Bank of Ireland

Green Bond Framework

April 2024

Contents

Bank of Ireland

For more information visit our website
bankofireland.com

1. Introduction

1.1 Our Strategic Priorities

At Bank of Ireland Group our purpose is to help customers, colleagues, shareholders and society to thrive. Our sustainability strategy is central to this purpose.

With 240 years of heritage, Bank of Ireland is committed to making meaningful contributions to society, with ESG interventions that make a difference.

Sustainable finance has a critical role to play in building a sustainable economy and society. Our aim is to ensure that the products we offer our customers are both environmentally and financially responsible, while also working towards the decarbonisation of our loan portfolio.

In this context, we have set our sustainability-related finance targets to €15 billion by 2025 and €30 billion by 2030. We are focusing on key sectors for the country like agriculture, the built environment, energy and transport.

Our Purpose – Helping you Thrive

The Group's purpose is help our customers, colleagues, shareholders and society to thrive and it is underpinned by our core values of "Customer First", "Better Together", "Take Ownership" and "Be Decisive".

The Core Values at the Heart of our Culture

Our values are central to how we work to deliver this strategy.

For customers, we are delivering more digital and tailored touchpoints across our businesses and are providing simpler, more effective servicing with reduced customer complaints.

For our colleagues, simplifying our processes will support higher engagement with a diverse and inclusive workforce at the core.

For society, our Sustainability strategy will continue to focus on a broad suite of sustainable products while increasing sustainable financing and supporting our financial wellbeing ambitions.

1.1 Bank of Ireland Sustainability Strategy

Our Sustainability Strategy

In 2019, Bank of Ireland signed the United Nations Environment Programme – Finance Initiative (UNEP FI) Principles for Responsible Banking. The UN Principles help to align the banking sector with the objectives of the UN Sustainable Development Goals (SDGs) and the 2015 Paris Climate Agreement.

The 17 SDGs are integrated — they recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.

Our Sustainability Strategy is aligned to the UN Responsible Banking Principles along three pillars:

- Supporting the green transition
- Enhancing financial wellbeing
- Enabling our colleagues to thrive

Foundation Topics

Our pillars are underpinned by strong foundational topics which guide our commitment to being a sustainable business

Sustainability Strategy aligned to UN SDG's which interconnect broader ESG considerations beyond climate and Net Zero

Sustainability Pillars

Supporting the Green Transition

Focus areas

We are committed to working with our customers, colleagues and communities to support their transition to a resilient, net zero economy by 2050 in line with government ambitions and actions.

- Science-based targets
- Providing sustainable finance
- Decarbonise our own operations
- Manage climate-related risks
- Transparently report our progress

Relevant UN SDGs:

7 AFFORDABLE AND CLEAN ENERGY | 11 SUSTAINABLE CITIES AND COMMUNITIES | 13 CLIMATE ACTION

Enhancing Financial Wellbeing

Focus areas

We are committed to empowering people with the knowledge and skills needed to make the most of their finances while striving to leave no one behind on the journey to financial health.

- Fostering financial inclusion
- Improving financial literacy and capability
- Building a more financially resilient and confident Ireland

Relevant UN SDGs:

1 NO POVERTY | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES

Helping Colleagues to Thrive

Focus areas

We are committed to create an inclusive and supportive workplace for all our colleagues, enabling them to develop brilliant careers, supporting them during key life moments that matter and providing a safe and fair place to work that welcomes everybody.

- Build a future ready workforce
- Create a differentiated colleague experience and workplace
- Simplify our ways of working

Relevant UN SDGs:

4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES

Social Foundation Topics

Community investment | Health & Safety | Sourcing Responsibly | Human Rights

Governance Foundation Topics

Culture | Business Ethics | Cyber Security | Data Protection | Financial Crime

1.2 Our Science Based Targets – Aligning our Lending Practices to the Paris Climate Agreement

In 2022, Bank of Ireland became the first Irish bank to set greenhouse (GHG) emission reduction targets, in line with climate science and validated by the Science Based Targets Initiative (SBTi). The targets cover the Group's operations and 76% of our FY2020 baseline loan book. Whilst we have different targets by lending portfolio, broadly speaking, Bank of Ireland has committed to roughly a halving of financed emissions from its loan book by 2030.

Science Based Targets play a critical role in ensuring emission reduction ambitions set by businesses are in line with the latest climate science.

