Bank of Ireland

240 Year Journey: Paving the path to a Sustainable tomorrow.

Sustainability Report 2023
Bank of Ireland Group plc

Contents

Bank of Ireland

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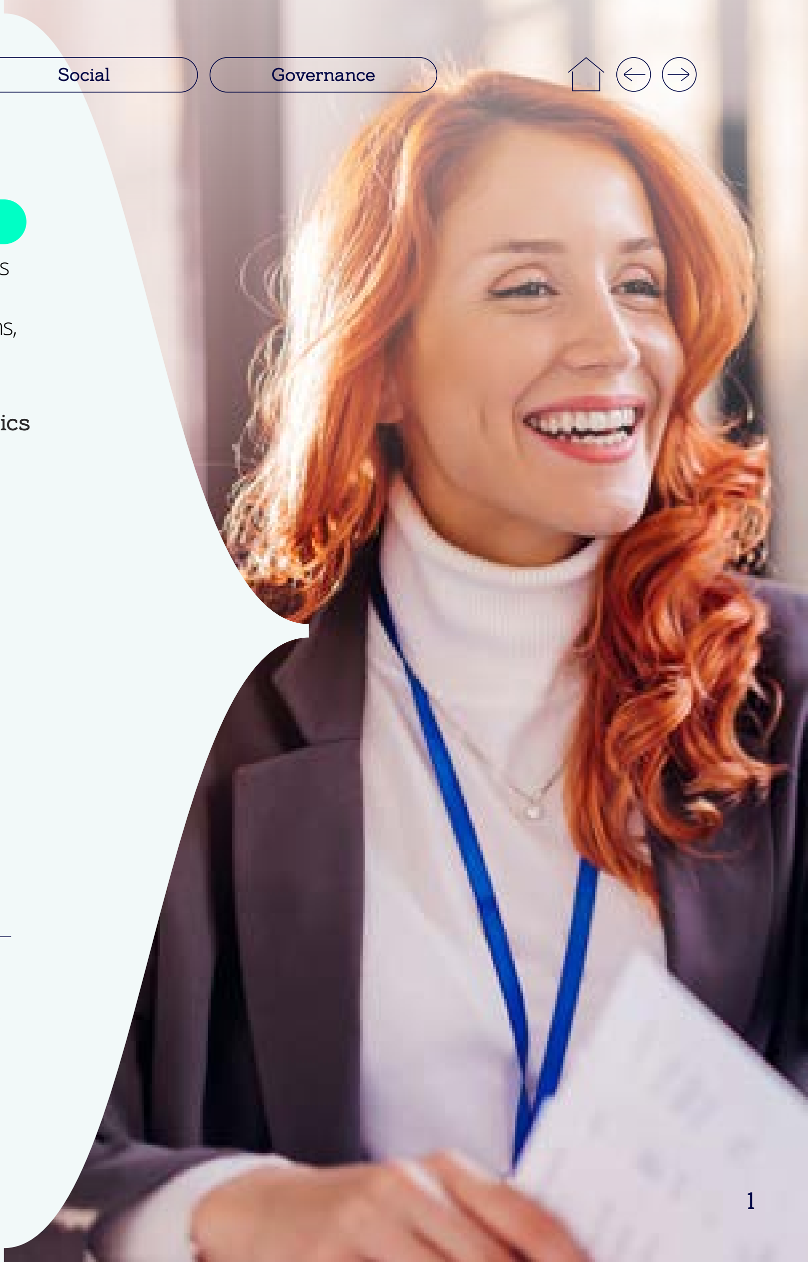
bankofireland.com

Key Performance Indicators (KPIs) that are marked with* in this Report are prepared in line with Reporting Criteria and subject to Limited ISAE 3000 (revised) and ISAE 3410 assurance by KPMG for the 2023 Bank of Ireland Group plc Sustainability Report. Please see pages 39-41 of the Bank of Ireland Sustainability related Reporting and Assurance 2023 report for Reporting criteria and pages 42-43 for KPMG's limited assurance opinion available here.
Additional sustainability metrics and the United Nations Principles for Responsible Banking (UNPRB) reporting and self-assessment report are available in the Bank of Ireland Sustainability related Reporting and Assurance 2023 report available here.
Details on the Group's progress against the Task Force on Climate-related Financial Disclosures (TCFD) recommendations can be found on pages 24-41 of the Bank of Ireland Group plc Annual Report 2023.



Sustainability at a glance

Welcome to Bank of Ireland's Sustainability Report 2023.

This report presents an update on the progress against our 'Investing in Tomorrow' sustainability strategy, while aligning to our purpose to enable our customers, colleagues, society and shareholders to thrive.

E Environmental

S Social

G Governance

1st
and only Irish bank, one of currently 24 banks globally to set and publish UNPRB commitments on Financial Health and Inclusion

#1
bank recognised for financial wellbeing in Ireland

46%*
female appointments to management and leadership positions (40% in 2022)

+2
improved ratings from two ESG ratings agencies in 2023

>85%
Achieved of our own operations 2030 target and over 90% of 2025 target forlong-term corporate lending

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

80%
colleague score for culture embeddedness (+5 points vs global financial services benchmark)

Sustainable Finance Framework
published

€11.1bn*
sustainability-related finance increased by 35% in 2023

€2.25bn
Issued in bonds through Green Bond Framework. Total issuance to date c. €4.75 bn

Initial Double Materiality Assessment
completed in preparation for CSRD reporting requirements

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Letter from Chair of the Group Sustainability Committee (GSC)

I am delighted along with my Committee Colleagues to introduce the 2023 Sustainability Report, which highlights the progress made over the past 12 months at Bank of Ireland in further embedding sustainability across our business. This report covers the first year of our current 3-year Group strategic cycle which has now fully embedded sustainability as one of our three core Group strategic pillars under 'Sustainable Company'.

Our Environmental, Social and Governance (ESG) strategy recognises the significant role we have in supporting society with the transition to a low-carbon economy. But equally we are acutely aware that reaching net zero will rely on many parts of government, industry and society acting together and this collective approach along with changes in behaviour will ultimately impact the pace of transition.

As Chair of the GSC, I oversee the development and implementation of the Group's Sustainability strategy and progress against ESG-related targets and commitments and, together with the Board Risk Committee, the GSC oversees ESG-related risks. The GSC also oversees the publication of the Sustainability and the United Nations Principles for Responsible Banking (UNPRB) Reports.

The robust governance structure around our sustainability agenda at Board and Executive level demonstrates our commitment to advancing our sustainability ambitions and plans. I am proud of the progress we made in 2023 as we continued to support our array of stakeholders; customers, colleagues and, wider society, all translating into a stronger franchise for our shareholders.

During 2023 in particular we were able to make good progress in the areas of our customers' financial wellbeing, our sustainability related finance and the finalisation of our Five Point Climate Action Plan. But we also have to be forward looking. New and emerging social, commercial and economic trends are shaping our customers' financial lives. There are opportunities to transform our relevance and value to customers and to provide greater transparency on our company's impacts and its dependencies on people and the environment, including the increasing importance of biodiversity.

As Chair of the GSC, I am acutely aware of the need for increased reporting and transparency standards in this area. For instance, 2024 will be the first year of Corporate Sustainability Reporting Directive (CSRD) implementation. CSRD will significantly enhance our ESG disclosures and will inform our future strategic priorities.

These increased standards will help us to focus our approach and optimise our delivery for our customers, colleagues, and society.

As the Group continues to make progress and deliver on our sustainability ambitions, I would like to thank my fellow Committee members and our CEO Myles O'Grady and all his team, who remain committed to progressing the Group's Sustainability strategy.

Eileen Fitzpatrick
Chair of the GSC

Eileen Fitzpatrick
Chair of the Group Sustainability Committee (GSC)

in conversation

With Myles O'Grady, Group Chief Executive and Eamonn Hughes, Chief Sustainability and Investor Relations Officer

"At Bank of Ireland, we have a pivotal role to play in building a more sustainable economy and society to support the transition to net zero.

Myles O'Grady
Group Chief Executive

In conversation with

Myles O'Grady
Group Chief Executive (CEO)

In 2023, we saw an increased focus on ESG with growing stakeholder demands. How has Bank of Ireland responded to this?

Myles: At Bank of Ireland, we have a pivotal role to play in building a more sustainable economy and society to support the transition to net zero. That's why in 2023, we embedded sustainability as one of the Group's core strategic pillars, under Sustainable Company, and we continue to deliver practical sustainability solutions that make a difference.

In March 2023, we extended our sustainable finance lending target to c.€15 billion by 2025 and c.€30 billion by 2030. In 2023 our sustainability-related lending to households and businesses grew by 35% to c.€11.1 billion*. 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.

