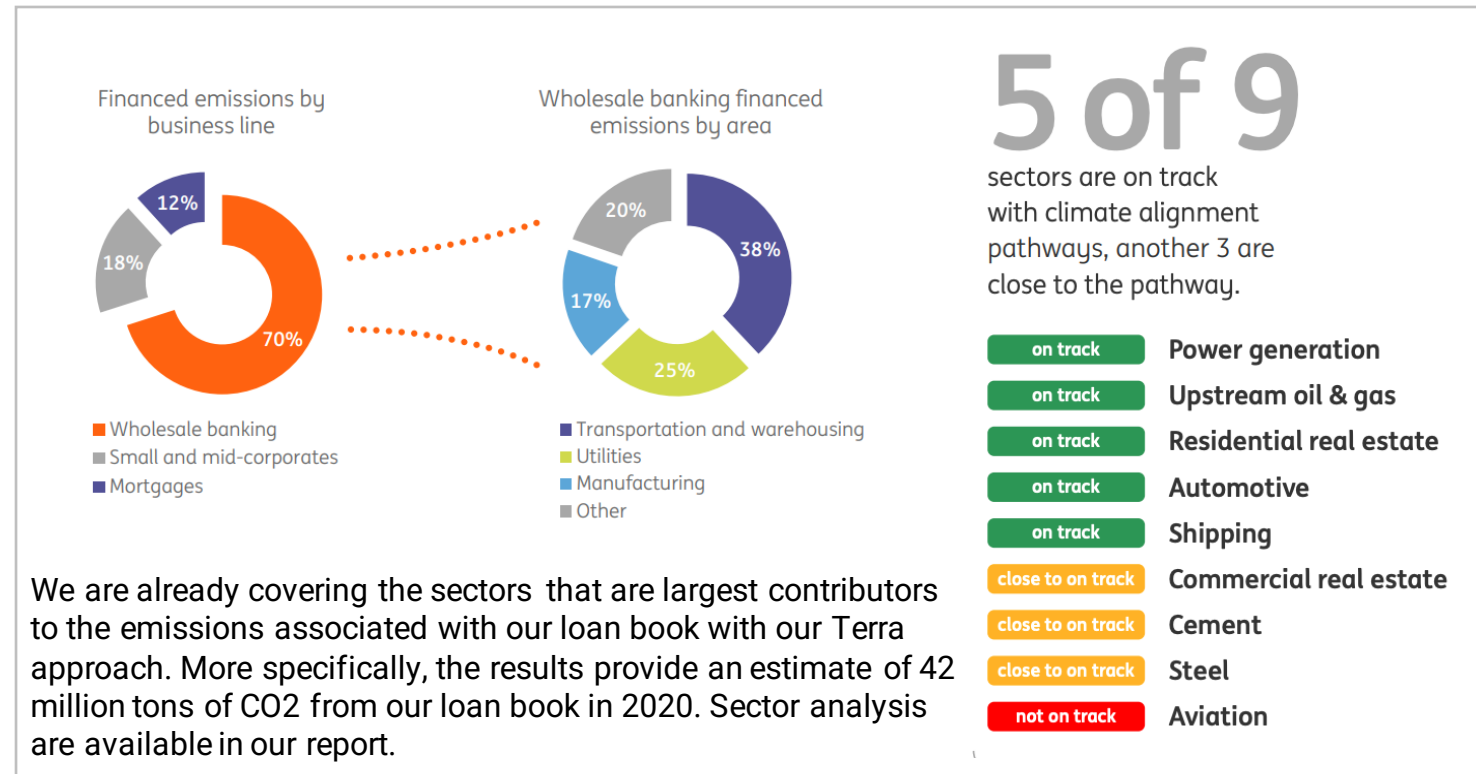
Climate performance: page 14

All examples have strengths and weakness. Not necessarily 100% PRB compliance



Impact analysis/
performance
measurement

ING (Climate Change)



<https://www.ing.com/web/file?uuid=0c2f37a6-778d-4631-8a07-555c877353b4&owner=b03bc017-e0db-4b5d-abbf-003b12934429&contentid=54093>



Rationale

Requirements

Journey

Step by Step

Examples

Impact tool

Glossary

Impact analysis/
performance
measurement

AIB (Climate Change)

	AIB GROSS LOANS €BN	% OF AIB LOAN BOOK ¹	ROLE IN NATIONAL DECARBONISATION ²	SECTOR CARBON INTENSITY ³
Personal – Mortgages	31.4	51%		
Agriculture	1.7	3%		
Energy	1.5	2%		
Manufacturing	3.1	5%		
Property & Construction	7.3	12%		
Transport	1.9	3%		
Distribution	5.3	9%		
Financial	0.8	1%		
Other services	6.0	10%		
Other	3.0	5%		
TOTAL	62.0			

LEGEND	GREEN	AMBER	RED
¹ AIB lending exposure @ 31.12.2019	<10%	10-20%	20%+
² Based on the EPA's Irish Final GHG Emissions report 2018	<10%	10-20%	20%+
³ Based on SBTi guidance for FIs	N	N/A	Y

Source: Company information.

<https://aib.ie/content/dam/frontdoor/personal/sustainability/aib-sustainability-report-2020.pdf>

All examples have strengths and weakness. Not necessarily 100% PRB compliance



Jyske Bank (Climate Change)

Impact analysis/ performance measurement

Table 3 - Loan portfolio and CO₂ emission

	Business volume DKKm				Emission tonnes CO ₂			
	2021	2020	2019	Change 21/20	2021	2020	2019	Change 21/20
Personal Clients	185,978	195,860	197,570	-9,882	299,427	478,391	499,917	-178,964
Car loans	12,124	10,065	10,168	2,059	175,612	251,995	268,014	-76,383
Home loans	173,854	185,795	187,402	-11,941	123,815	226,396	231,903	-102,581
Corporate clients	241,615	222,518	219,621	19,097	920,101	1,001,238	1,107,697	-81,136
Transport	5,377	5,183	4,316	194	384,562	444,581	484,425	-60,019
Agriculture and fishing	12,187	13,158	15,934	-971	264,056	284,800	341,738	-20,744
Mortgage loans	169,420	162,609	163,251	6,811	116,105	149,970	154,357	-33,865
Manufacturing industry	8,790	7,278	8,502	1,512	70,657	63,663	74,245	6,994
Other corporate loans	45,840	34,290	27,618	11,551	84,722	58,223	52,932	26,498
Total	427,593	418,378	417,191	9,215	1,219,529	1,479,629	1,607,614	-260,100

Note: Business volume for which no CO₂ emission data are available has been left out of the estimate. The comprehensive business volume and the movements from year to year covered by the analysis are not comparable to Jyske Bank's traditional measuring of total assets.

Table 4 – Emission intensity

	Emission intensity tonnes CO ₂ per DKKm			
	2021	2020	2019	Change 21/20
Personal Clients	1.61	2.44	2.53	-0.83
Car loans	14.48	25.04	26.36	-10.56
Home loans	0.71	1.22	1.24	-0.51
Corporate clients	3.81	4.50	5.04	-0.69
Transport	71.51	85.77	112.24	-14.26
Agriculture and fishing	21.67	21.64	21.45	0.03
Mortgage loans	0.69	0.92	0.95	-0.23
Manufacturing industry	8.04	8.75	8.73	-0.71
Other corporate loans	1.85	1.70	1.92	0.15
Total emission intensity	2.85	3.54	3.85	-0.69

PRB Impact Analysis Methodology: <https://bit.ly/3MiFFBD>

Impact Analysis Climate: <https://bit.ly/3jXcvM5>

<https://investor.jyskebank.com/investorrelations/sustainability/impact>

Based on the output from the Portfolio Impact Tool, the overall assessment is that Climate is the first

negative impact area that Jyske Bank should first subject to a closer analysis.

The negative impact within Climate relates to the fact that a fairly large proportion of Jyske Bank's lending

activities consists of loans for owner-occupied homes and residential rental properties, where the many

thousand properties affect the climate through consumption and through the CO₂ emission of the properties.

In addition, Waste and Soil Quality have also been identified as important negative impact areas. The most important positive impact areas are Housing, Climate and Inclusive, healthy economies (find out about the analysis on waste here: <https://investor.jyskebank.com/investorrelations/sustainability/impact>)

All examples have strengths and weakness. Not necessarily 100% PRB compliance



Impact analysis/ performance measurement

NatWest: emissions profile

Estimates of financed emissions and emission intensities:

The table below shows our estimates based on our work to date and should be read in conjunction with section 5.8 (Caution about climate metrics) and Risk Factors included in the 2021 Annual Report and Accounts. The table below shows NatWest Group's estimated (i) financed emissions, (ii) physical and economic emissions intensities, (iii) physical emissions intensity estimates for year 2030 aligned to NatWest Group's climate ambition to halve the climate impact of financing activity, intended to be aligned with SBTi guidance. We will continue to work on this in 2022 and further refine our estimates as we enhance our understanding, calculation methodologies and data. We have used a combination of methodologies (some of which are still under development) to calculate these emissions. Refer to sector pages in this section for further details on methodologies and approaches used.