The SBTi validated reduction targets for emissions arising from the Bank's lending activities (Scope 3) are consistent with levels required to meet the goals set by the Paris Agreement, and are supported by increased sustainable lending as part of the important green transition for wider society.

Under the targets, Bank of Ireland is committing to a 48% reduction in mortgage portfolio emissions (Ireland & UK) and a 56% reduction in commercial real estate portfolio emissions by 2030. The base year for the reduction targets is 2020. Under the targets, 25% of the Bank's corporate loan portfolio will have SBTi-validated targets by 2025.

The Group has set these targets as it understands the vital role it can play in facilitating the transition to a low-carbon economy in the markets in which it operates.

	2023 in-scope lending €bn	% Lending in 2023	Measurement Methodology	Baseline Intensity Position	Science based targets vs. 2020 baseline
Residential Mortgages[1]	39.9	49%	Sector Decarbonisation Approach (SDA)	46 $KgCo_2/M^2$ (weight of carbon dioxide equivalent emitted per square meter)	**48% reduction in portfolio GHG emissions intensity by 2030** Bank of Ireland commits to reduce portfolio GHG emissions intensity by 48% by 2030 (vs 2020 baseline)
Commercial Real Estate	5.2	6%	Sector Decarbonisation Approach (SDA)	73 $KgCo_2/M^2$ (weight of carbon dioxide equivalent emitted per square meter)	**56% reduction in portfolio GHG emissions intensity by 2030** Bank of Ireland commits to reduce portfolio GHG emissions intensity by 56% by 2030 (vs 2020 baseline)
Project Finance Electricity Generation	0.3	0.3%	Sector Decarbonisation Approach (SDA)	0.155 $KgCo_2$ e/kWh (weight of carbon dioxide equivalent emitted per kilowatt hour)	**63%[2] reduction in portfolio GHG emissions intensity by 2030** Bank of Ireland commits to reduce portfolio GHG emissions intensity by 63% by 2030 (vs 2020 baseline)
Corporate Loans	7.8	10%	Portfolio Coverage Approach (PCA)	N/A	**25%[3] of Corporate Lending Customers with validated SBTs by 2025** (weighted by emissions)
Corporate Bonds	0.9	n/a	Portfolio Coverage Approach (PCA)	N/A	**25%[4] of Corporate Bond Customers with validated SBTs by 2025** (weighted by investment value)
Own Operations	n/a	n/a	Absolute Score Reduction	6,238 tCO_2e (tonnes of carbon dioxide equivalent)	**(i) 49% reduction in absolute emissions by 2030 (ii) 100% renewable energy by 2025** Bank of Ireland commits to reduce its absolute scope 1 and 2 GHG emissions 49% by 2030 from a 2020 base year and increase annual sourcing of renewable electricity to 100% by 2025.

1. Does not include residential mortgages acquired from KBCI in 2023.
2. Target reduction updated to 63% from 40% and notified to the SBTi following restatement of the volume of electricity generation financed in the 2020 baseline.
3. Defined as 25% of Corporate Lending Customers with validated SBTs (weighted by company emissions).
4. Defined as 25% of Corporate Bond Customers with validated SBTs (weighted by investment value).

1.3 Our Sustainable Finance Approach – Right Finance, Right Place, Right Time

In November 2023, our Davy Decarbonization unit's white paper 'Investing in Tomorrow: Shaping a Net-Zero Future' showed c.€129 billion of expenditure was required by 2030 across key sectors in order to meet Ireland's Climate Action Plan targets. By providing the right finance to the right place at the right time, Bank of Ireland can drive innovation and growth, and support an orderly and timely transition to a greener global economy.

We recognise our position at the centre of a sustainability support system for the green transition. We aim to support our customers to enable them to transition aligned with Ireland's Climate Action Plan 2024. This is an opportunity and informs our approach to sustainable finance.

Providing Sustainable Finance is a key pillar in Bank of Ireland's Five Point Climate Action Plan and emission reduction targets verified by the SBTi. Delivering new sustainable products to market is at the heart of our commitment to the UN Principles for Responsible Banking.

Our innovative portfolio of sustainable finance products is designed to support customers to take practical actions that move the dial. For example, green mortgages, green motor loans, green business loans for SMEs and farmers, renewables, capex and sustainability-linked lending.