We also refined our values to better align with our updated corporate strategy in response to colleague feedback and I'm delighted that this contributed to improved colleague engagement and culture embeddedness scores in 2023.

What were the main sustainability achievements in 2023?

Eamonn: We are focused on expanding our sustainable finance loans to help key sectors of the economy transition including Agriculture, Property, Transport and Energy. A real example of this was the launch of our Enviroflex Sustainability Linked Loan (SLL) in conjunction with Kerry Dairy Ireland to support farmers implement sustainable farm practices. We also enabled customers to buy more sustainable homes with green mortgages accounting for over half of our new mortgage drawdowns.

We made our first disclosures on our progress against our Science Based Targets (SBTs) in the 2023 annual report. I'm delighted that we are well on our way to meeting our targets. By 2023, we achieved over 85% of our own operations 2030 target and over 90% of the 2025 target for long-term corporate lending and we strive to continue this progress moving forward.

But it's not just about the E in ESG. We have also made significant progress on our social commitments. Protecting our customers' and colleagues' financial wellbeing is a key focus for us. We hold the leading position as the # 1 bank recognised for financial wellbeing in the Irish market. We strengthened our commitment even further in 2023 by publishing our UNPRB Financial Health & Inclusion targets, the first and only Irish bank and one of currently 24 banks globally to do this. I am also proud that we achieved the Gold Investors in Diversity EDI Mark for our inclusion and diversity commitments.

We strengthened our ESG reporting disclosures in 2023 and recently launched our Sustainable Finance Framework providing further transparency around what we categorise as sustainable and social finance.

> **"In 2023, we increased the level of sustainability related finance on our balance sheet with sustainability related lending to households and businesses growing by 35% to €11.1 billion*"**

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In conversation with continued

Will sustainability continue to shape your strategy for 2024 and beyond?

Myles: Absolutely. Sustainability is embedded in our Group strategy and we will continue to embed this further across every area of our business. While we have made notable progress on our ambitions, there is so much more to do to support the generation of competitive long-term financial returns for shareholders whilst having a positive social and environmental impact, on a sustainable basis.

For customers, we will continue to support their transition with innovative financial solutions like our recently launched new 'Ecosaver' mortgage offering, as well as protect their financial wellbeing and support them when they need us most, whether that's assisting against the growing threat of fraud or helping those who find themselves in vulnerable situations.

For colleagues, we will further invest in making their jobs more rewarding, attracting new talent and building a fully inclusive workforce that is reflective of the society we serve.

For society, we will keep supporting our communities to prosper, driving greater engagement and building a more sustainable and inclusive future.

And lastly, for shareholders, we will deliver long-term value creation with a resilient business model and improve our franchise value by delivering sustainable returns.

How do you see the linkages between sustainability and shareholder value?

Eamonn: Our commitment to Sustainability is grounded in our central belief that supporting our customers, colleagues and society, while appropriately allocating our capital, will create long-term value for our shareholders.

There is a lot to do, but having a 'franchise value' mindset strengthens the long-term perspectives we will bring to our actions.

Myles O'Grady
CEO

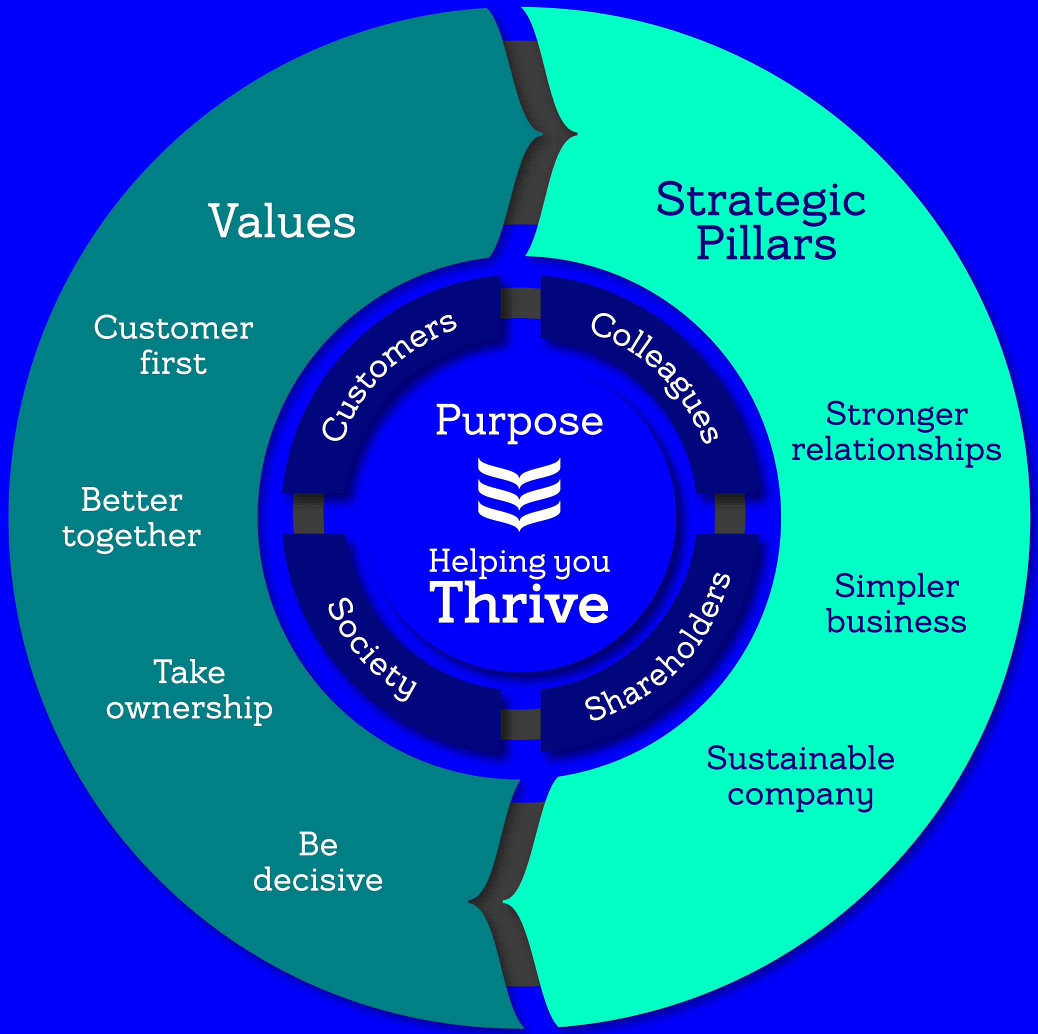
Eamonn Hughes
CSIRO

Eamonn Hughes
Chief Sustainability and Investor Relations Officer (CSIRO)

Our Group Strategy

In March 2023, our refreshed group strategy for 2023-2025 was launched. This strategy builds on our 240 year business heritage and is guided by our purpose, which is to help customers, colleagues, shareholders and society to thrive. Sustainability is now embedded as one of the Group's three core strategic pillars under 'Sustainable Company' alongside Stronger Relationships and Simpler Business.

Our values are central to how we work to deliver this strategy. At Bank of Ireland, we are customer first, better together, we take ownership and are decisive.



Our Sustainability Strategy

Sitting below the Group's Sustainable Company pillar is our 'Investing in Tomorrow' sustainability strategy.

Our focus is on our material ESG impacts and opportunities aligning to science and best practice including the UN Sustainable Development Goals (SDGs), the blueprint for a more sustainable future for all.