Sector	2020				2019				2030
	Scope 1 and 2 (MtCO ₂ e)	Scope 3 (MtCO ₂ e)	Physical emissions intensity	Economic emissions intensity	Scope 1 and 2 (MtCO ₂ e)	Scope 3 (MtCO ₂ e)	Physical emissions intensity	Economic emissions intensity	Physical emissions intensity
Residential mortgages ⁽¹⁾	3.2		37.4 kgCO ₂ e/m ²	17	3		38.7 kgCO ₂ e/m ²	17	19.6 kgCO ₂ e/m ²
Commercial real estate	0.4		56.5 kgCO ₂ e/m ²	21	0.4		56.0 kgCO ₂ e/m ²	21	22.5 kgCO ₂ e/m ²
Automotive manufacturing ^(2,3,4)		0.5	248 gCO ₂ e/vkm	1,488		0.3	260 gCO ₂ e/vkm	1,362	197 gCO ₂ e/vkm
Agriculture – primary farming ⁽²⁾	4.5		2,147 tCO ₂ e/Em	1,060	4.1		2,075 tCO ₂ e/Em	1,033	1,527 tCO ₂ e/Em
Agriculture – LULUCF ⁽³⁾			(424) tCO ₂ e/Em	(635)			(333) tCO ₂ e/Em	(729)	(1,493) tCO ₂ e/Em
Land transport ^(4,5)	0.8	0.8		357	0.6	0.7		348	
of which freight road	0.2	0.3	37.3 gCO ₂ e/t-km	324	0.1	0.2	36.7 gCO ₂ e/t-km	317	29.8 gCO ₂ e/t-km
of which passenger rail	0.3	0.2	50.6 gCO ₂ e/p-km	924	0.3	0.2	50.6 gCO ₂ e/p-km	976	29.5 gCO ₂ e/p-km
of which passenger road	0.3	0.3	73.2 gCO ₂ e/p-km	234	0.2	0.3	64.9 gCO ₂ e/p-km	221	44.6 gCO ₂ e/p-km
Electricity generation	1.7		258.5 kgCO ₂ e/MWh	546	2.4		223.2 kgCO ₂ e/MWh	884	53.1 kgCO ₂ e/MWh
Aviation ⁽⁶⁾	1.6			1,748	1.8			2,122	
Oil and gas ⁽⁷⁾	0.9	1.5	2.5 tCO ₂ e/TJ	531	1.7	1.9	2.6 tCO ₂ e/TJ	736	1.6 tCO ₂ e/TJ
Shipping ⁽⁶⁾	0.3			311	0.4			319	
Iron and steel	0.4		1.5 tCO ₂ e/tonne	5,690	0.3		1.6 tCO ₂ e/tonne	4,820	0.8 tCO ₂ e/tonne
Aluminium ⁽³⁾			2.2 tCO ₂ e/tonne	1,107			2.5 tCO ₂ e/tonne	1,155	1.8 tCO ₂ e/tonne
Cement	0.4		0.5 tCO ₂ e/tonne	2,670	0.5		0.6 tCO ₂ e/tonne	2,586	0.2 tCO ₂ e/tonne

1. 2019 Scope 1 and 2 emissions have been revised due to improvement in underlying data primarily impacting the calculation of original loan to value used to attribute emissions to NatWest Group.

2. 2019 estimates have been revised due to enhancements in availability of available customer financial data.

3. 2019 and 2020 Scope 1 and 2 emissions are below 0.1MtCO₂e.

4. Scope 3 emissions are included in the estimation of physical emissions intensity.

5. Physical emission intensities have been calculated at sub-sector level.

6. Physical emission intensities have not been calculated as Absolute Contraction Approach is used for estimating reduction required by 2030.

7. 2019 estimates have been revised due to extension in scope of analysis to include all activities in the sector; previously only oil and gas extraction activities were in scope.



Impact analysis/ performance measurement

Commonwealth Australia (Financial health & inclusion)

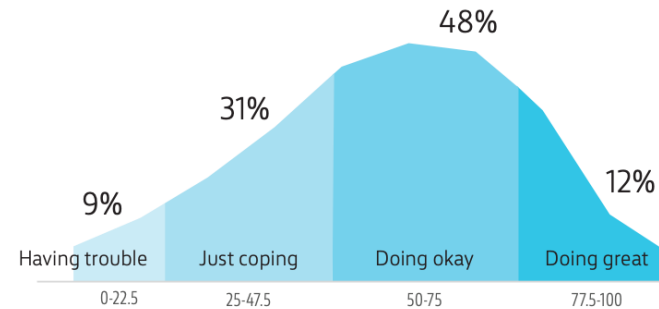
A vital step to achieving our purpose is also defining and measuring financial wellbeing so that we can work to improve it in meaningful ways.

To do this, we have worked with the Melbourne Institute (MI): Applied Economic & Social Research to create two ground-breaking measures of financial wellbeing:

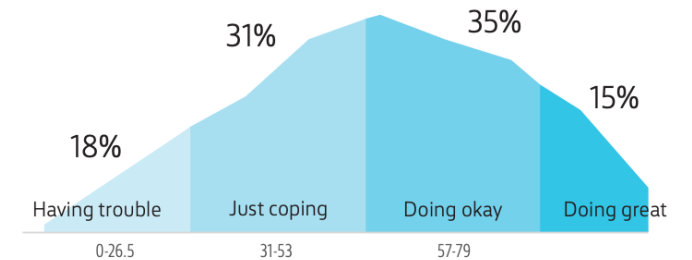
- The CBA-MI Reported Financial Wellbeing Scale (version 1) is formed from people's responses to 10 questions about their perceptions and experiences of their own financial wellbeing; and
- The CBA-MI Observed Financial Wellbeing Scale (version 2) is formed from five measures that come from customers' financial records.

The Scales provide comprehensive yet simple measures of financial wellbeing outcomes that can be used by Australians to better understand their own financial

Reported Financial Wellbeing Scale



Observed Financial Wellbeing Scale



https://www.commbank.com.au/content/dam/commbank-assets/banking/guidance/2018-06/using-survey-banking-data-to-measure-financial-wellbeing.pdf?ei=what_UniMelbPDF

All examples have strengths and weakness. Not necessarily 100% PRB compliance



Target setting

Barclays (Climate Change)

The table below sets out selected targets and policies we have previously announced, progress against them, and the new announcements we are now making.

Strategic pillar		Previously announced target/policy	Progress ⁴	New announcement
1	Achieving net zero operations ¹	By the end of 2021	2021 Performance	
		<ul style="list-style-type: none"> -80% GHG emission reduction Scope 1² and 2³ (market-based) against a 2018 baseline Source 90% renewable electricity for our global operations 	<ul style="list-style-type: none"> -86% GHG emission reduction 94% renewable electricity Carbon neutral for Scope 1, Scope 2 and Scope 3⁵ business travel emissions since 2020 	<ul style="list-style-type: none"> -90% GHG emission reduction in Scope 1 and 2 (market-based) by the end of 2025 against a 2018 baseline Source 100% renewable electricity for our global operations by end of 2025
2	Reducing our financed emissions	By the end of 2025	2021 Performance	By the end of 2030 ⁶
Portfolio reduction targets	Energy	<ul style="list-style-type: none"> -15% absolute CO₂ emission reduction against a 2020 baseline (Scopes 1, 2 and 3) 	<ul style="list-style-type: none"> -22% absolute CO₂ emission reduction 	<ul style="list-style-type: none"> -40% absolute CO₂e⁷ emission reduction against a 2020 baseline of 78.5 MtCO₂e (Scopes 1, 2 and 3)
	Power	<ul style="list-style-type: none"> -30% CO₂ emission intensity reduction against a 2020 baseline (Scope 1) 	<ul style="list-style-type: none"> -8% CO₂ emission intensity reduction 	<ul style="list-style-type: none"> -50% to -69% CO₂ emission intensity reduction against a 2020 baseline of 320 kgCO₂/MWh (Scope 1)
	Cement	n/a	n/a	<ul style="list-style-type: none"> -20% to -26% CO₂e emission intensity reduction against a 2021 baseline of 0.620 MtCO₂e/Mt (Scopes 1 and 2)
	Steel	n/a	n/a	<ul style="list-style-type: none"> -20% to -40% CO₂e emission intensity reduction against a 2021 baseline of 1.926 MtCO₂e/Mt (Scopes 1 and 2)

1. Operations include company cars, offices, retail branches and data centres where Barclays has operational control.

2. Scope 1 emissions include our direct GHG emissions from natural gas, fuel oil, company cars and HFC refrigerants.

3. Scope 2 emissions include our indirect GHG emissions from purchased electricity and purchased steam and chilled water.