To support our corporate customers carbon reduction and environmental strategies, we have been providing loans which incorporate sustainability-linked pricing mechanisms since 2019.

We aim to drive innovation and scale action by providing the right finance where the incremental investment is needed – across energy, transport, buildings, agriculture and industry.

Five Point Climate Action Plan:

1. **Science based targets (SBT)**
   Set our portfolios and lending practices on a pathway aligned with the decarbonisation goals of the Paris Agreement.

2. **Provide sustainable financing**
   Support the delivery of national climate plans in Ireland and the UK through our core financing and advisory capabilities to enable our customers to transition to Net Zero and develop and deploy low carbon technologies.

3. **Decarbonise our own operations**
   Deliver our products and services in a sustainable manner and make our own operations Net Zero by 2030.

4. **Manage climate related risks**
   Build our own resilience by embedding climate-related impacts in our decision making processes for our own operations, in lending and investment decisions and the advice we give our customers.

5. **Transparently report on our progress**
   Commit to transparently report on progress in supporting the green transition to our stakeholders.

1.4 Our Sustainable Finance Targets – Investing in our Customer's Sustainability

In 2023 we extended our sustainable financing targets to c.€15 billion by 2025 and c.€30 billion by 2030

We are at the heart of the movement towards sustainability in Ireland, particularly in supporting the green transition in line with Ireland's Climate Action Plan. Our goal is to help our customers adapt to this change. A key part of our commitment is to develop financial products that support the transition. In doing so, we set the focus on our core business, namely our customer lending portfolio. Here, we distinguish between Transitional Finance and Sustainable Finance:

- We recognise that the whole economy will be impacted by the sustainable transition and must take action. Therefore, we define our whole customer lending portfolio as Transitional Finance.
- Within the portfolio we define our Sustainable Finance as all financial products and services that we provide that support positive environmental and/or social purposes and contribute to achieving the goals of the Paris Agreement and the UN Sustainable Development Goals. By the end of 2023, our sustainable finance lending portfolio grew by c.35%, reaching about €11.1 billion.

As part of our commitment to the Green Transition, we are constantly reviewing and expanding our range of Sustainable Finance solutions to provide practical and meaningful interventions for our customers across key sectors and highlight the collaborative partnerships central to our ecosystem approach.

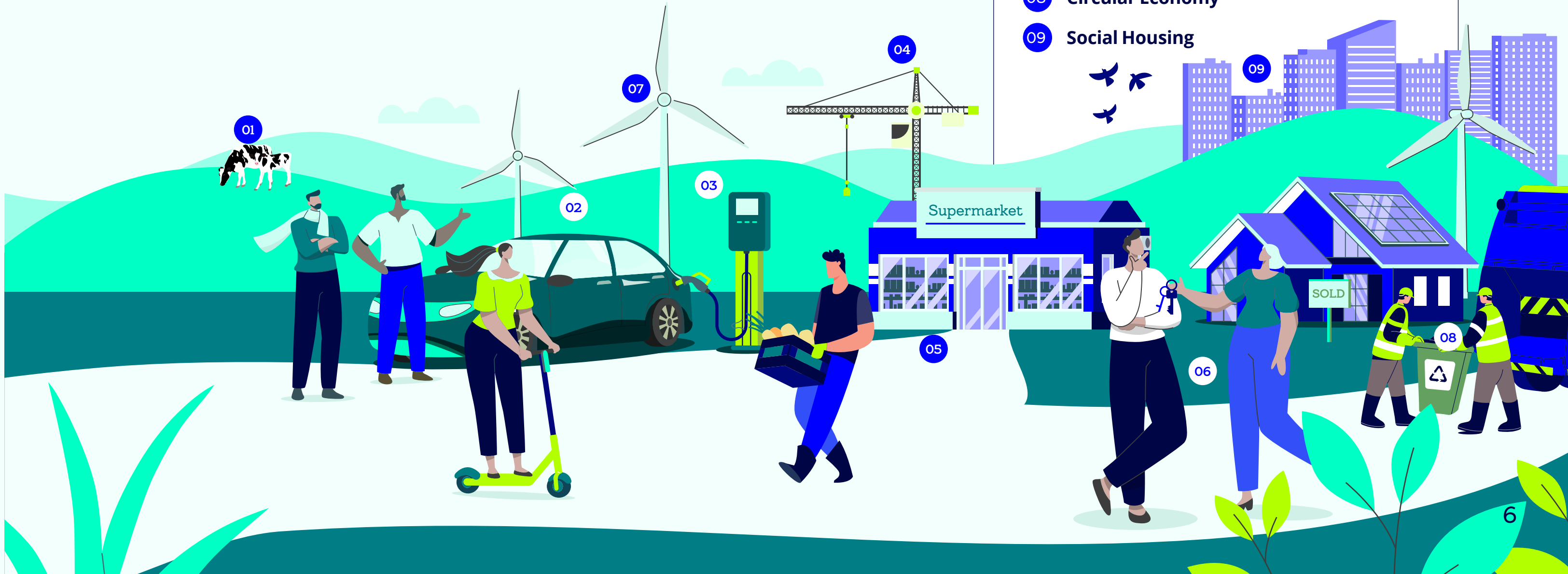
For the latest information on our product offerings and supports please see our Sustainability Report and our range of dedicated green hub sites for each customer channel using the hyperlinks in the following pages.