Our sustainability strategy and approach centres on three pillars:

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

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:

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:

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:

Foundation Topics

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

Social Foundation Topics

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

Governance Foundation Topics

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

Our Sustainability Roadmap

- E Environmental
- S Social
- G Governance

2019-2020

- Joined UNPRB
- Joined TCFD (Task Force on Climate-Related Financial Disclosures)
- 1st TCFD report Published
- Launched Ireland's 1st Green Mortgage, Renewable Energy & EV finance products
- Launched financial wellbeing programme

2021

- Launched 'Investing in Tomorrow' Sustainability strategy
- 1st Sustainability Report
- 2nd TCFD report published
- 1st EU Taxonomy disclosure
- 1st Woodland Nature Credit financing 600,000 trees
- 1st Green Bond issuance raising €750 million
- Inclusion Diversity Training for all colleagues (c.9,800)
- Ethnic Minority Talent Programme (RISE) launched

2022

- Science Based Targets – Driving ambitious corporate climate action: Scope 1-3 GHG reduction targets for 2030 validated from 2020 baseline
- Joined TNFD Forum Member
- 2nd Woodland Nature Credit financing c.1.8 million trees
- Co-lead UNPRB Financial Health and Inclusion working group
- Recognised #1 bank for financial wellbeing in Ireland
- 40% female appointments to management & leadership positions
- Vulnerable customer unit supported over 6,300 customers
- Appointed CSIRO
- Board Sustainability Committee Established

2023

- Sustainability related finance increased by 35% to €11.1bn*
- Achieved over 85% of our SBTi 2030 target reduction in Scope 1 and 2 emission
- Total Green Bond issuances of c.€4.75 bn to date
- Launched Enviroflex agri-business sustainability-linked loan
- Launched Green Capex loan product for corporate customers
- 46%* female appointments to management & leadership positions
- Recognised #1 bank for financial wellbeing in Ireland
- 1st and only Irish bank and 1 of currently 24 banks globally to set and publish our UNPRB commitments to financial health and inclusion
- Received gold accreditation from Irish Centre for Diversity
- Group profit share scheme introduced, with ESG targets embedded
- Published first Pillar 3 ESG disclosures
- CSRD preparation underway
- Published enhanced EU Taxonomy disclosures

2024 to 2030

- Published Sustainable Finance Framework
- Achieve sustainable finance target of c.€15 bn by 2025 and c. €30bn by 2030
- Decarbonise own operations by 2030
- Continue to be #1 bank recognised for financial wellbeing in Ireland
- Achieve UNPRB Financial Heath & Inclusion Targets by 2030
- Achieve 50:50 gender balance in management & leadership positions.
- Increase representation of ethnic minority groups

Net Zero 2050

1 No Poverty | 4 Quality Education | 5 Gender Equality | 7 Affordable and Clean Energy | 8 Decent Work and Economic Growth | 10 Reduced Inequalities | 11 Sustainable Cities and Communities | 13 Climate Action

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€11.1bn*
sustainability-related finance increased by 35% in 2023

€2.25bn
Issued in bonds through Green Bond Framework. Total issuance to date c. €4.75 bn

Launched
Green Capex loan
aligned to the EU Taxonomy sustainable market activities

Launched
Enviroflex agri-business Sustainability loans

>85%
Achieved of our own operations 2030 target and over 90% of 2025 target for long-term corporate lending

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

#1
for Green Mortgages in Ireland

Supporting the green transition.

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Five Point Climate Action Plan

We are committed to working with our customers, colleagues, society and shareholders to support their transition to a resilient, net zero economy by 2050, in line with the Irish and UK governments' ambitions and actions. As a signatory to the UNPRB, we have committed to aligning our strategy and practice with the Paris Climate Agreement.

Our Five Point Climate Action Plan, first introduced in 2021, outlines the key role we play in facilitating Ireland and the UK's green transition to a low-carbon economy and our efforts to reduce our own impact on the environment. With the successful establishment of our Five Point Climate Action Plan, we have now moved from a planning and execution phase into a delivery phase, or from ambition to action. We have also began to assess the nature-related impacts arising from our business operations.

Our 2023 key achievements against our five point plan are set out on the table on the next page.

01 Science-based targets

Manage and track our lending practices to make progress against our emission reduction targets.

02 Providing sustainable finance

Support our customers through our core financing and advisory capabilities to enable them to transition to net zero and develop and deploy low carbon technologies.

03 Decarbonise our own operations

Make our own operations net zero by 2030.

04 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.

05 Transparently report our progress

Commit to transparently report on the progress we are making towards our ambitions, in line with investor expectations and regulatory requirements.

Five Point Climate Action Plan continued

Five point climate action plan	Objective	Key achievements in 2023	Targeted actions in 2024
Science based targets (SBT)	Target outcome: Alignment with decarbonisation goals of the Paris Agreement. Success measured by: Meet our validated SBTs covering our own operations and 76% of our lending.	Progress is in line with the Group's expectations: • **Own operations:** By 2023 we achieved 42% reduction[1,3] in absolute scope 1 and 2 GHG emissions in our own operations and sourced 99.83%* of renewable electricity for all our own operations. • **Lending decarbonisation:** Emissions intensity reduced across: Residential Mortgages (down 6%*[1]); Commercial Real Estate (CRE) (down 11%*[1]); and Electricity Generation Project Finance (down 28%*[1]). • **SBT lending coverage** 23%*[2] of our corporate customer base have now set SBTs (compared to 25% target by 2025) with a further 20% in the target validation phase.	To report progress towards our SBTs as we execute our strategy to further decarbonise our customer lending during 2024.
Providing sustainable finance	Target outcome: Support the delivery of national climate plans in Ireland and the UK. Success measured by: Meet our sustainability related finance targets of c. €15bn by 2025 and c.€30bn by 2030.	• **Sustainability related finance** increased by c.35% from c.€8.2bn to c.€11.1bn* with the Group on track to meet near-term lending target. • This lending was supported by the issuance of €2.25bn in green bonds in 2023, bringing total issuances to date to c.€4.75bn. • **Significant innovation** with continued expansion of our solutions for the key sectors in transition (Agriculture, Property, Business & Energy). • **Agri:** Enviroflex product launched in conjunction with Kerry Dairy Ireland to support farmers in implementing sustainable farm practices. • **Business:** Green CapEx product available for corporate banking customers for investments that meet sustainable finance and/or EU Green Taxonomy criteria.	Continue to increase Sustainable Financing towards near-term strategic target of c.€15bn by 2025.

Decarbonise our own operations	Target outcome: Obligation to deliver our products and services in a sustainable manner.
	Success measured by: Make our own operations net zero by 2030.
		• **Key initiatives** to drive energy efficiency and carbon reductions:
		  • continued certification of the ISO 50001 **Energy management standard (EMS)** and transition from **fossil fuels to electric heating systems** in the branch network;
		  • installation of **LED lighting** in 130 retail sites to reduce electrical consumption by 10% to 15%;
		  • review conducted across retail and administration buildings to eliminate wasteful use of hot water, air conditioning and heating systems; and
		  • rolling out of internal communications for staff to encourage positive behaviours and habits to reduce energy use.
			Implement new ISO standard to complement existing EMS; replace gas boilers with heat pumps, replacing kerosene with hydrotreated vegetable oil and additional solar panels.

Manage climate related risks	Target outcome: Build resilience by embedding climate risk impacts in our decision making processes. Success measured by: Implementation of ECB's guidance on the management of climate-related and environmental risks.	• Implementing the **Group's multi-year climate action plan** to embed climate risk management in line with regulatory guidance. • Embedded **climate related impacts** into our processes for our own operations, in lending and investment decisions and the advice we give our customers. • Enhanced disclosure on climate risk management as we progressed our **embedding of the ECB's guidance** on the management of climate-related and environmental risks.	Build on the infrastructure implemented and ongoing climate risk management which will continue to mature, and to address the broader scope of ESG Risk in the context of CSRD readiness.
Transparently report our progress	Target outcome: Report on progress in supporting the green transition to our stakeholders. Success measured by: Alignment of our disclosures with expectations of regulators, ESG rating agencies and our shareholders.	• **Strengthened alignment of our climate disclosures** with expectations of regulators across Ireland and the UK. • **Progress reporting** against climate targets following the setting of targets for GHG reduction (SBTi) and sustainable finance development. • **Increased disclosure** on key climate metrics, energy efficiency on property and alignment with the EU Taxonomy in line with Pillar 3 disclosures. • **Maturing the reporting framework** with increased level of controls and assurance. • **Winner of the 'Sustainability ESG reporting (listed entities)' award** for our 2022 sustainability disclosures by Chartered Accountants Ireland. • **Expanded sustainability disclosures** and activities which supported ESG Ratings upgrades.	Full implementation of Pillar 3 ESG reporting following 'phase in' period and enhanced disclosures required under CSRD.

Target outcome **Success measured by**

1 Reduction from 2020 baseline.
2 Weighted by financed emissions.
3 The reduction has been determined using % Reduction in Group's Absolute Scope 1 and Scope 2 Market-Based Emissions in comparison to base year (2020)
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Science based targets

Science based targets (SBTs) set our portfolios and lending practices on a pathway that is aligned with the Paris Agreement goals.

Achievement of SBTs will also contribute to fulfilling the Group's commitments as signatory of the UN Principles for Responsible Banking.

These independently validated targets guide our emission reduction plans and are contingent on the current Irish and UK governments' Climate Action Plan ambitions and planned actions.

The majority of Bank of Ireland emissions stem from our economic lending activities. Achieving our ambitious Scope 3 SBTi targets necessitates significant progress in national climate action plans in both Ireland and the UK. Additionally, the successful realisation of these targets relies on the actions taken by our customers. Our ambition is to actively assist them in transitioning to more sustainable practices, both in their lifestyles and business operations. Given the integral role of the financial services sector in our economies, we recognise our potential as a key facilitator of the low-carbon transition. By setting SBTi emission reduction targets, we underscore our commitment to facilitating tangible change for our customers and society.