4. Full details set out in Barclays PLC Annual Report 2021.

5. Scope 3 business travel emissions are our indirect emissions from commercial air travel and other transport.

6. Full details set out in our About BlueTrack™ whitepaper, available online.

7. The 2030 target for Energy reflects a methodological update and includes not just CO₂ but also methane. The target is expressed in CO₂e terms. The 2020 baseline for Energy will be recalculated to include methane. Power emissions data does not include methane but it is not considered material. Steel and Cement data includes all GHG emissions.

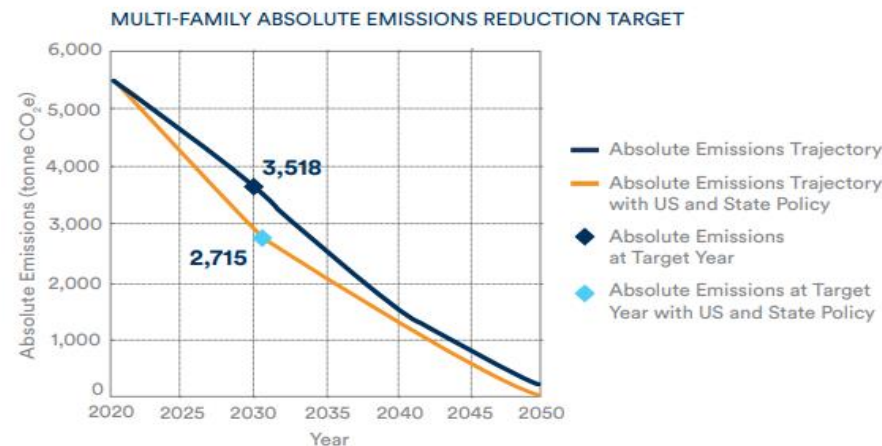
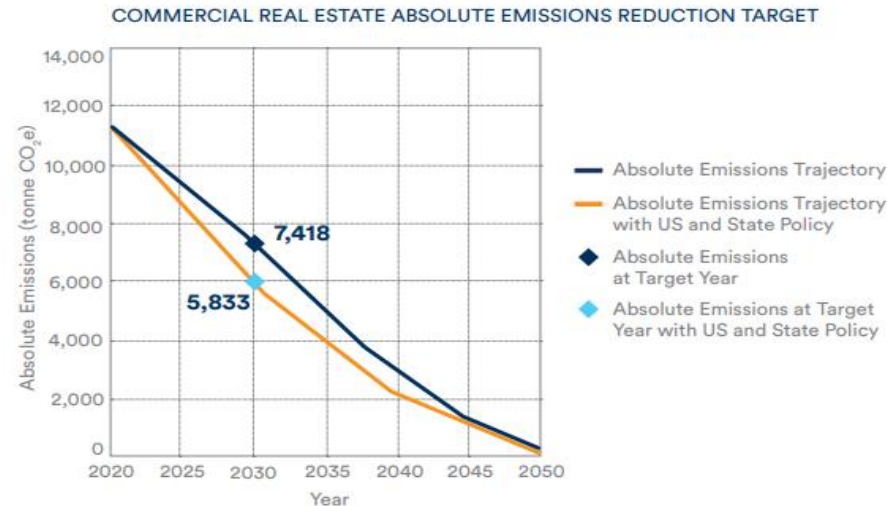
<https://home.barclays/content/dam/home-barclays/documents/citizenship/Sustainability/Barclays-Climate-Strategy-Targets-and-Progress-2022-Final.pdf>

All examples have strengths and weakness. Not necessarily 100% PRB compliance



Target setting

Amalgamated Bank (Climate Change mitigation)



As of Amalgamated Bank's baseline year 2020, financed emissions from their commercial real estate portfolio represent about one quarter of all financed emissions. The portfolio includes about 100 properties including industrial, warehouse, retail, office, and mixed-use facilities. As of Amalgamated Bank's baseline year 2020, financed emissions from their multi-family portfolio represent about one eighth of all financed emissions. The portfolio includes about 200 multi-unit apartment buildings (see page 7 of their net zero climate targets report).

<https://www.amalgamatedbank.com/sites/default/files/Net Zero Climate Targets Report.pdf>



Target setting: climate mitigation

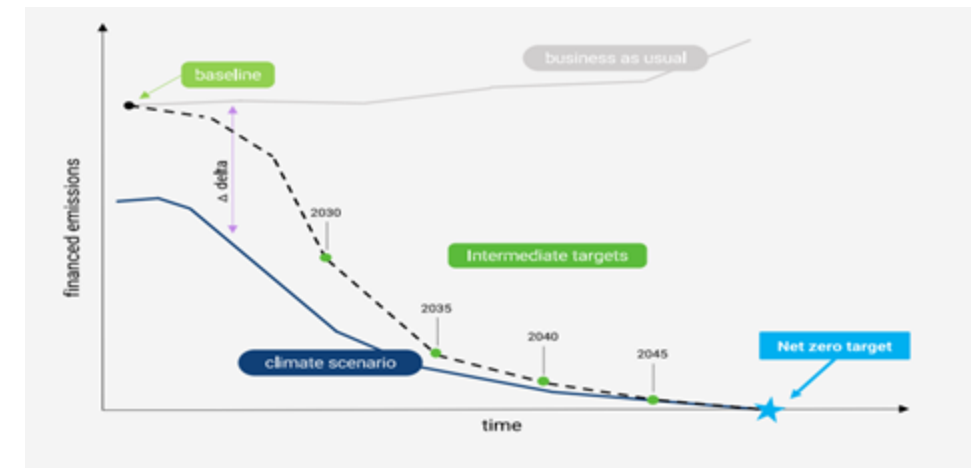
Members of the Net-Zero Banking Alliance (NZBA) commit to transition the operational and attributable GHG emissions from their lending and investment portfolios to align with pathways to net-zero by 2050 or sooner.

Baseline 2020: absolute financed emissions baseline of the corporate lending portfolio was 27.2 Mt CO₂ e.

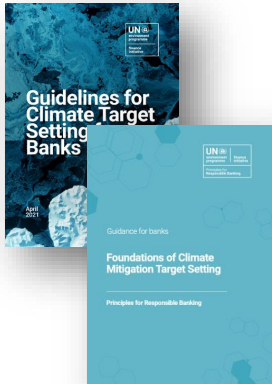
Coverage: USD37.4 billion of assets, **coverage** of 82% of our in-scope assets of USD45.6 billion

The bank began by setting targets in **two most carbon-intensive sectors** (power generation, real estate), covering 66% of overall absolute financed emissions baseline. This is in line with the priorities of the countries.

In line with the **IEA NZE2050 scenario**, the bank commits to reducing its financed emissions by 72% by 2030 in power generation from a baseline of 11.4 Mt CO₂ e and by 54% by 2030 in real estate down from 6.7 Mt CO₂ e.



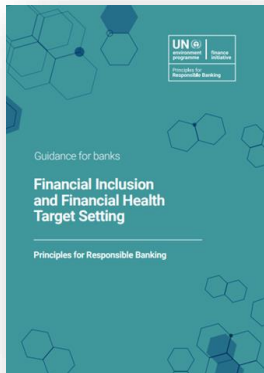
This is an illustrative example. You should check the full Guidelines to set your SMART target properly.





Target setting: financial health

Increase the share and volume of low-income customers and micro entrepreneurs in our portfolio and promote financial health to reduce over-indebtedness by 2025. We also commit to measure the financial health of our clients by 2025. **Alignment with SDGs 1, 8, 10**



This is an illustrative example. You should check the full Guidelines to set your SMART target properly.

Country context

45% of the country's population is considered low-income and 35% of adults do not have a bank account.

40% have access to credit and of those, 30% are over-indebted.

30% of microentrepreneurs do not have a bank account and 65% do not have access to credit.

40% of the adult population has no financial education and no digital skills.

Baseline

In 2020, 25% of accounts were from low-income users, and they have 15% of our loan allocation whose over-indebtedness is 30% larger compared to the total individual customer base.

15% of the commercial accounts are of microentrepreneurs and they have 10% of our credit allocation whose over-indebtedness is 30% larger compared to the total base of SMEs.

