

Consultation Response to Bank of England CP10/25

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1. Introduction

Map Impact welcomes the opportunity to contribute to CP10/25. As a UK-based provider of advanced, proprietary nature and climate change physical risk datasets – HeatView, DroughtView, WildfireView, and BiodiversityView – we support the PRA’s proposal to enhance the ability of banks and insurers to identify, assess, and manage material climate-related risks, particularly physical risks. Our datasets are high-resolution, forward-looking, and tailored for location-specific exposure assessments across the UK region.

2. Relevance of Map Impact Data to PRA Proposals

2.1 Physical Climate Risk Identification

Relevant sections Overview (1.11 – 1.13); Box A; Box B

Box A highlights the growing number of physical climate change risks that PRA expect to be assessed, and how they might impact banks and insurers. CP10/25 highlights the impact of climate-driven physical risks, such as heatwaves, wildfires, and drought, with calls for firms to enhance their ability to assess geographic exposure.

Box B highlights areas where firms’ analysis and assessments of climate risk impacts fall short of expectations. In particular for banks, a lack of information on both climate projections and locational data linked to assets, vital to assess physical risk exposure. For insurers, highlighted gaps in capabilities, data and tools for scenario analysis.

Map Impact products, DroughtView, HeatView and WildfireView, enable firms to assess asset-level exposure to such risks under multiple time horizons (2030, 2050, 2080) and under alternative emissions pathways (RCPs). We support the PRA’s view that physical risks are systemic, correlated, and non-linear. Map Impact’s scenario-aligned hazard datasets and landcover-based vulnerability indicators enable firms to respond with property-specific precision in their physical risk assessments, and supporting differentiated risk appetite metrics and internal capital planning.

2.2 Climate Scenario Analysis (CSA)

Relevant section: Chapter 3 Climate Scenario Analysis (2.44-2.56)

Map Impact's datasets are designed to support RCP-informed scenario analysis, allowing insurers and lenders to evaluate risk under forward-looking temperature and precipitation shifts. Our integration of land condition metrics (BiodiversityView) strengthens CSA by linking asset susceptibility with ecosystem resilience. We recommend PRA encourage adoption of data products that quantify risks across time, location, and severity bands, and support CSA calibration using region-specific hazard data not currently embedded in standard model toolkits.

2.3 Addressing Data Gaps

Relevant section: Chapter 4 Data (2.58-2.64)

The consultation highlights the persistence of data gaps, and the need for firms to identify and address them. Specifically locational data, granularity, and forward-looking metrics are lacking within current risk assessment processes; Map Impact addresses these gaps through:

- National coverage at high spatial resolution, providing climate risk analysis at individual property level for a firm's entire portfolio.
- Unique integration of landscape resilience and vegetation condition to balance climate risk : mitigation habitat impact.
- Data-ready formats available for simple integration into firms' existing models, and which are also compatible with GIS, risk platforms, or third-party analytics tools.

We suggest the PRA reference the value of nature-based indicators in climate risk assessments, especially in urban and semi-rural contexts, where local biodiversity (nature and its propensity to change) affects exposure to heat, wildfire and drought risks. We believe the PRA should expect firms to seek data sources with high spatial and thematic resolution.

2.4 Use of Third-Party Data Providers and Disclosures

Relevant section: Chapter 4 Data (2.62-2.64); Chapter 5 Disclosures (2.68-2.72)

The consultation outlines the need for improved governance over the use of external data. Map Impact supports calls for transparent methodologies, validation standards, and documented assumptions. We provide:

- Clear model documentation and validation methods.
- Options for firm-specific scenario alignment or modular data integration.
- Evidence of how our risk metrics improve material risk classification under SS3/19 criteria.

As disclosures shift toward alignment of standards – TCFD / UK SRS / IFRS – the integration of physical climate risk data with balance sheet impacts will be essential.

Map Impact’s datasets can support the development of such disclosure modules. We would welcome the opportunity to assist the PRA or industry forums in defining minimum standards for third-party data usage and fostering consistency and comparability, including forward-looking physical risk data validation.

2.5 Banking and Insurance Specific Issues

Relevant sections: Chapter 6 Banking (2.73-2.96) Chapter 7 Insurance (2.97- 2.107)

In support of ICAAP, ILAAP and credit risk expectations, Map Impact’s datasets enable granular spatial analysis of physical climate risks—supporting the assessment of geographic concentration and providing forward-looking risk metrics aligned with regulatory scenario expectations. These tools empower firms to simulate risk evolution under long-horizon conditions and strengthen the justification for Pillar 2 capital buffers.

For banks, Map Impact’s data architecture enables an holistic framework that marries IFRS 9 compliance with ICAAP requirements.

For ORSA integration, SCR and Solvency II balance sheet expectations, Map Impact’s data products offer insurers a unique ability to assess both underwriting and asset-side vulnerabilities to physical climate risks. Chronic risks such as prolonged heat and drought, and the potential for catastrophic events like wildfire, can be assessed at property-level to inform reinsurance needs, stress testing, and solvency planning.

2.6 Proportionality and Scalable Solutions

Relevant section: Overview (1.28-1.32)

Map Impact’s data is designed to augment existing IRB modelling but also supports smaller banks and insurers through modular, subscription-based data access with scalable risk scoring frameworks. Our datasets can be adopted without requiring large internal analytical capacity, aligning with the PRA’s proportionality principle.

2.7 Infrastructure Asset Risk – Implications from UNEP Report

The UNEP¹ report 'Bridging Climate and Credit Risk' underscores the wide-reaching implications of physical climate risks on infrastructure assets. It highlights that infrastructure—such as energy, water, and transport systems—is highly sensitive to chronic risks (e.g. heat stress, drought) and acute events (e.g. wildfire, flooding). These risks can degrade asset availability, increase maintenance costs, and reduce reliability, impacting credit performance.

¹ United Nations Environment Programme – Bridging Credit & Climate Risk – 2025

Map Impact supports UK firms in meeting CPI0/25 expectations by providing high-resolution climate risk datasets that enable:

- Identification of infrastructure assets in hazard-prone areas using HeatView, DroughtView, and WildfireView.
- Scenario-based modelling of how acute or chronic physical events affect infrastructure asset value, performance, and resilience.
- Integration of hazard data into credit risk analysis, capital adequacy planning, and stress testing frameworks (ICAAP/ORSA).

The report also stresses the systemic importance of infrastructure and the cascading effects its failure can have on interconnected businesses. Map Impact's datasets can help identify these networked vulnerabilities, especially where portfolios are exposed to high-dependency or co-located risks. This aligns with the PRA's emphasis on geographic concentration and scenario relevance in CPI0/25.

3. Summary of Recommendations

Map Impact proposes that the PRA:

1. Encourage integration of localised physical risk data from specialist providers to improve granularity and scenario relevance.
2. Support nature-based resilience indicators as part of asset-level risk profiling.
3. Define minimum standards for third-party data use and encourage transparency around methods and limitations.
4. Promote modular data solutions for smaller firms to ensure proportionate compliance and access to emerging best practice.