In 2022, we became the first Irish bank to have our Greenhouse gas (GHG) emission reduction targets validated by SBTi, covering all the Group's operations and 76% of our FY2020 baseline loan book. This includes Scope 1 and 2 emissions present in our operations and Scope 3 emissions in our downstream value chain. Having our GHG targets validated by the global gold standard SBTi reinforces the credibility of our commitment to assisting Ireland in achieving its climate targets.

The SBTi validated our target of a 49% reduction in GHG emissions from our own operations (Scope 1 and 2), which supports our broader aim of net zero emissions in our own operations by 2030. Reduction targets have also been set for emissions arising from the Bank's lending activities (Scope 3) which are consistent with levels required to meet the goals that are aligned to the 1.5°C Paris Agreement. Under the SBTi validated sector decarbonisation approach targets, we are committing to a 48% reduction in residential mortgage portfolio emissions (Ireland and UK), a 56% reduction in commercial real estate portfolio emissions and a 63% reduction in electricity generation project finance portfolio emissions by 2030. The base year for the reduction targets is 2020. Under the SBTi validated portfolio coverage approach targets, 25% of the Bank's corporate loan portfolio and corporate bonds will have SBTi validated targets by 2025.

Science Based Targets Progress Reporting

We believe that progress towards our SBTs is a key metric in providing evidence of our progress in decarbonising our business and operations, contributing to the transition to a low carbon economy and meeting the goals of the Paris Agreement. Our SBTs are informing our commercial strategy, including the opportunities to further expand our range of sustainable products and services, all supported by our Green Bond Programme.

Our individual report cards track our progress against the six target categories and provide details on metrics, progress to date, convergence pathways and data quality. Targets have been validated by SBTi with reference to convergence pathways that are denoted in the report cards as follows:

- SBTi 1.5°C: SBTi pathway designed to facilitate limiting warming to 1.5 degrees Celsius above pre-industrial levels.
- ETP B2DS: Beyond 2 Degrees Scenario (B2DS) aims to limit with a 50% chance global temperature rise to 1.75 degrees Celsius above pre-industrial levels.

Progress to date is in line with management's expectations and is reflective of progress at a national level in terms of decarbonisation and the early stage of the Group's Sustainability strategy implementation.

Our progress is benchmarked against convergence pathways that in general reflect a linear progression to the targets. The Group has assigned a Red, Amber, Green (RAG) status to measure progress.

- Progress to date is ahead or in line with the convergence pathway.
- Progress is lagging the convergence pathway but is deemed recoverable.
- Progress is lagging the convergence pathway and is not deemed recoverable.

Science based targets continued

As property retrofit activity and the anticipated effect of our interventions increases, we expect reductions to accelerate in the medium term, with the full impact of decarbonisation of the energy grid expected towards the end of the decade.

The achievement of these targets is informing our strategic interventions in terms of portfolio management, product innovation, customer engagement and credit policy. By using these targets to align our lending portfolios to the Paris Agreement, the SBTs can help mitigate the climate-related credit risks associated with the green transition and ensure that we can address the opportunities to support the transition with measurable impact.

Partnership for Carbon Accounting Financials (PCAF)

Since 2021, we have been a member of the PCAF, a global partnership of financial institutions working together to develop and implement a harmonised approach to assessing, attributing and disclosing GHG emissions associated with portfolios of loans and investments. Recognising the challenges associated with data availability, PCAF provides guidance on data quality scoring per asset class, facilitating data transparency and encouraging improvements to data quality in the medium and long-term. This data quality score ranges from one to five, one being the highest data quality (for example, reported and verified emissions) and five being the poorest (emissions are based on unspecific industry data, for example emissions based on number of buildings and building type, as opposed to specific floor areas).

Data quality – focus on continuous improvement

To ensure progress and achievement of our SBTs, we are implementing sectoral strategies with a continuous focus on improving data quality and availability. Informed by PCAF guidance, we are developing customer engagement processes and partnerships with third parties to enhance data quality across all portfolios and will continually report on our progress with reference to the PCAF Data Quality Scale.

Science based targets continued

	2023 in-scope lending €bn	% Lending in 2023	Measurement Methodology	Baseline Intensity Position	Science based targets vs. 2020 baseline	Progress to date by 2023	SBT pathway convergence required progress by 2023	RAG Status
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)	↘ 6%*	↘ 15%	Amber
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)	↘ 11%*	↘ 17%	Amber
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)	↘ 28%*	↘ 19%	Green
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)	↗ 23%*	↗ 15%	Green
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)	↗ 7%*	↗ 15%	Amber
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.	↘ 42%	↘ 35%	Green

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).
5. The Group has assigned a Red, Amber, Green (RAG) status to measure progress. Green means our progress to date is ahead or in line with the convergence pathways towards the respective SBTs for each portfolio. Amber rating means our progress is currently lagging the convergence pathway but we consider the lag to be recoverable by the target date.

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Science based targets continued

Metrics and Targets

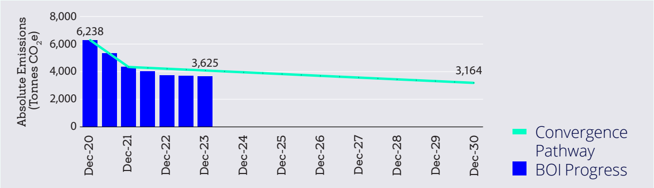
1. Own operations

Target statement

We commit to reducing our 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.

Baseline (FY2020)	RAG Status
6,238 tCO_2e (tonnes of carbon dioxide equivalent)	
Current position (FY2023)	
3,625 tCO_2e* (tonnes of carbon dioxide equivalent)	
Absolute emissions reduction from (market based)	42%
Annual sourcing of renewable electricity	c.100%*

Convergence Pathway SBTi 1.5°C[1]



Notes

Progress achieved by FY2023 (from a 2020 baseline) to reduce absolute emissions from own operations by c. 42% (from 6,238 to 3,625 tCO_2e*). This supports our broader objective of net zero emissions by 2030. The drivers of change in emissions year on year are covered in more detail in the 'Decarbonising our own Operations' section on page 28.

There is a secondary target to increase annual sourcing of renewable electricity to 100% by 2025 that the Group substantially achieved in 2022 with full coverage expected in 2024.

1. SBTi pathway designed to facilitate limiting warming to 1.5 degrees Celsius above pre-industrial levels. The Group's portfolio is largely renewable and very low emissions intensity at 2020 reflected in the 49% reduction target to 2030 to align with this 2050 pathway.

2. Residential property

Target statement

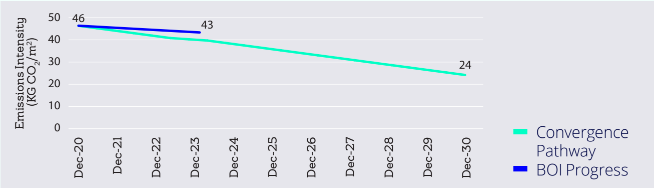
We commit to reducing our residential mortgage portfolio GHG emissions 48% per square metre by 2030 from a 2020 base year.

Baseline (FY2020) — RAG Status

46 $kgCO_2/m^2$ (weight of carbon dioxide equivalent emitted per square meter)

Current position (FY2023)	Reduction from baseline	PCAF data quality score[2]
43 $kgCO_2/m^2$	6%*	3.8 ◂▸

Convergence Pathway ETP B2DS[1]



Notes

The residential property category is seeing the RoI and UK mortgage portfolios decarbonising at different speeds, with the emissions of the RoI portfolio down c.10% since FY2020, driven by new lending which has an emissions intensity that is c.20% lower than the opening stock as at 1 January 2023.

This reduction is partially offset by relatively muted progress in the UK mortgage portfolio (down c.2% since FY2020) which is aligned to reported progress by other lenders in the UK market.

As retrofit activity and the anticipated effect of our interventions increases, accelerating reductions are expected in the medium term, with the full impact of decarbonisation of the energy grid expected in the back end of the decade.

Amber rating reflects strong progress to date driven by profile of new lending but is lagging convergence pathway. However, this lag is being mitigated and considered recoverable (subject to external dependencies) by the target date of 2030 at this stage of strategy execution by (i) the State and the Bank increasing it's focus on retrofitting of existing property stock and (ii) the impact of the decarbonisation of the electricity grid expected in the longer term.

1. Beyond 2 Degrees Scenario (B2DS) aims to limit with a 50% chance global temperature rise to 1.75 degrees Celsius above pre-industrial levels.
2. Reflects PCAF data quality score as at FY2023 with changes in score from baseline FY2020 position shown in brackets.