Targets

Increase the percentage of bank accounts of low-income users by 46% (reaching 30% of total consumer accounts), and of commercial customers who are microentrepreneurs by 40% (achieving 20% of SME accounts) by 2025

Increase by 10% the allocation of credit for microentrepreneurs until 2030 reaching a volume of USD 110MM

Reduce by 30% over-indebtedness of low-income customers and microentrepreneurs by 2025

KPIs

% low-income bank accounts/ total consumer accounts

% microentrepreneurs account/ total SME

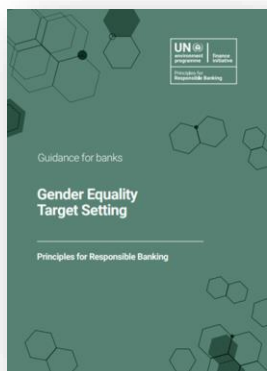
Volume of credit and portfolio allocation for microentrepreneurs

% over-indebtedness of low-income customers and microentrepreneurs



Target setting: gender equality

Example 3: Increase the share of products and services offered to women in its retail portfolio by 2025 by increasing portfolio allocation and the number of women customers and women owned and/or led SME clients. **Alignment with SDGs 5.**



This is an illustrative example. You should check the full Guidelines to set your SMART target properly.

Country context

Our National Development Plan has a Gender Equality Strategy document, and It aims to advance on gender equality with a strategical focus on women's participation in the economy and access to finance.

Women represent 35% of all entrepreneurs in the country, 72% of men have bank accounts, compared to 65% of women, representing a 7% gap.

Baseline

For the year 2020 the bank determines that women customer constituted 30% of customers in the retail portfolio, accounted for 20% of the loan allocation. And

For SMEs portfolio, 15% of its total lending to SMEs was allocated to women-owned and/or led business and the average loan size was substantially lower in comparison to male owned/led SMEs (58%)

Targets

Increase the number of women customers by 15% and the allocation of loans to women customers by 15% by 2025

Increase the allocation of loans to women-owned and/or led SMEs to 25% by 2025 (achieving USD 300 MM per year)

Engage with entrepreneur women to level their growth capacity (20% of clients) by 2025

KPIs

and % of women customers by 15% and the allocation

% and volume loans to women customers

% and volume loans to women-owned and/or led SMEs

and % of entrepreneur women on capacity building and related activities



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

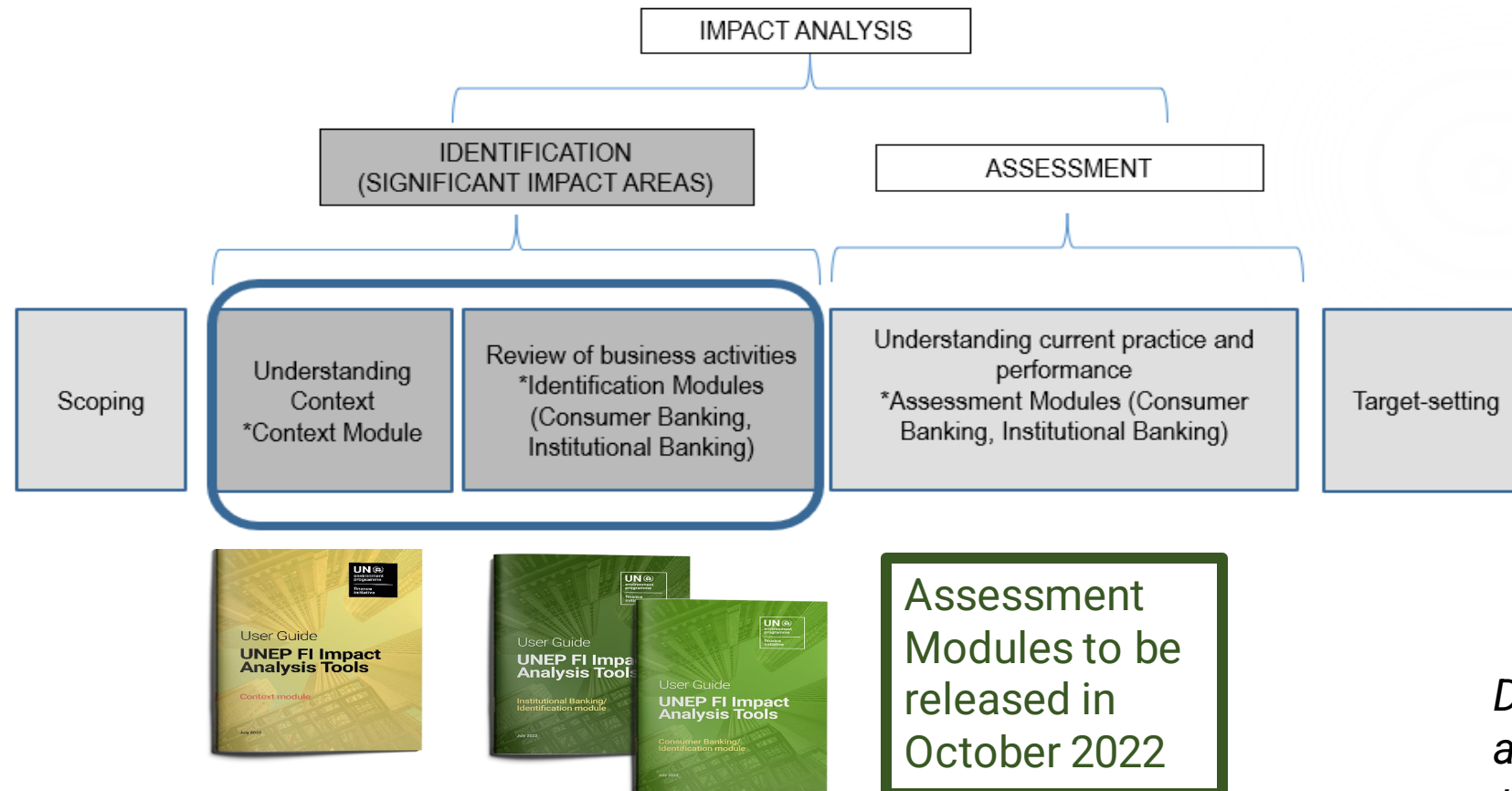
It was developed by a Working Group of PRB Core Group members and endorser banks, along with other UNEP FI banking members, under the leadership of the UNEP FI Secretariat.

Benefits of using the Tool include:

- Free & transparent: available in open-source ([downloadable](#) from the UNEP FI website)
- Interoperable with UNEP FI's other resources (e.g. target-setting guidance) and with a broader set of impact management norms, resources and measurement methodologies (e.g. SASB, PCAF, etc.)
- Driving convergence: usage across a community creates a common language in a fragmented landscape
- Live: on-going co-creation with users to enhance and further develop the Tools



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'.



Download [here](#) the Context and Identification Modules + User Guides + Demo versions!



Context Module

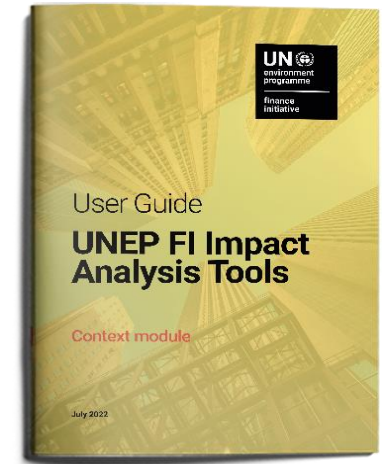
Overview

PRB requirement: 2.1.c. Context

Key highlights:

Understanding the environmental, social and economic context of the countries and locations in which your bank operates

- Possibility to map needs at one or several levels, depending on the scope: country level, local level or global level
- Needs assessment performed on the basis of official statistical data sets, policy documents, trends & scenario research
- Prepopulated needs data for around 90 countries and possibility to conduct a quick context assessment where data is already available in the database





Context Module

My Parameters

1. Which countries do you want to assess? <i>Please select all the countries that you wish to include in the scope of your analysis</i>	Italy	Serbia
Availability of data in the database	YES <small>Please go to worksheet 'Country Assessment' to see available data, add data (if needed) or proceed straight to worksheet 'Country & Local Results'</small>	YES <small>Please go to worksheet 'Country Assessment' to see available data, add data (if needed) or proceed straight to worksheet 'Country & Local Results'</small>
2.a. Will you also be assessing needs at the local level for any of the above countries? <i>Please select 'yes' for all the countries that you wish to also assess at the local level (note that you can assess locations for a maximum of 6 countries)</i>	no	no
<i>Please name the locations you wish to assess (if applicable)</i>		
Availability of data in the database		
2.b. Will you also be assessing needs at the global level? <i>Please select 'yes' or 'no'</i>	no	