Our Sustainable Finance approach will be continuously updated to reflect both regulatory developments and our own progress. We will, for example, seek to align the status of our framework with the planned further development of the EU taxonomy – the European classification system for sustainable economic activities – as best possible and practical.

We are at the heart of the movement towards sustainability in Ireland, particularly in supporting the green transition in line with Ireland's Climate Action Plan.

Examples of Economic Activities Supported by Sustainable Finance

01 **Food production and agriculture**
02 **Clean transport**
03 **Energy**
04 **Builders**
05 **Retail**
06 **Homebuying**
07 **Renewables**
08 **Circular Economy**
09 **Social Housing**



1.5 Our Sustainable Finance Framework

Prioritising Sustainable Finance is a core pillar of Bank of Ireland's Sustainability Strategy. Given the bank's important role as a financial intermediary, Bank of Ireland (referred as to "BOI") is well positioned to steer capital to sustainable activities and to support its clients in sustainable development. As such, access to financial products that promote sustainability is critical. Our ambition is to leverage our key role in society to influence companies and customers to transition to a low-carbon society, as well as to work to achieve a more sustainable loan portfolio.

BOI's Sustainable Finance Framework (SFF), published in 2024, aims to enable and accelerate the bank itself, our customers, and society as a whole to achieve collective sustainability goals across all elements of 'ESG', including, but not limited to, the (intermediary) goals of the Paris Agreement, the UN SDGs and the EU Environmental Objectives.

The SFF sets out the Group's approach to Sustainable Finance to provide stakeholders with context on the Group's business model and its Sustainability strategy, product offering and reporting. This is a Group-wide standard and as we continually develop our Sustainable Finance solutions our reporting will reflect the evolution and expansion of the sub-categories within our Sustainable Finance portfolio.

The key details specified in the SFF are as follows:

Eligibility Criteria to classify lending commitments and products as Sustainable Finance lending aligned to the extent possible with key principles and standards including UN Sustainability Development Goals, Green/Social Loan and Bond Principles and the EU Taxonomy. Key categories include:

- **Green Finance** including Green Property, Energy, Transportation, Agriculture and Infrastructure;
- **Social Finance** including Social and Affordable Housing, Healthcare, Education and Not for Profit sectors; and
- **Sustainability Linked Finance** which primarily relates to SLLs and specified criteria for the key performance indicators (KPIs) for customers which link to levers on the interest margin.

Governance on Categorisation as Sustainable Finance – the Framework also sets out the governance processes for categorising products and individual transactions as Sustainable Finance.

Morningstar Sustainalytics has independently reviewed the eligibility criteria outlined in the Green Finance and Social Finance sections of the SFF.

1.6 Sustainable Finance Products – Supporting our Customers across Retail, SME, Corporate and Wealth

We are at the heart of the movement towards sustainability in Ireland, particularly in supporting the green transition in line with Ireland's Climate Action Plan. Our goal is to help our customers adapt to this change. A key part of our commitment is to develop financial products that support the transition. This aligns with our dedication to the UNPRB. Our range of sustainable finance products is carefully designed to help our customers make real, impactful changes. This includes green mortgages, loans for eco-friendly cars, and business loans for small and medium-sized enterprises (SMEs) and farmers, focusing on renewable energy, capital expenditure, and sustainability-linked lending.