3. Commercial real estate

Target statement

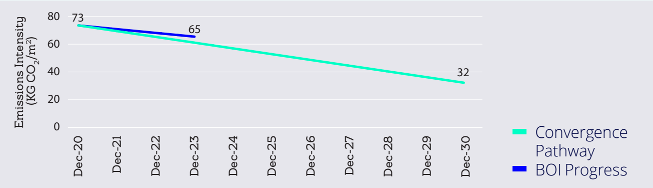
We commit to reducing our commercial real estate portfolio GHG emissions 56% per square metre by 2030 from a 2020 base year.

Baseline (FY2020) — RAG Status

73 $kgCO_2/m^2$ (weight of carbon dioxide equivalent emitted per square meter)

Current position (FY2023)	Reduction from baseline	PCAF data quality score[2]
65 $kgCO_2/m^2$	11%*	3.5 ◂▸

Convergence Pathway ETP B2DS[1]



Notes

Amber rating reflects strong progress to date driven by profile of new lending which has an emissions intensity that is c.20% lower than the opening stock as at 1 January 2023 but with a lag to the SBT convergence pathway.

However, this lag is being mitigated and considered recoverable (subject to external dependencies) by 2030 at this stage of strategy execution by (i) credit policy amendments in 2023 to support the retrofitting of existing property stock and (ii) the impact of the decarbonisation of the electricity grid expected in the longer term.

* Indicator is prepared in line with Reporting Criteria and is subject to Limited ISAE 3000 (revised) and ISAE 3410 assurance by KPMG for the 2023 Bank of Ireland Group plc Sustainability Report. As part of KPMG's limited assurance procedures, the Baseline Year was not assured. The scope of work performed extended only to the current year balance. Please see pages 39-41 of the Bank of Ireland Sustainability related Reporting and Assurance 2023 report for Reporting Criteria and pages 42-43 for KPMG's limited assurance opinion, available here.

Science based targets continued

Metrics and Targets

4. Electricity generation – Project Finance

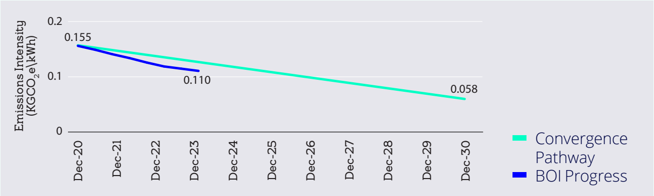
Target statement

We commit to reducing our electricity generation project finance portfolio GHG emissions 63%[3] per kilowatt hour (kWh) by 2030 from a base 2020 year.

Baseline (FY2020)	RAG Status
0.155 $kgCO_2e/kWh$ (weight of carbon dioxide equivalent emitted per kilowatt hour)	

Current position (FY2023)	Reduction from baseline	PCAF data quality score[1]
0.110 $kgCO_2e/kWh$	28%*	2.9

Convergence Pathway SBTi 1.5ºC[2]



Notes

This portfolio consists of a small number of projects (c.25) and during 2023 the financed power generation attributed to two projects in the baseline was found to have been overstated. This has resulted in a restatement of the 2022 baseline for the portfolio from 0.097 to 0.155 $kgCO_2/kWh$ – an increase of 60% (the size of the aggregate impact being due to the small sample size).

Given consideration of this change in starting point and acknowledging the Group's objective to align with the SBT 1.5 pathway[2] by 2030, the targeted 2030 intensity of 0.058 $kgCO_2/kWh$ is maintained and the target reduction from 2020 is increased to 63%[3] to reflect the reset 2020 baseline of 0.155 $kgCO_2/kWh$.

Green rating reflects progress towards the 2030 target is progressing in line with business planning as the Group expanded its renewables portfolio from onshore wind to include offshore in 2023. This sees decarbonisation of c.28% to date versus the 2020 baseline.

5. Long-term corporate lending

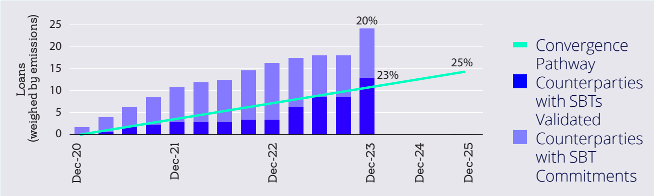
Target statement

We commit to 25% of our long-term corporate lending (weighted by financed emissions) setting SBTi validated targets by 2025.

Baseline (FY2020)	RAG Status
0% coverage	

Current position (FY2023)	Pipeline % portfolio in SBTi validation process
23%*	20%

Convergence Pathway to Full SBT Coverage by 2025



Notes

Green rating reflects (i) strong adoption of SBTs among larger corporate clients (in line with convergence pathway to 100% coverage by 2040) and (ii) a strong pipeline, with a further 20% of the portfolio currently in the process of having SBTs validated.

Validation status of corporate customers based on SBTi reporting, with emissions data for portfolio weightings provided by ICE Urgentem.

6. Long-term corporate bonds (bank bonds)

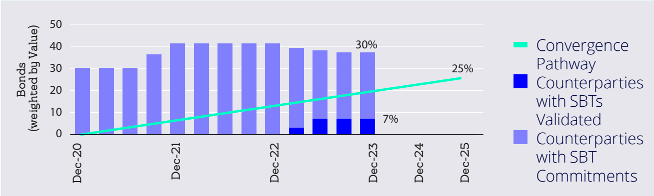
Target statement

We commit to 25% of our corporate bond customers (weighted by investment value) setting SBTi validated targets by 2025.

Baseline (FY2020)	RAG Status
0% coverage	

Current position (FY2023)	Pipeline % portfolio in SBTi validation process
7%*	30%

Change to Convergence Pathway to Full SBT Coverage by 2025



Notes

Amber rating reflects a lag to the linear SBT convergence pathway, which is due to the bonds in the portfolio being issued by financial institutions. Due to the later publication of SBT methodologies for the financial services sector, financial institutions have lagged other sectors in having SBTs validated, with the Group among the first to have their targets validated in December 2022. The lag is currently considered recoverable and mitigated by a strong pipeline of institutions in the process of having SBTs validated (30% of portfolio) with further approvals expected in H1 2024.

1. Reflects PCAF data quality score as at FY2023 with changes in score from baseline FY2020 position shown in brackets.
2. SBTi pathway designed to facilitate limiting warming to 1.5 degrees Celsius above pre-industrial levels. The Group's portfolio is largely renewable and very low emissions intensity at 2020 reflected in the 63% reduction target to 2030 to align with this 2050 pathway.
3. 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.

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Providing Sustainable Finance

We recognise that the most significant impact we can have on climate change is through the finance we provide to our customers. Our assessments highlight that given the anticipated investment requirements in our key markets, the transition to the 'green economy' could lead to substantial financing opportunities across sectors and business lines.

In November 2023, our Davy Decarbonisation unit's white paper 'Investing in Tomorrow: Shaping a Net-Zero Future' estimated c.€129 billion of expenditure was required by 2030 across the key sectors illustrated in order to meet Ireland's Climate Action Plan targets. The majority of this is projected to be funded by private sources, which shows the investment opportunities that are arising from the transition.

Investment required for Ireland's green transition to 2030 (Davy, November 2023 estimates)

Sector	**Total €bn**	Public €bn	Private €bn	of which Debt €bn	of which Equity €bn
Electricity	**43.0**	–	43.0	32.0	11.0
Transport	**43.0**	4.0	39.0	39.0	–
Residential buildings	**23.0**	13.0	10.0	10.0	–
Commercial buildings	**13.0**	–	13.0	11.7	1.3
Industry	**3.0**	–	3.0	2.7	0.3
Agriculture	**4.3**	1.7	2.6	2.3	0.3
Total expenditure	**129.3**	18.7	110.6	97.7	12.9

At Bank of Ireland, we aim to be at the centre of a sustainability support system for the Green Transition. This is a significant opportunity and informs our approach to sustainable finance. By providing the right finance in the right place at the right time and on appropriate commercial terms, we can support innovation and drive scaling. We are addressing these opportunities in our business planning and product development.

This focuses on our home and business customers in the sectors transitioning across electricity, transport, buildings, industry and agriculture. We expect the commercial realisation of the opportunities to materially increase in the medium to long term.

Sustainable finance framework

We have published our Sustainable Finance Framework to provide transparency to our stakeholders on our approach to Sustainable Financing. Within this framework, we are disclosing the criteria we are using to classify financial commitments and products as sustainable, and we are making the composition of the Sustainable Finance portfolio transparent.

This is a Group-wide standard that will enable stringent management of all relevant products, processes, and activities, thereby ensuring the sustainable transformation of Bank of Ireland's customer lending portfolio. 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.