Overview Navigation **My Parameters** Country Assessment Local Assessment Country & Local Results Global Assessment + Results Data OUT

You can decide the level of the context analysis (country, local, global)

For the selected countries, you can see if data is already available in the database



Context Module

Results

If data is already available, you can move straight to the 'Country & Local results' tab and review the outputs

a. Needs and priorities per country & location

Sustainable Development Pillars →	Social					Socio-economic				Natural environment		
Impact Areas →	Integrity & security of person	Health & safety	Availability, accessibility, affordability, quality of resources & services	Livelihood	Equality & justice	Strong institutions, peace & stability	Healthy economies	Infrastructure	Socio-economic convergence	Climate stability	Biodiversity & healthy ecosystems	Circularity
Impact Topics →	(Conflict, Modern slavery, Child labour, Data privacy)	/	(Water, Food, Energy, Housing, Healthcare & sanitation)	(Employment, Wages, Social protection)	(Gender equality, Ethnic/racial equality, Age discrimination)	(Rule of law, Civil liberties)	(Sector diversity, Flourishing MSMEs)	/	/	/	(Waterbodies, Air, Soil, Species, Habitat)	(Resource intensity, Waste)
SDGs →	1,8,10,11,13,16	3	1,2,3,4,5,6,7,8,9,10,11,12,13,16,17	1,3,5,8,10	3,4,5,8,10,11,16	1,10,11,16	1,8,9	9,11	1,10	1,7,9,12,13	2,3,6,11,13,14,15	6,8,12,13,14,15
Countries & Locations ↓												
Croatia			X							X	X	X
Italy			X	X						X	X	X
Serbia	X		X	X		X		X		X	X	X

High level results: overview of priority impact areas per country and, if applicable, by location

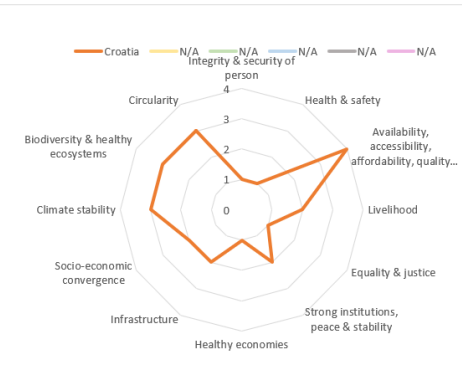


Context Module

Results

a. Level of need by country and locations (if applicable)

country: Croatia
locations: N/A;N/A;N/A;N/A;N/A



Detailed results: spider charts showing levels of need based on statistical data-sets + table showing status of all the impact topics in the relevant countries and locations considering all three types of resources

b. Levels of need by impact topic, including priority topics and trending topics

high level of need	high priority (policy documents)	deteriorating (trends & scenarios research)	high priority (policy documents) AND deteriorating
--------------------	-------------------------------------	---	---

Sustainable Development Pillars →	Social														
Impact Areas →	Integrity & Security of Person						Health & Safety		Availability, accessibility, affordability & quality of resources						
Impact Topics →	Conflict	Modern slavery	Child labour	Data privacy	Natural disasters	Other (Integrity & security of	Health & safety	Other (Health & safety)	Water	Food	Energy	Housing	Healthcare & sanitation	Education	Mobility
SDGs → Countries & Locations ↓	SDG 16.1	SDGs 8.5, 8.6, 8.7, 16.2	SDGs 8.5, 8.6, 8.7, 16.2	-	SDGs 1.5, 11.5, 13.1		SDGs 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.9, 3.d		SDGs 3.9, 6.1, 6.2, 6.4, 6.5, 6.a, 6.b	SDGs 2.1, 2.2, 2.3, 2.4, 2.5, 2.a, 2.b, 2.c, 12.3	SDGs 7.1, 7.2, 7.3, 7.a, 7.b	SDGs 1.4, 11.1, 11.3	SDGs 1.5, 1.a, 2.2, 3.1, 3.5, 3.7	SDGs 1.a, 4.1, 4.2, 4.3, 4.4, 4.5	SDGs 9.1, 11.2
Croatia	1	1	1	1	1	N/A	1	N/A	3	3	1	4	3	1	4
Italy	1	1	1	1	1	N/A	1	N/A	3	3	2	4	3	1	4
Serbia	2	1	3	2	1	N/A	2	N/A	3	3	1	1	3	1	3



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Assessment

If data is not already available in the database or if you wish to complement existing data, you can fill out the assessment tables before moving to the results worksheet

You can use up to three types of resources

Impact Areas →

Impact Topics →

Corresponding SDG(s) →

		Integrity & security of person					
		Conflict	Modern slavery	Child labour	Data privacy	Natural disasters	Other
		SDG 16.1	SDGs 8.5, 8.6, 8.7, 16.2	SDGs 8.5, 8.6, 8.7, 16.2	-	SDGs 1.5, 11.5, 13.1	
Croatia	Statistics	Resources	Heidelberg	Sustainable Development	Sustainable Development	DLA Piper	INFORM
		Metrics	Conflict presence or armed	Victims of modern slavery	Involved in Green	Level of data protection	Global Risk
		Scoring system: 1 (low need)	No conflict	4.1-6.9	Yellow	Heavy	Low/very low
		Scoring system: 2 (moderate need)	Dispute/non-violent crisis	7-9.9	Orange	Robust	Medium (3.3-5)
	Regional/country resources	Resources	Violent crisis	Significant	Red (major)	Moderate	High (5-6.5)
		Metrics	Limited war/War	challenges	challenges	Limited	very high (6.5-10)
		Scoring system					
		Comments					
	Policy Documents	Values					
		Need scores	1	1	1	1	1
Need score per impact area/topic		1	1	1	1	1	
Trends & Scenarios	International resources	Comments	(please select)	(please select)	(please select)	(please select)	(please select)
		Priorities	(please select)	(please select)	(please select)	(please select)	(please select)
		Comments	(please select)	(please select)	(please select)	(please select)	(please select)
		Priorities	(please select)	(please select)	(please select)	(please select)	(please select)
	Regional/country resources	Comments	(please select)	(please select)	(please select)	(please select)	(please select)
		Priorities	(please select)	(please select)	(please select)	(please select)	(please select)
		Priority impact area/topic?	N/A	N/A	N/A	N/A	N/A
Trends & Scenarios	Resources	(please select)	(please select)	(please select)	(please select)	(please select)	
	Comments	(please select)	(please select)	(please select)	(please select)	(please select)	
	Direction of trends	(please select)	(please select)	(please select)	(please select)	(please select)	
	Resources	(please select)	(please select)	(please select)	(please select)	(please select)	
Trends & Scenarios	Comments	(please select)	(please select)	(please select)	(please select)	(please select)	
	Direction of trends	(please select)	(please select)	(please select)	(please select)	(please select)	
	Status of impact area/topic deteriorating?	N/A	N/A	N/A	N/A	N/A	

Navigation

My Parameters

Country Assessment

Local Assessment

Country & Local Results

Global Assessment + Results

Data OUT



Institutional Banking/Identification Module

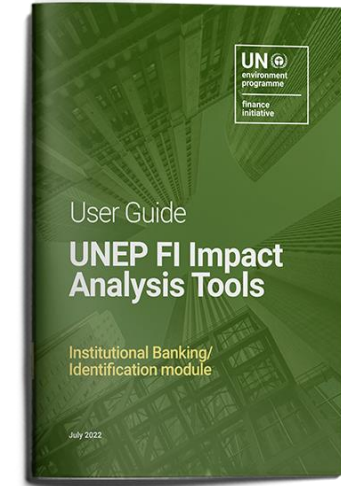
Overview

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

Portfolio composition

You can quickly identify your sectors using the filters of the table

Total volume of your Mix of Business and Corporate Banking portfolio (outstanding loans)

28,000,000,000

Italy

Volume of Mix of Business and Corporate Banking portfolio in the country (outstanding loans)

15,000,000,000.00

a. Client type

SMEs
(including professionals)

Indicator: outstanding loans

amount

% of country Mix of Business and Corporate Banking portfolio

Italy

8,000,000,000.00

53.33%

b. Sector exposure

Sectors (ISIC)
(use the filter to tailor this list)

My sectors
(optional: use this column to capture the nomenclature use)

Key sectors
(use the filter to see key sectors)

EU Taxonomy
(use the filter to see eligible sectors)