Please see below details of our Sustainable Finance products across our customer channels that support the collective sustainability objectives we share with our customers. We are constantly developing and expanding our range of Sustainable Finance solutions so for the latest information on our product offerings and supports please see our range of dedicated Green Hub sites for each customer channel by using the hyperlinks below.

ROI Homebuying and Everyday Banking

Current Homebuying and Everyday Banking Products:

- Green Mortgage
- Green Home Improvement Loan
- Green Motor Loan
- Motor Financing for EVs

Visit the Personal Banking Green Hub

ROI Business Banking (SME)

Current Business Banking Products:

- Enviroflex: Sustainability-Linked Agri Lending
- SBCI Growth and Sustainability Loan Scheme
- Green Business Loan

Visit the Green Business Hub

Corporate Banking

Current Corporate Banking Products:

- Green Capex Loan
- Sustainability Linked Loans (SLLs)
- CRE Green Loan
- Project Finance
- Woodland Nature Credit

Visit the Product & Services Hub

New Ireland

New Ireland aim to be a sustainable insurer and a responsible investor and offers a range of investment funds to its clients that promote environmental and/or social characteristics.

Visit the Sustainable Investing Hub

Davy

Davy offers a range of investment solutions to its wealth clients that are sustainable, and provides specialist sustainability supports to its corporate and institutional clients.

Visit the Sustainable Investing Hub

1.7 Our Exclusion Criteria – Lending restrictions to mitigate environmental and/or social harm to society and our communities

Supporting responsible and sustainable behaviour is fundamental to achieving our purpose which is to help customers, colleagues, shareholders and society to thrive.

View more on our website at **https://personalbanking.bankofireland.com/app/uploads/Corporate-Banking-RSB-Sector-Statement.pdf**

Behaving in a responsible and sustainable way also involves managing risk effectively for our customers, communities and shareholders.

- We have published a Responsible and Sustainable Sector Statement clearly setting out our risk appetite for lending to potentially sensitive sectors which we believe cause environmental and/or social harm to society and our communities.
- Applying to relationship-managed lending arrangements within the Corporate and Business Banking business, we will not provide financing to customers who are deemed to engage in this defined list of excluded business activities.
- Our current portfolio is materially aligned with these arrangements and by embedding these exclusions at origination stage these criteria can continue to evolve in line with our Sustainability strategy.

2. Bank of Ireland Green Bond Framework

Our commitment to supporting a transition to a low carbon, climate resilient economy will require investment and capital. For this reason, the Group has decided to issue Green Finance Instruments, including Green Bonds and Green Deposits, that will allow us to finance or refinance projects and assets that mitigate climate change by reducing carbon emissions and protecting our environment; activities that are key components of the Group's ESG agenda.

The ICMA Green Bond Principles are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market by clarifying the approach for issuing a green bond. The Group has designed this Green Bond Framework (this Framework) to align to the Green Bond Principles of June 2021 (with June 2022 Appendix 1)[1].

The Framework is presented through the following key pillars:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

This Framework defines the loans, credits or investments eligible to be financed and/or refinanced by the proceeds of Green Finance Instruments issued by Bank of Ireland Group plc or any of its subsidiaries. The documentation for any Green Finance Instrument issued shall provide a reference to this Framework under the use of proceeds section. The terms and conditions contained in the underlying documentation for each issued Green Finance Instrument will specify the actual terms of the instruments.

In the event of future updates which may be made to the Green Bond Principles or other relevant guidance, regulatory or otherwise the Group may review and update this Framework accordingly. Any future updates will maintain or enhance the current levels of transparency, and will be accompanied by an updated External Review as required. For the avoidance of doubt this updated framework will not apply to instruments issued under previous frameworks, and future updates to this framework may not apply to instruments issued under this or previous frameworks.

Under this Framework, Bank of Ireland Group plc or any of its subsidiaries may issue Green Bonds in various formats. These formats include:

1. **Senior and subordinated debt issued by Bank of Ireland Group plc**
2. **Senior debt issued by The Governor and Company of the Bank of Ireland**
3. **Asset covered securities (covered bonds secured against green residential mortgages) issued by Bank of Ireland Mortgage Bank**
4. **Green deposits**

1 https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf

3. Use of Proceeds

An amount equal to the net proceeds from Green Finance Instruments issued by Bank of Ireland will be used to finance and/or refinance a portfolio of "Eligible Green Loans". These loans are provided to the Group's customers for the purposes of financing and/or refinancing, in whole or in part, assets, projects and expenditures which support the transition to a low-carbon economy and have positive impacts on the environment, customers and communities and in line with the Use of Proceeds Criteria detailed below (Eligible Assets).