Providing Sustainable Finance continued

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

Increasing our sustainable finance products and support
Our innovative portfolio of sustainable finance products are designed to support customers to take practical actions that move the dial. For example, green mortgages, green motor loans, green business loans for SME's and farmers, renewables, capex and sustainability linked lending.

By the end of 2023, our sustainable finance portfolio grew by c.35%, reaching about c.€11.1bn*. We are on track to meet our targets, thanks in part to the popularity of our green mortgages, which represented c.50% of all new mortgage lending in the Republic of Ireland.

Additionally, we have seen considerable annual growth in financing for renewable energy projects and electric vehicles (EVs) in Ireland.

Our approach supports meeting our SBTs by reducing the GHG emissions that our business finances. With this science and policy-based approach, we can focus our resources where it matters to support credible action. We offer a growing portfolio of sustainable financing products and services and through these offerings, we seek to not only align with the national Climate Action plans in both Ireland and the UK, as well as the Paris Agreement, but also to provide tangible benefits to our customer base.

As part of our commitment to the Green Transition, we are constantly reviewing and expanding our range of Sustainable Finance solutions and in 2023 there were a number of product developments, which represent 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 range of dedicated green hub sites for each customer channel by using the hyperlinks in the following pages.

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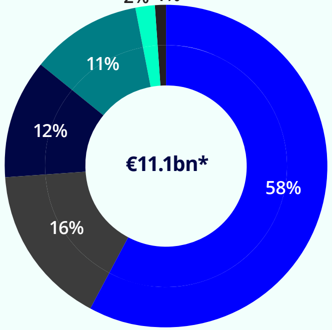
Sustainable Finance Portfolio



Sustainable finance[1]	2023 GCA[4] €bn*	2022 GCA[4] €bn	YoY increase %[2]	2025 target GCA[4] €bn	2030 target GCA[4] €bn	RAG status
Customer lending	11.1	8.2	35%	15.0	30.0	
of which:						
RoI Green Mortgages[5]	6.5	4.0	59%			
UK Green Mortgages	1.3	1.1	21%			
Green CRE	1.7	1.7	2%			
Renewables Project Finance	0.3	0.2	46%			
Electric Vehicles	0.1	0.1	73%			
Sustainability-Linked Loans[3]	1.2	1.1	10%			

1. Exposures of c.€11.1 billion* disclosed in this table comprise loans within the Group's Green Bond eligible assets portfolio, UK residential mortgages to EPC A and B rated properties and Sustainability-Linked loans.
2. Percentages are based on underlying calculation of amounts not rounded.
3. The Sustainability-Linked Loan amounts disclosed in the table are the drawn figures. The Group also monitors the commitments which have increased from €1.4 billion in 2022 to €2.7 billion in 2023 demonstrating customers' increased appetite for such products.
4 Gross Carrying Amount.
5 The current year balance is inclusive of interest. The prior year balance is exclusive of interest.

Providing Sustainable Finance continued

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 strategy is to develop financial products that support the transition. This aligns with our commitment to the UNPRB.

01 **Food production and agriculture**

02 **Clean transport**

03 **Energy**

04 **Builders**

05 **Retail**

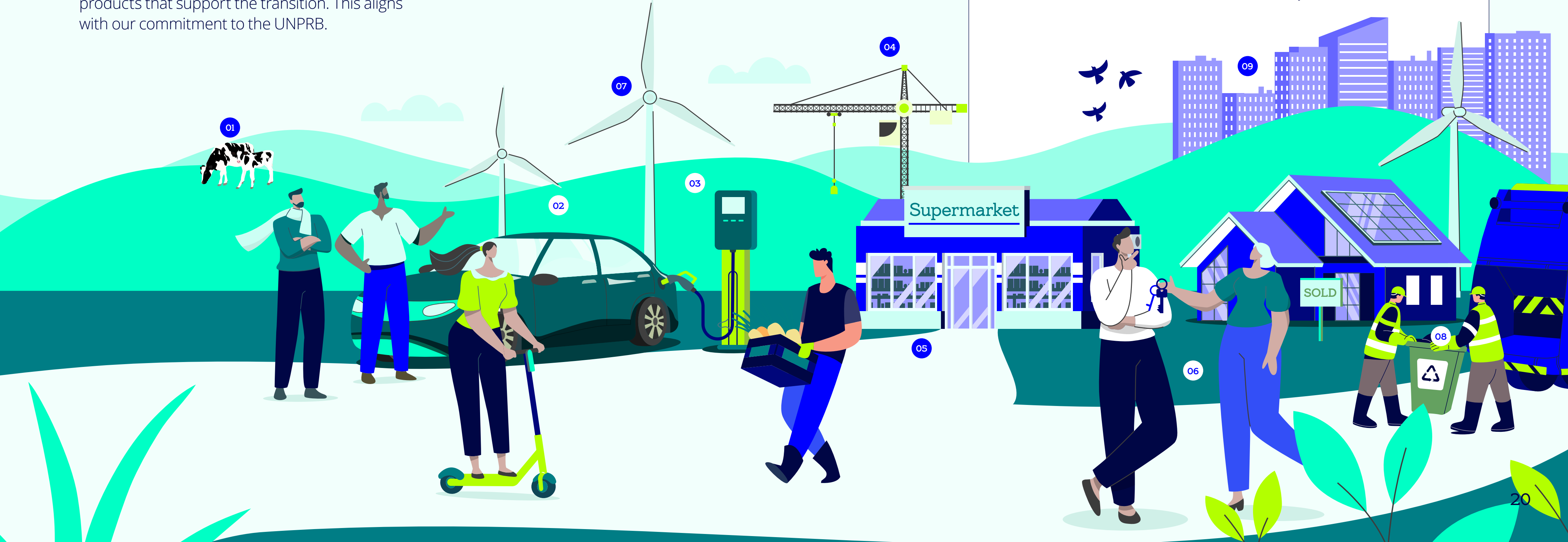
06 **Homebuying**

07 **Renewables**

08 **Circular Economy**

09 **Social Housing**

Press on numbers to be directed to case studies highlighting our support across key areas.



Providing Sustainable Finance continued

RoI home buying and everyday banking

Current home buying and everyday banking Products:

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

Link to the 'Personal Banking Green hub' for the latest product offering.

Launch of EcoSaver Mortgage

In April 2024, we redesigned the pricing structure of our fixed rate mortgages to align with energy ratings. We launched our new 'EcoSaver Mortgage' which offers discounted fixed rates for all properties with a Building Energy Rating (BER), from A to G and is available to new and existing customers who move to the product from another BoI mortgage. Customers will also be rewarded for energy upgrades made to their property, with each BER improvement bringing a larger discount to the EcoSaver rate.

This innovative proposition replaces our existing green mortgages and enables customers to do a complete retrofit or gradually improve their BER rating over time.

Almost three quarters of the housing stock in Ireland is BER C and lower. Our research shows that six in ten homeowners plan to retrofit their home at some stage in the future and one in ten already has. Savings made through EcoSaver rates will contribute to the cost of retrofitting a home, so customers can save money and improve their homes. Customers who aren't currently in a position to retrofit can still benefit from an EcoSaver discount if they have any BER.

We also partnered with SSE Airtricity to provide customers with BER assessments as well as assessments of works, quotes and home retrofitting services via their panel of contractors. In addition, our online hub helps customers understand their current energy rating, work and costs required to achieve a better BER and our online retrofitting calculator shows the costs and potential savings due to lower EcoSaver mortgage rates.

Supporting the EV transition

We are supporting customers as the EV transition gathers pace and Ireland enacts its Climate Action Plan, aiming to achieve the target of having 845,000 EV's on our roads by 2030.

Insights from the Irish motoring industry for 2023 revealed that electric, hybrid, and plug-in electric hybrid cars accounted for 45% of the market share with 22,789 new electric cars registered in Ireland in 2023 up 45% from 2022.

Bank of Ireland offers flexible finance options working with 25 car brands. In 2023, we supported financing for over 50% of new EV's within our franchise partnership.

Bank of Ireland Finance is the exclusive finance partner for Nevo, Ireland's first dedicated electric vehicle platform. The Nevo platform offers a comprehensive range of services for those looking to learn more or switch to electric motoring.

In February 2024, Nevo held Ireland's first fully EV show and Bank of Ireland were the main sponsor. The event brought together cutting edge automotive technology, innovative sustainable solutions and relevant EV financing options under one roof. Over 12,600 people attended with 30 major car brands showcasing.

BoI main Sponsor at Nevo EV show in RDS Dublin, 2024

Providing Sustainable Finance continued

Enviroflex – Sustainability – Linked Agri Lending

In November 2023, Bank of Ireland in partnership with Kerry Dairy Ireland, launched its Enviroflex sustainability-linked loans to provide a discounted funding option for farmers implementing sustainable farming practices. As the leading lender to Ireland's agriculture industry with over 82,000 farm customers on our books, we are supporting the sector's transition to lowering its environmental footprint by providing reduced rate flexible finance for farmers.