Indicator: outstanding loans

General purpose (amount)
Italy

General purpose (%)
Italy

Dedicated (amount)
Italy

Dedicated (%)
Italy

107 Manufacture of other food products				1,000,000,000.00	6.67%		
1074 Manufacture of macaroni, noodles, couscous and similar farinaceous products				200,000,000.00	1.33%		
1101 Distilling, rectifying and blending of spirits				20,000,000.00	0.13%		
24 Manufacture of basic metals				100,000,000.00	0.67%		
291 Manufacture of motor vehicles				2,000,000,000.00	13.33%		
293 Manufacture of parts and accessories for motor vehicles				200,000,000.00	1.33%		
3211 Manufacture of jewellery and related articles				200,000,000.00	1.33%		
351 Electric power generation, transmission and distribution			X	2,000,000,000.00	13.33%		
F Construction				2,000,000,000.00	13.33%		
4101 Construction of green buildings and green refurbishment/ renovation				800,000,000.00	5.33%		
45 Wholesale and retail trade and repair of motor vehicles and motorcycles				800,000,000.00	5.33%		

Navigation

My Parameters

Portfolio Composition

Profile-Country 1

Profile-Country 2

Profile-Country 3

Summary

Sector-Impact Map

Interlinkages Map

Data IN

+

Here you indicate the exposures and you may choose to distinguish between general purpose and dedicated products

You can see which sectors are key and which are eligible based on the EU Taxonomy



Institutional Banking/Identification Module

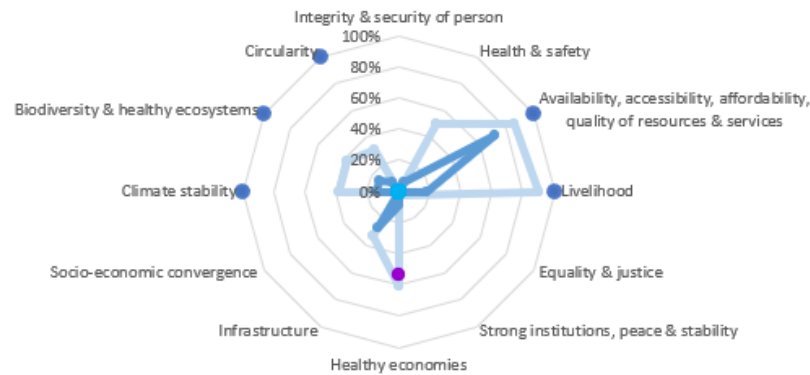
Outputs

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

POSITIVE IMPACTS Impact areas

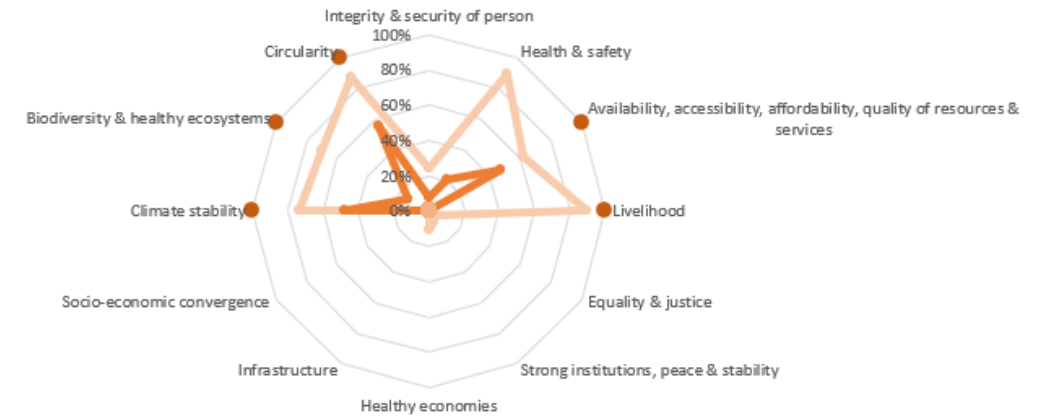
ALL ASSOCIATIONS KEY ASSOCIATIONS COUNTRY PRIORITIES LOCAL PRIORITIES SMEs



*the dots do not represent a value. They only show if an impact area is a priority in the country/locations (based on data in the Context Module).

NEGATIVE IMPACTS Impact areas

ALL ASSOCIATIONS KEY ASSOCIATIONS COUNTRY PRIORITIES LOCAL PRIORITIES



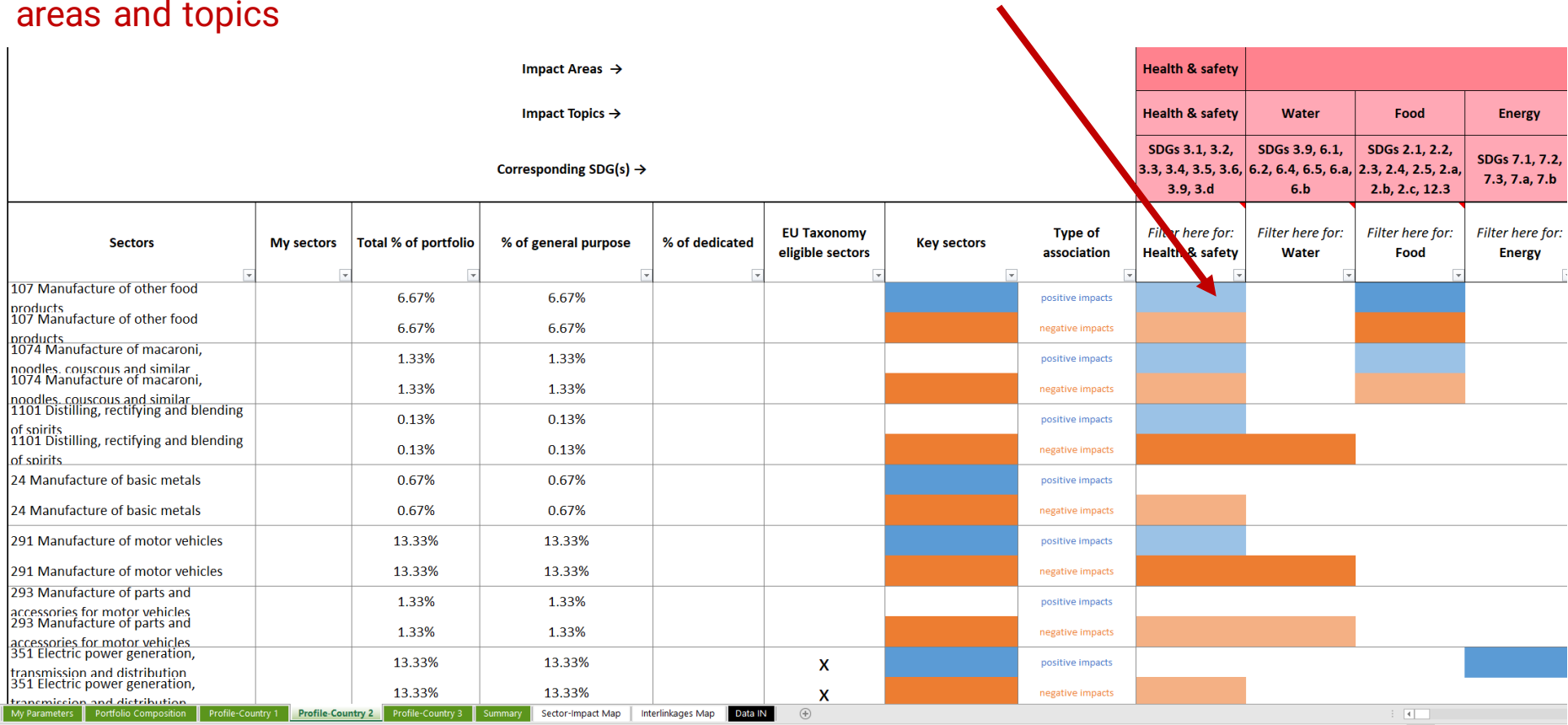
*the dots do not represent a value. They only show if an impact area is a priority in the country/locations (based on data in the Context Module).