Contribution to the EU Environmental Objectives, the EU Taxonomy Regulation, and the EU Taxonomy Climate Delegated Act

The Eligibility Criteria will ensure that the Eligible Green Loans funded under this Framework make a substantial contribution to the achievement of the EU Environmental Objectives[1]. The definition of the Eligibility Criteria below takes into account the EU Taxonomy Regulation[2] and the EU Taxonomy Climate Delegated Act[3] substantial contribution criteria ("EU Taxonomy Criteria"). The substantial contribution criteria are applied on a best effort basis where there are feasible practical applications for the use of proceeds category in question, and where there are feasible practical applications in the geographies where Bank of Ireland's assets are located (in terms of local regulation).

Contribution to the UN SDGs

In alignment with Bank of Ireland's sustainable ambitions and support of the UN SDG 2030 agenda, the Eligibility Criteria in this Framework contribute to the achievement of specific UN SDGs and related sub-targets[4].

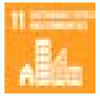
1 To be found here
2 To be found here
3 To be found here
4 To be found here

3.2 Use of Proceeds – Green Eligible Categories

Eligible Category	Eligibility Criteria	UN SDGs	EU Objective/Project Ireland 2040[1]	Example Impact Metrics	Example Green Projects
Green Buildings (Residential & Commercial)	**Residential buildings in Ireland** Residential buildings built <2021: • belonging to the top 15% low carbon buildings in Ireland[2] Residential buildings built ≥2021: • buildings with a primary energy demand at least 10% lower than Nearly Zero-Energy Building (NZEB) standard[3] **Residential buildings in the UK** Residential buildings belonging to the top 15% low carbon buildings in the local context[4] (i.e. England & Wales, Scotland and Northern Ireland) or have an Energy Performance Certificate ("EPC") A or B label **Commercial buildings in Ireland** New or existing commercial buildings in the Republic of Ireland, holding a BREEAM 'Outstanding' or 'Excellent' or LEED 'Platinum' or 'Gold' certification Commercial buildings built <2021: • belonging to the top 15% low carbon buildings in Ireland[2] Commercial buildings built ≥2021: • buildings with a primary energy demand at least 10% lower than Nearly Zero-Energy Building (NZEB) standard[3]		**Climate Change Mitigation** **Project Ireland 2040:** Investment in energy efficiency, with upgrades to homes increasing from 30,000 to 45,000 per annum from 2021 to achieve a minimum BER Rating 'B' Investments in energy efficiency of existing commercial and public building stock with a target of all public buildings and at least one-third of total commercial premises upgraded to BER Rating 'B'	Annual energy efficiency improvements, MWh[4] tCO_2e[6] avoided	Green Mortgages Green Commercial Real Estate Loans Green Building Renovation Loans

1. Project Ireland 2040 – https://www.gov.ie/en/campaigns/09022006-project-ireland-2040/?referrer=/en/project-ireland-2040
2. For buildings built before 31 December 2020, to be aligned with the substantial contribution criteria of the EU Taxonomy Delegated Act, the building must be within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings. As of Q4 2020, the top 15% of the national stock in terms of primary energy demand is equivalent to a minimum BER B3 label threshold (which also corresponds to residential buildings built ≥2015) for commercial and residential buildings (as detailed for residential buildings in Table 2 and Table 15 and for commercial buildings in Table 3 of the Central Statistics Office (CSO) publications: 'Domestic Building Energy Ratings Q4 2020' and 'Non-Domestic Building Energy Ratings Q4 2020). As of Q4 2023, the top 15% of the national stock built <2021 in terms of primary energy demand is equivalent to a minimum BER B2 label threshold for residential buildings and commercial buildings.
3. In line with the EU EPBD directive, Ireland carries out a cost optimal analysis to define NZEB requirements. At the time of writing, the cost optimal analysis for residential and non-residential buildings can be found here and here, respectively, as published by the Department of Housing, Local Government and Heritage.
4. Low-carbon buildings in the local context based on primary energy demand or emissions intensity performance.