Eoin Lowry, BoI Head of Agri Sector with James O'Connell, General Manager, Kerry Agribusiness at the launch of Enviroflex Sustainability-linked loans

In early 2024, we expanded on this with a new partnership with Dairygold to offer the Enviroflex loan package to their milk suppliers who are actively engaged in implementing environmentally sustainable initiatives to reduce their farms' environmental footprint with an ambition to rollout the product nationwide to dairy farmers.

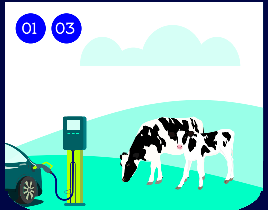
This partnership now makes Enviroflex available to over a third of all Irish dairy farmers and continues Bank of Ireland's tradition of supporting farmers in an evolving sector, looking to improve on farm sustainable actions, increase forestry and tree planting, and improving biodiversity, water quality and animal welfare practises. The partnership is underpinned by Bord Bia's Origin Green Sustainability Programme and demonstrates Bank of Ireland's support to decarbonise the Irish dairy supply chain.

RoI business banking (SME)

Current business banking products:

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

Link to the 'Business Green hub' for the latest product offering.



SBCI Growth and Sustainability loan scheme

In September 2023, Bank of Ireland became the first lender to join the €500m Growth and Sustainability government loan scheme offered by the Strategic Banking Corporation of Ireland (SBCI). The scheme provides 'competitively priced' loans between €25k and €3m for up to ten years to eligible SMEs, including farmers, fishers and small mid-caps. Loans up to €500k are available unsecured. The scheme benefits from a guarantee provided by the European Investment Fund (EIF), with support from the Department of Enterprise, Trade and Employment (DETE) and the Department of Agriculture, Food and the Marine (DAFM).

Loans can be used for green investments such as: building upgrades and renovations; roof and wall insulation; replacement windows; LED lighting; EVs and charging points; manufacturing of energy efficient or renewable energy equipment; minimum tillage equipment; tractor or harvester replacement; and agriculture building renovation or upgrade. Approximately 30% of the funds are earmarked for climate action and sustainability efforts with the remainder intended for investment in business growth.

Successful applicants for sustainability loans will benefit from an additional interest rate discount and Bank of Ireland will initially prioritise climate action and environmental sustainability loan applications.

Providing Sustainable Finance continued

Corporate banking

Current corporate banking products:

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

Link to the 'Corporate Banking Product and Services hub' for the latest product offering.

Sole finance partner for Re-turn

Bank of Ireland provided €27.5 million in financing for the development and rollout of Ireland's new national Deposit Return Scheme, which went live for consumers in February 2024. Re-turn was established to help Ireland achieve EU recycling targets for the estimated 2 billion drinks bottles and cans that are consumed here each year. Under the EU's Directive on single-use plastics, Ireland must ensure separate collection of 77% of plastic beverage bottles placed on the market by 2025, rising to 90% in 2029.

Re-turn's launch saw strong support and collaboration from key stakeholders and in the first month of operation 705k transactions were recorded resulting in over 2 million drinks containers being returned. The introduction of the Deposit Return Scheme is a simple solution to achieving higher collection rates for drinks containers. More than 40 countries and regions have successfully introduced this type of scheme, with recycling rates exceeding 90% in many countries.

The scheme will help Ireland move towards a circular economy where valuable resources are re-used or recycled as much as possible and will benefit households and communities across the country. This transaction highlights our commitment to providing meaningful debt financing in support of important sustainability-focused initiatives like Re-turn.

Ossian Smyth TD, Minister of State with responsibility for the Circular Economy, Nikki Canavan, Head of Origination & Sustainability at Bank of Ireland Corporate and Markets, Tony Keohane, Chair of Re-turn, Séamus Clancy, Interim Chief Executive of Re-turn, and Darragh O'Neill, Head of New Business Origination, Corporate Banking Ireland, Bank of Ireland

Green CapEx Loans

Following engagement with customers to understand the challenges they are facing on their Sustainability journeys, Corporate Banking launched a new Green Capex product that can be used by all their customers to support their green initiatives.

The product offers competitive loan terms where loan proceeds are used to finance EU Taxonomy compliant activities and/ or in line with our Sustainable Finance Framework green lending criteria. The product can support a range of lending including (but not limited to) wind, solar, geothermal power, retrofitting, energy efficient appliances (e.g. refrigeration for retail), clean transportation (e.g. electric vehicles or infrastructure), recycling/ composting, investments in improved energy efficiency (e.g. heat pumps, insulation, etc) and agricultural processes (e.g. low emission slurry, crop sensors, etc).

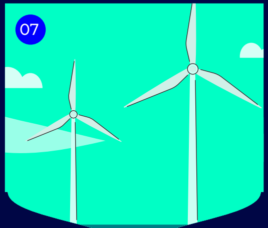
Providing Sustainable Finance continued

Corporate banking

Current corporate banking products:

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

Link to the 'Corporate Banking Product and Services hub' for the latest product offering.



Financing Wind Energy in Ireland and UK

Wind has an important part to play in decarbonising the economy and as a leading lender to the renewable energy sector, we have financed a number of wind energy projects across the Irish and British isles. We have been lending to onshore wind projects for many years and are now expanding our support for offshore wind with the intention to build a leading position as the Irish market grows.

In 2023, we increased our lending commitment in Ireland to ESB's Raheenleagh 35 megawatt (MW) wind farm in County Wicklow. Construction of the wind farm, which entered operation in 2016, was co-funded by Bank of Ireland and a recent refinancing has allowed us to more than double our lending commitment to €40.7 million and become the sole project lender.

In the UK, we provided €50 million in finance for Neart na Gaoithe, a large-scale wind energy project off the east coast of Scotland that will provide power for around 375,000 homes with a 450 MW wind farm, a joint venture between EDF Renewables UK and Ireland's ESB. Neart na Gaoithe NnG will offset over 400,000 tonnes of CO_2 emissions each year.

Additionally, we provided €65 million in finance for Moray West, a wind energy project off the east coast of Scotland for a 882 MW wind farm that will power the equivalent of 1.3 million homes. This is currently under development by Ocean Winds, a joint venture between EDP Renewables and ENGIE.

Across onshore, offshore, solar and other renewable energy technologies we are committed to expanding support both through significantly increased balance sheet commitments and expanded expertise to assist clients in considering their financing options.

Responsible Investing

New Ireland Assurance

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.

Link to the 'New Ireland Sustainable Investing hub' for the latest product offering.

New Ireland Assurance is one of the country's leaders in providing pension, protection and investment solutions. We believe that responsible investing and being a sustainable company is more likely to lead to positive outcomes for our planet and our Stakeholders. We believe that this approach to investing can create and preserve investment capital and deliver better investment outcomes over the long term.

As an asset owner with in excess of €22bn Assets Under Management (AUM), we strive to be a sustainable insurer and a responsible investor.

We incorporate ESG factors into our investment management processes, customer advice and the development of innovative solutions for our customers. Since 2017 we've paid out €738m in life and serious illness cover, €143m on income protection and paid 20,000 annuitants over €500m in income further underpinning our commitment to supporting the financial resilience of our customers.

We offer customers a range of funds that promote Environmental and Social characteristics. These EU Sustainable Finance Disclosures Regulation (SFDR) Article 8 Funds account for approximately 38% of or c.€7.7bn of our policyholder AUM as of 31st December 2023. We seek to consider sustainability risks when designing and reviewing our funds. We continue to work with our investment managers to formalise stewardship and engagement priorities in relation to disclosures, proxy voting and engagement.

We are signatory to the United Nations Principles for Responsible Investment (UNPRI), as are 90% + of our delegated investment managers. Significant progress has been made on the implementation of our Sustainability and ESG strategy through regulatory compliance and the integration of ESG into our investment decision-making processes. This progress is further supported by our ability to leverage the Bank of Ireland Group's broader activities on Sustainability matters.

Responsible Investing continued

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.

Link to the 'Davy Sustainable Investing hub' for the latest product offering.

Sitting at the heart of wealth and capital, Davy can play a substantial role in Ireland's transition to a sustainable society. We are planning and investing to deliver on that potential, building on a strategy developed by our in-house sustainability advisory team, Davy Horizons, in 2022.

The approach is based on a materiality assessment of our activities, products, services and operations across all our locations. It provides the basis for a detailed five-year action plan, where performance is managed by a committee of senior leaders from across the business – the Davy Sustainability Executive Committee (SEC).