Institutional Banking/Identification Module

Outputs

Detailed outputs: heatmap showing impact associations between the individual sectors you are financing in the country and the different impact areas and topics





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Outputs

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

Prioritized significant impact areas and corresponding SDGs

Positive associations

Impact areas	Impact topics	Proportion of portfolio	Associated impacts (positive)	Associated impacts (negative)
Livelihood	Employment, Wages	100.00%	Modern slavery, Child labour, Health & safety, Wages, Social protection, Gender equality, Ethnic/racial equality, Age Health &	
Availability, accessibility, affordability, quality of resources & services	Water, Food, Energy, Housing, Healthcare & sanitation, Education, Mobility, Information, Connectivity, Culture & heritage	87.14%	safety, Education, Mobility, Information, Culture & heritage, Finance, Employment, Wages, Social protection, Gender	Health & safety, Water, Information, Culture & heritage, Wages, Climate stability, Waterbodies, Air, Soil, Species, Habitat, Resource
Healthy economies	Flourishing MSMEs	78.57%	Employment, Sector diversity, Socio-economic convergence	Resource intensity, Waste
Health & safety	Health & safety	48.57%	Healthcare & sanitation	
Infrastructure	Infrastructure	12.86%	Natural disasters, Health & safety, Water, Energy, Healthcare & sanitation, Mobility, Connectivity, Employment, Socio-economic convergence	Modern slavery, Health & safety, Social protection, Ethnic/racial equality, Other vulnerable groups, Soil, Species, Habitat, Resource intensity, Waste

Negative associations

Impact areas	Impact topics	Proportion of portfolio	Associated impacts (positive)	Associated impacts (negative)
Health & safety	Health & safety	100.00%	Healthcare & sanitation	
Livelihood	Wages, Social protection	100.00%	Modern slavery, Child labour, Health & safety, Wages, Social protection, Gender equality, Ethnic/racial equality, Age	
Climate stability	Climate stability	100.00%	Natural disasters, Health & safety, Waterbodies, Air, Species, Habitat, Resource intensity	Energy, Other vulnerable groups, Socio-economic convergence
Biodiversity & healthy ecosystems	Waterbodies, Air, Soil, Species, Habitat	100.00%	Health & safety, Water, Infrastructure, Socio-economic convergence, Climate stability, Waterbodies, Air, Soil, Species, Habitat, Resource	
Circularity	Resource intensity, Waste	100.00%	Natural disasters, Health & safety, Water, Food, Energy, Healthcare & sanitation, Sector diversity, Climate stability, Waterbodies, Air, Soil, Species, Habitat, Resource	Flourishing MSMEs

Prioritised impact areas/topics
Biodiversity & healthy ecosystems
(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



Consumer Banking/Identification Module

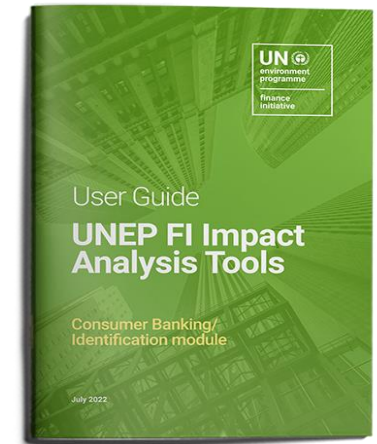
Overview

PRB requirement: 2.1.b. Portfolio Composition

Key highlights:

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

- Product selection possible in a variety of industry classification codes (ISIC, NACE, NAICS, ANZSIC, JSIC, CNAE)
- Includes different population groups (income, gender, age, location and other vulnerable groups)
- Interoperability features (SDGs)
- Preselection of certain significant impact areas: finance, equality & justice





Consumer Banking/Identification Module

Portfolio composition

Types of products & services (as per ISIC industry classification)	Names of products & services (as named in your bank)	Volume					
		In the columns below, please indicate the volume of business for each product type. You can use up to three different indicators. Note that your indicator selection needs to have been made in the 'My Parameters' worksheet.					
		Indicator 1: amount (outstanding loans)		Indicator 2: number of customers		Indicator 3: no indicator selected	
		Volume	% (automatically generated)	Volume	% (automatically generated)	Volume	% (automatically generated)
644 Consumer banking	(unhide the rows and		0.00%		0.00%		
6441 Current accounts	(unhide the rows and		0.00%		0.00%		
64411 Current accounts with payment services (cheques, debit cards)	(unhide the rows and	20,000,000,000.00	28.57%	6,000,000.00	30.00%		
	Easybanking	5,000,000,000.00	7.14%	1,500,000.00	7.50%		
	Premium	5,000,000,000.00	7.14%	1,500,000.00	7.50%		
	Evergreen	5,000,000,000.00	7.14%	1,500,000.00	7.50%		
	InfinityPlus	5,000,000,000.00	7.14%	1,500,000.00	7.50%		
			0.00%		0.00%		
			0.00%		0.00%		
			0.00%		0.00%		
			0.00%		0.00%		
			0.00%		0.00%		
64412 Current accounts without payment services	(unhide the rows and		0.00%		0.00%		
6442 Savings	(unhide the rows and		0.00%		0.00%		
64421 Savings accounts	(unhide the rows and	10,000,000,000.00	14.29%	3,000,000.00	15.00%		

Identification of main types of products/services as well as names (optional)

Identification of main types of clients (income, gender, age, location, other vulnerable groups)

Client types

→

In the tables on the right, please indicate the volume of business per client types for each product type. You can use up to three different indicators. Note that your indicator selection needs to have been made in the 'My Parameters' worksheet.

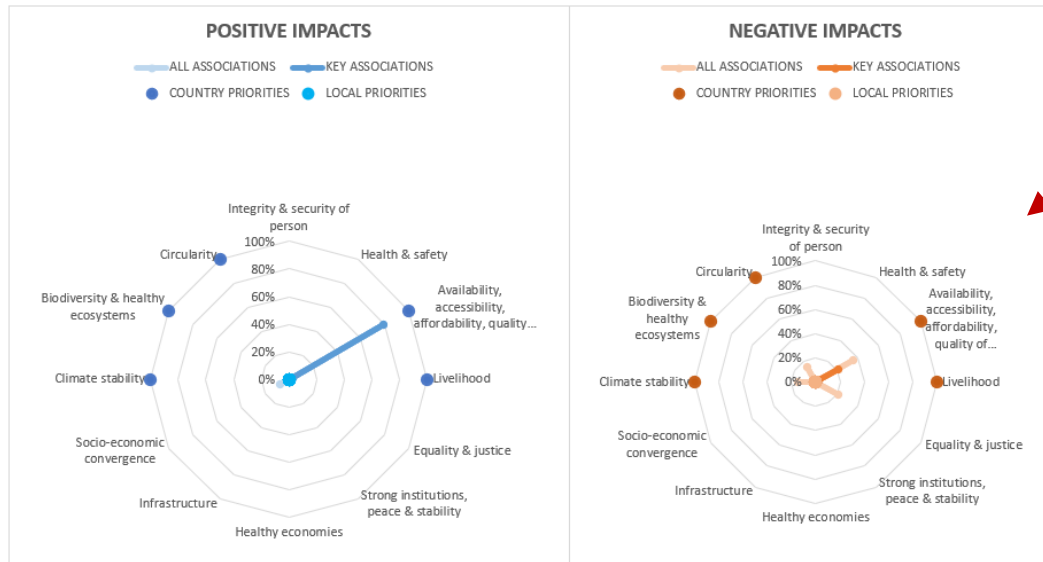
Income											
Low-income populations						Middle-income populations					
Indicator 1: amount (outstanding loans)		Indicator 2: number of customers		Indicator 3: no indicator selected		Indicator 1: amount (outstanding loans)		Indicator 2: number of customers		Indicator 3: no indicator selected	
Volume	% (automatically generated)	Volume	% (automatically generated)	Volume	% (automatically generated)	Volume	% (automatically generated)	Volume	% (automatically generated)	Volume	% (automatically generated)
5,000,000,000.00	7.14%	1,500,000.00	7.50%			10,000,000,000.00	14.29%	3,000,000.00	15.00%		
	0.00%		0.00%				0.00%		0.00%		
	0.00%		0.00%				0.00%		0.00%		
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	0.00%		0.00%				0.00%		0.00%		
	0.00%		0.00%				0.00%		0.00%		
	0.00%		0.00%				0.00%		0.00%		
	0.00%		0.00%				0.00%		0.00%		
1,000,000,000.00	1.43%	200,000.00	1.00%			3,000,000,000.00	4.29%	1,000,000.00	5.00%		



Consumer Banking/Identification Module

Outputs

First, you see impacts driven by the types of products/services you offer to your customers



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 products/services you are offering in the country and the different impact areas and topics

Types of products/services	Names of products/services	Total % of portfolio (Indicator 1)	Total % of portfolio (Indicator 2)	Total % of portfolio (Indicator 3)	Key sectors	Type of association	Filter here for: Finance	Filter here for: Employment	Filter here for: Wages	Filter here for: Social protection	Filter here for: Gender equality	Filter here for: Ethnic/racial equality	Filter here for: Age discrimination
64411 Current accounts with payment services	Easybanking, Pre	28.57%	30.00%			positive impacts							
64421 Savings accounts		14.29%	15.00%			positive impacts							
64432 Consumer loans & overdraft		14.29%	15.00%			positive impacts							
64432 Consumer loans & overdraft		14.29%	15.00%			negative impacts							
64436 Education related loans		7.14%	10.00%			negative impacts							