3.2 Use of Proceeds – Green Eligible Categories continued

Eligible Category	Eligibility Criteria	UN SDGs	EU Objective/Project Ireland 2040[1]	Example Impact Metrics	Example Green Projects
Green Buildings (Residential & Commercial) (continued)	**Commercial buildings in the UK & USA** New or existing commercial buildings in the UK and USA holding a BREEAM 'Excellent' or 'Outstanding' or LEED 'Platinum' or 'Gold' Certification, and/or; New or existing commercial buildings belonging to the top 15% low carbon buildings in the UK & USA[5] **Renovated residential and commercial buildings** The renovation achieves savings in net Primary Energy Demand of at least 30% in comparison to the baseline performance of the building before the renovation[6]				
Renewable energy	Renewable energy generation facilities including onshore and offshore wind, solar and geothermal[7]		**Climate Change Mitigation** New Renewable Electricity Support Scheme to support up to 4,500 megawatts of additional renewable electricity by 2030	Renewable energy capacity added, MW tCO_2e avoided	Renewable Energy projects
Clean Transportation	Manufacture, development, and retrofit of Battery Electric Vehicles (BEVs) and electrically powered public transport systems, and electric vehicle charging infrastructure		**Climate Change Mitigation** Project Ireland 2040: At least 500,000 electric vehicles on the road by 2030 with additional charging infrastructure to cater for planned growth	tCO_2e[6] avoided	Financing of auto leases for Battery Electric Vehicles Green Motor Loan Financing of Electric Vehicle Charging Infrastructure installations

5. As of Q4 2023, based on publicly issued governmental statistical data, English and Welsh commercial buildings with EPC rating of B or better are in scope. As of Q4 2023, Scottish commercial buildings with EPC rating of B or above (including Climate Neutral ("CN")) are in scope.
6. The energy performance before the renovation can be based on actual or reference energy data, energy labels or estimated energy used based on the building regulation that was applicable in the building year of the building. Renovated buildings may take into account the future PED thresholds for renovations in line with the future Long Term Building Renovation Plan of the government.
7. Geothermal power plants must have life cycle emissions lower than 100g CO_2e/kWh.

4. Green Project Evaluation and Selection Process

In line with the purpose and values of the Group to enable customers, colleagues and communities to thrive, the Use of Proceeds categories in this Framework have been chosen with the aim of supporting our customers' transition to a low-carbon economy, and to have a positive impact on customers, colleagues and communities.

All potential Eligible Assets need to comply with local laws and regulations, including any applicable regulatory environmental and social requirements. In addition, the Eligible Green Loans are evaluated from an environmental perspective by a Sustainable Finance Working Group that reports directly to the Sustainability Decision Group. The Sustainability Decision Group acts as an advisory body to the Chief Sustainability and Investors Relations Officer and ensures a coordinated approach to both the delivery and reporting of the Group's Sustainability framework and strategy to the Group Executive Committee and the Board.

The Sustainable Finance Working Group comprises of representatives from: the Sustainability team; Group Treasury; Group Risk; the business lines (Retail Ireland, Retail UK and Corporate & Commercial Banking) and other Group functions. It is chaired by the Climate Lead in Group Sustainability. As with all Group lending activities, all potential Eligible Assets go through the standard credit process, which is governed by the Group Credit Policy and Group Credit Framework, and which requires consideration of climate, environmental and social factors, taking into account all relevant laws and legislation as well as adherence to other Group policies and standards in this respect.

The business lines where the loans are originated and administered select potential Eligible Assets based on a review of their compliance with the Eligibility Criteria set out in the table above. Following the submission of potential Eligible Green Loans, the initial list of Eligible Green Loans is reviewed by the Sustainable Finance Working Group, which approves inclusion into the Green Eligible Green Loan Portfolio.

The role of the Sustainable Finance Working Group is to:

- approve the proposed loans for inclusion in the Eligible Green Loan Portfolio based on the Eligibility Criteria;
- approve the removal of loans on the basis that they no longer meet the eligibility criteria, e.g. following divestment, liquidations or concerns that the assets/projects do not align with the Group's Sustainability strategy;
- approve allocation and impact reporting;
- review external documents such as Second Party Opinions and related documents from external consultants and accountants;
- monitor regulatory developments with regards to Green Bond Frameworks and review the contents of the Framework and updating it to reflect changes in corporate strategy, technology or market developments on a best efforts basis; and
- review the evaluation and selection process in order to facilitate the external verification of whether the Green Eligible Assets Portfolio meets the Eligibility Criteria.