Consumer Banking/Identification Module

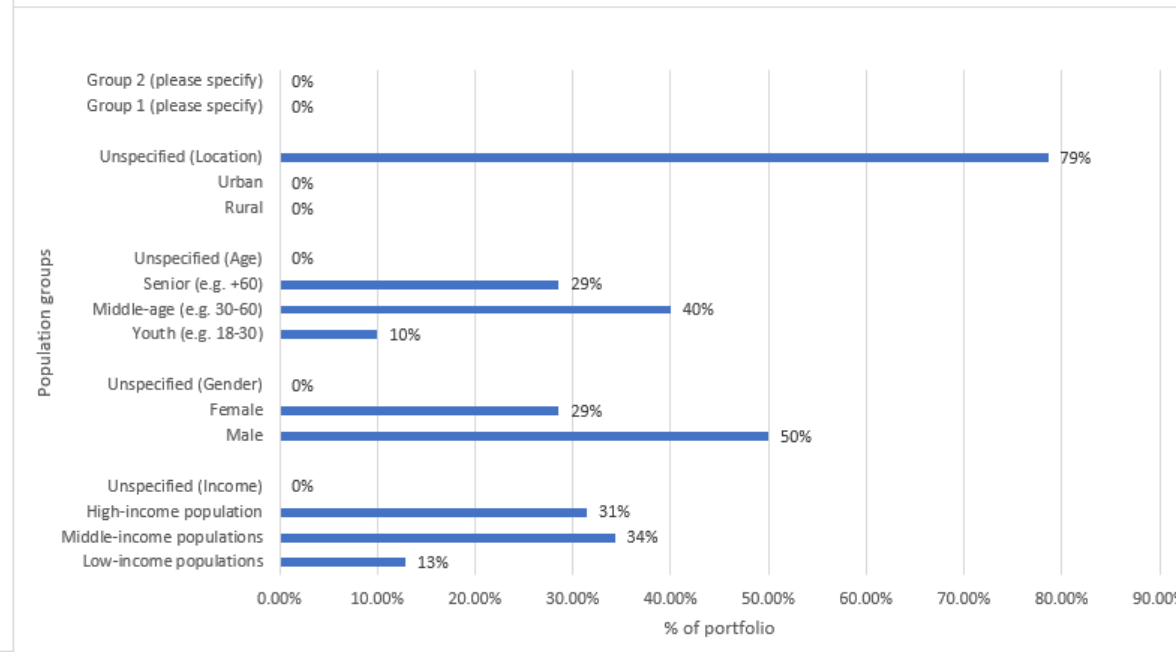
Outputs

Then you see impacts driven by the types of clients

Context (equality and justice)



Distribution of products/services across population groups (Indicator 1: amount (outstanding loans))





Consumer Banking/Identification Module

Outputs

Finally, you prioritize your significant impact areas based on products/services and client information

'Finance' and
'equality &
justice' are
default
significant
impact areas as
they are relevant
to all consumer
banking
portfolios

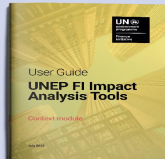
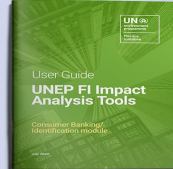
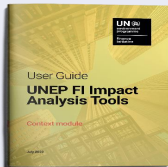
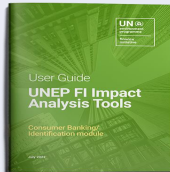
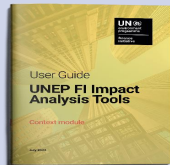
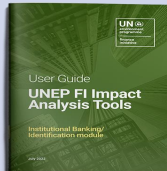
Significant impact areas (based on section 1.a.)					
Impact area/topic	Associated impacts (positive)	Associated impacts (negative)	Comments		
Finance	Connectivity,Gender equality,Ethnic/racial equality,Other vulnerable groups				
Mobility	Connectivity,Infrastructure				
(select impact area/topic)					
(select impact area/topic)					
(select impact area/topic)					
(select impact area/topic)					
(select impact area/topic)					
(select impact area/topic)					
(select impact area/topic)					
(select impact area/topic)					
Populations/ Equality & Justice (based on section 1.b.)					
	Income	Age	lease sele	(please select)	(please select)

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	

Once you prioritize your significant impact areas, the corresponding SDGs will pop up automatically



Mixing and matching with the new modular format

Use Case			
Small bank focused on a single market and mostly focused on consumer banking	<ul style="list-style-type: none">➤ Country level analysis➤ Possibly local level (large/diverse countries)		
Mid-sized bank with activities in a handful of markets, with a mix of consumer and institutional banking activities	<ul style="list-style-type: none">➤ Country level analysis		
Large international bank with activities and clients in multiple countries	<ul style="list-style-type: none">➤ Global level analysis		
		> 'corporate banking' option	> 'Investment banking' option



Find [here](#) the revised Sector-Impact Map



Other Impact Analysis Tools currently available:

- [Investment Portfolio Impact Analysis Tool](#)
- [Real Estate Impact Analysis Tool](#)
- [Corporate Impact Analysis Tool](#)





Glossary

- **Country of Operation:** the bank's countries of operation are those where the bank is incorporated or has an otherwise registered presence.
- **Holistic Impact Analysis:** Holistic impact analysis is the process of identifying the impact areas that can be positively and/ or negatively associated with an entity and/ or activity, and of assessing the entity's and/ or the activity's impact performance vis a vis its most significant impact areas. It distinguishes itself by the systematic consideration of positive and negative impacts across the three pillars of sustainable development. It is undertaken with a view to anticipating and managing unintended consequences, and to leveraging the interconnectedness of impact areas in order to develop innovative business solutions with better cost to impact ratios.
- **Impacts:** An impact is the effect or influence of one person, thing or action on another (New Oxford Dictionary).
- **Impact Areas & Topics:** Impact Areas are the "themes" of the impacts. The Impact Areas used in this guidance are derived from the UNEP FI Impact Radar (PII, 2018), a compilation that covers the three pillars of sustainable development (economic, environmental, social). Most Impact Areas can be broken down into one or more Impact Topics, which are 'sub-themes' of the Impact Areas.



Glossary

- **Impact assessment:** according to the UNEP FI Impact Analysis methodology, Impact Assessment is the process by which the bank's performance vis a vis its most significant impact areas, as determined via impact identification, are reviewed with a view to prioritizing impact areas and, ultimately, setting or reviewing targets.
- **Impact identification:** according to the UNEP FI Impact Analysis methodology, Impact Identification is the process by which the bank's significant impact areas are identified, as a basis for performance assessment and the definition of priority impact areas (namely for target-setting).
- **Impact needs:** Impact needs are the environmental, social and economic needs of the countries in which the bank operates. Understanding these is an integral part of impact identification and assessment.
- **Impact management:** Impact management covers all actions taken to drive positive impact and reduce negative impacts: identifying significant impacts, measuring them, setting appropriate targets, taking action to reach those targets, monitoring their attainment, constantly improving processes and outcomes/ performance, communicating both on process and performance. Effective impact management is a function of the quality of the governance, resources and processes established by the bank to reduce its negative impacts and increase its positive impacts.



Glossary

- **Impact performance:** A bank's impact performance is its actual delivery of positive impacts and management of negative impacts. It can be quantitatively and/ or qualitatively measured per impact area through indicators and metrics. It is judged relative to specific targets and benchmarks (e.g. as set by policy goals and targets or in industry standards). The bank's impact performance is considered during Impact Assessment in order to establish its priority impact areas.
- **Impact targets:** Setting meaningful impact targets, where it matters most, is what the bank is enabled to do at the end of the Impact Identification and Impact Assessment processes. Meeting these targets will require further impact analysis, namely at the client level.
- **Key sectors:** Key Sectors are sectors/ activities which are key to one or more Impact Areas. This means when they are indispensable to the fulfilment of an Impact Area, or when they are severely undermining an Impact Area. Sectors/ activities are deemed key when the scale, intensity and/ or probability of the impact association is high.
- **Significant Impact area:** A significant impact area for a bank is one where there is a strong relationship between the impact area and the bank's current and/ or future business. This is a function of a bank's business activities, the sectors it supports and the countries in which it and its clients operate. Where there is a high level of need vis a vis an impact area in the country/ries of operation of the bank, and where the core business activities of the bank and/ or the main sectors it supports are key to this impact area (e.g. the energy sector and climate change, or agriculture and food security), this impact area will be among the most significant impact areas of the bank. By understanding their most significant impact areas, banks can take action and set targets where they can deliver the most impact.