The Sustainable Finance Working Group will meet quarterly to monitor and track the assets within the Green Eligible Green Loan Portfolio, assess potential inclusions, monitor the size of the Eligible Green Loan Portfolio. They will provide quarterly updates to the Sustainability Decision Group. In addition, this Framework will be reviewed and approved by the Sustainability Decision Group on a biennial basis.

5. Management of Proceeds

The proceeds of the Green Finance Instruments issued under this Framework will be managed and tracked by the Group on the basis of a portfolio approach. The Group intends to allocate an amount equal to the proceeds from the Green Finance Instruments to a portfolio of Eligible Loans that meet the Use of Proceeds Criteria and in accordance with the evaluation and selection process set out above (the Eligible Green Loan Portfolio).

Over time, the Group will strive to achieve a level of allocation to the Eligible Green Loan Portfolio which matches or exceeds the balance of proceeds from its outstanding Green Finance Instruments. Additional Eligible Green Loans will be added to the Eligible Green Loan Portfolio to the extent required to ensure that an amount equal to the proceeds from outstanding Green Finance Instruments will be allocated to Eligible Green Loans.

For any Green Finance Instrument proceeds that remain unallocated post issuance, the Group will hold and/or invest at its own discretion in its treasury liquidity portfolio, in cash or other short term and liquid instruments. Bank of Ireland intends to at least assign a portion of an amount equal to the net proceeds to ESG orientated assets (e.g. green or social bonds) within its treasury liquidity portfolio.

All potential changes to the Eligible Green Loan Portfolio will be reported quarterly to the Sustainable Finance Working Group for approval.

6. Reporting and External Review

Within one year of issuance of a Green Finance Instrument, and annually thereafter for the life of the Green Finance Instrument, the Group intends to provide an External Report to its investors. This External Report intends to include (i) an Allocation Report and (ii) an Impact Report, subject to the availability of suitable information and data. On a reasonable efforts basis, Bank of Ireland will align the impact reporting with the portfolio approach described in "Green Bonds – working towards a Harmonized Framework for Impact Reporting (June 2023)[1]. Reporting will be made at least at the level of Eligible Category and on a portfolio basis.

These Reports shall also be publicly available via the Bank of Ireland Group website at: www.bankofireland.com/investor

(i) Allocation Report:

The Allocation Report will provide details on the Green Eligible Assets Portfolio such as:

- Total amount of proceeds allocated to Eligible Assets per category as specified in the Use of Proceeds section above;
- The proportion of financing and/or refinancing;
- The balance of unallocated proceeds, if any; and
- New eligible loans added in previous calendar year

(ii) Impact Report:

The Group will also report on selected environmental impacts of its Eligible Assets, subject to the availability of suitable information and data.

We anticipate that the key environmental impact indicator will be tCO_2e avoided, as a result of increased residential and commercial energy efficiency, and the displacement of more carbon-intensive forms of electricity generation by renewable energy generation assets. Further detail on anticipated impact metrics are provided in the Use of Proceeds categories table above. The Group will refer to available market guidance when assessing opportunities to report on the environmental impacts of its Eligible Assets.

The Group may also appoint a technical consultant to assist with the development of the methodology for the estimation and calculation of the environmental impact of Eligible Assets.

External Review

Second Party Opinion

Sustainalytics has provided a Second Party Opinion on this Framework and has assessed the alignment of this Framework with the Green Bond Principles as published by the International Capital Markets Association. In addition, Sustainalytics has assessed the alignment of this Framework with the EU Taxonomy Climate Delegated Act. The Second Party Opinion is available on the provider's website at www.sustainalytics.com and available via the Bank of Ireland Group website at: www.bankofireland.com/investor

Verification

An external verification by an accredited independent provider[2] will be published alongside the Allocation Report providing assurance to the Green Bond proceeds that have been allocated in accordance with the Use of Proceeds Criteria specified in this Framework document.

1. https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf
2. https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/External-Review-Guidelines_June-2022-280622.pdf

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