Davy supervises c. €25 billion (as of 31st December 2023) in client assets across Wealth Management. Davy has provided Socially Responsible Investing (SRI) solutions for its clients since 2011. Our SRI solutions are classified as Article 8 under the EU SFDR and is also governed by the SRI Investment Committee. Currently there is c.€1.0bn invested in SRI strategies. During 2023, we successfully expanded our SRI offering to enhance their appeal to a non-institutional investor base.

We strongly believe that performance across a range of sustainability factors will have a material bearing on the future valuation of most assets. Reflecting this, we conduct sustainability-related diligence on our active managers across four discrete categories. Considerations here include UNPRI alignment, investment in ESG-related research and the extent of related active management.

We are a signatory to the UNPRI.

Corporate Advisory Services

The Davy Horizons Team has the expertise and experience to support organisations on sustainability and ESG requirements across all sectors. We work as a trusted advisor, supporting organisations implement bespoke sustainability solutions to drive long-term success. Our offering is designed to help organisations adapt and navigate the increasingly complex ESG landscape for a diverse range of stakeholders. We cover strategic advice, through to practical implementation and reporting across all ESG thematics.

Key expertise include:

- **Climate Change:** SBTi, Carbon Footprint, NET Zero Standard
- **Materiality Assessments and ESG Disclosure:** Non-Financial reporting including: CSRD, SFRD, TCFD, EU Taxonomy
- **Investor ESG Positioning & Communication:** Sustainability and Non-Financial briefing/reports
- **Sustainable Products, Responsible Sourcing:** Supply chain traceability, modern slavery, due diligence and green procurement
- **Circular Economy:** Resource innovation and avoiding waste
- **Natural Capital:** Biodiversity loss and deforestation
- **Social Responsibility:** Diversity and Inclusion, training, gender pay, charity
- **Green Buildings, Distribution, Transport & Environmental Management Systems:** ISO 14001, LEED, BREEAM, Home Performance Index and Nearly Zero Energy Buildings (NZEB)

Group Funding and Liquidity

Group Funding and Liquidity

The Group integrates practical, meaningful ESG interventions into the management of our portfolio of investment assets.

We maintain segregated portfolios of high-quality liquid assets to facilitate the funding of unanticipated outflows and to ensure we meet our liquidity requirements. Management of the Liquid Asset Portfolio includes ESG considerations in the investment process and it is one of the factors when considering any potential securities investment.

Reflecting our commitment to conducting business in a responsible and sustainable way, we work to an Asset Liability Committee (ALCO) approved 15% medium term allocation target for ESG bonds as part of the overall asset allocation strategy for securities.

As of 31 December 2023, the total nominal value of the Liquid Asset Portfolio was at €9.47bn, of which 13% of the portfolio's securities are classified as ESG (the nominal value of ESG bonds totalled to €1.23bn). The ESG securities in the portfolio include categories such as renewable energy, clean transportation, sustainable water management, affordable housing and access to healthcare.

Decarbonising our own Operations

In 2023, we demonstrated our commitment to GHG reduction within our own operations by achieving over 85% of our SBTi 2030 target reduction in GHG emissions from our own operations (Scope 1 and 2).

The following principles and methodology were applied in determining the emissions:

Scope 1 GHG emissions

Scope 1 covers CO_2e emissions from heating using oil, natural gas, refrigerants and from the usage of the Group's controlled company cars. The emissions from heating are calculated on the basis of heating consumption, using specific emission factors from the Department of Environment, Food and Rural Affairs (DEFRA) and in accordance with the Greenhouse Gas Protocol Guidance. For company cars, the emissions are calculated on the basis of the fuel type (diesel, petrol, hybrid, plug-in hybrid and electric), estimated mileage and emission factors from DEFRA.

Scope 1 emissions were flat overall year on year with underlying reductions in emissions from our property estate offset by changes in reporting methodology for our car fleet. Underlying property emissions continued to decrease by c.450tCO_2e as a result of the own operations initiatives summarised in the Five Point Climate Action Plan update on page 12.

Over the course of 2023, we have made enhancements to our reporting methodology due to improved data availability from our fleet providers. The impact of this methodology change resulted in an increase in the quantum measurement of our fleet emissions of c.380tCO_2e. We note that on a like for like methodology basis, emissions generated by the fleet would be broadly flat year on year. As we aim for continual improvement in emissions data quality, we will use the same methodology during 2024 while continuing to identify opportunities to enhance emissions data quality.

Scope 2 GHG emissions

Scope 2 covers emissions from electricity supplied by external suppliers. For the RoI, conversion factors for electricity were sourced from the Commission for Regulation of Utilities (CRU) and DEFRA, and for the UK conversion factors were sourced from DEFRA. Scope 2 emissions are reported in accordance with the market-based and location-based methodology from the Greenhouse Gas Protocol Guidance. For the location-based approach, the emission factors from electricity consumption are calculated using average country specific emission factors. For the market-based methodology, supplier specific emission factors were used to calculate emissions.

Scope 3 GHG emissions

Scope 3 covers CO_2e emissions from:

- **Business travel (air, road and rail) and downstream leased assets:** The emissions from business travel were based on actual spend data on air, car hire, taxi, travel mileage and railway fares. For business travel by road, the emissions were calculated on the basis of the mileage and fuel specific emission factors from DEFRA as per fuel type. For business travel by air, the emissions were calculated based on the total spend, average cost of flights and distance travelled based on airline information. For downstream leased assets, DEFRA natural gas and electricity conversion factor for leased building was used to quantify the emissions. Scope 3 emissions were higher than in 2022 reflecting ongoing normalisation of business travel post-pandemic.
- **Waste (including waste treatment, recycling, energy and paper):** The emissions from waste were calculated based on actual consumption and emission factors from DEFRA; and
- **Purchased goods and services (limited to water supply and treatment):** The emissions from water supply and treatment were calculated on the basis of actual consumption provided by the suppliers and emission factors from DEFRA.

Financed emissions

The Group will commence reporting of financed emissions from H2 2024 in line with Pillar 3 ESG Reporting timelines.

Metric	2023 tCO_2e*	2022 tCO_2e
Scope 1 fuel consumption	3,615	3,682
Scope 2 purchased electricity (market based)	10	12
Scope 3 (material for own operations as set out below)	5,058	3,261
Business travel	4,348	2,947
Waste	23	22
Purchased goods & services	34[3]	33
Downstream leased assets (market based)[1]	653[3]	259
% of electricity from renewable sources [2]	c.100%*	c.100%

1 Downstream leased asset Gas 259 tCO_2e, Electricity 493 tCO_2e.
2 Percentage is 99.83% (2022: 99.83%) with full coverage expected in 2024.
3 These numbers have been amended since the publication of the 2023 BOI Group Annual Report based on additional supporting documentation.

* Indicator is prepared in line with Reporting Criteria and is subject to Limited ISAE 3000 (revised) and ISAE 3410 assurance by KPMG for the 2023 Bank of Ireland Group plc Sustainability Report. Please see pages 39-41 of the Bank of Ireland Sustainability related Reporting and Assurance 2023 report for Reporting Criteria and pages 42-43 for KPMG's limited assurance opinion, available here.

Managing Climate-related Risks

In the effort to mitigate the most severe consequences of climate change, there is a global push to reduce GHG emissions and limit the rise in global average temperatures to below 2°C, with the aim of mitigating the increase to 1.5°C. Businesses and communities will continue to be forced to adapt to physical changes as the world transitions to a low carbon economy, resulting in risks and opportunities in the short, medium and long-term. Our strategy execution is informed by our assessment of risks and opportunities.

Climate-related risks
We recognise that the climate-related risks we face need to be identified, assessed and managed on an ongoing basis to minimise negative impacts. We are committed to supporting our customers' green transition while building the Group's resilience against these negative impacts by embedding climate-related impacts in key decision making processes.
In the Group's key planning process, the Internal Capital Adequacy Assessment Process (ICAAP), the potential impact of transition and physical risk drivers is assessed for each key risk type over the short (< 3 years), medium (3-5 years) and long-term (> 5 years).

The key climate-related risk impacts are:
- **Credit risk:** Increased costs associated with physical and transition risks may impact financial soundness of households and businesses reducing their ability to service debt and impairing asset values, resulting in financial loss to the Group through higher probability of default and higher losses given default.
- **Business and Strategic risk:** Long term franchise impacts if strategic commitments are not achieved by the Group and the Group's product offering does not adapt to changing market dynamics.
- **Operational risk:** Physical risks could impact continuity of the Group's operations or operations of its material suppliers, resulting in sustained disruption of the supply chain and ultimately our ability to service customers.
- **Conduct risk:** Potential impact if failures in product design, market practice or customer engagement lead to greenwashing claims or poor customer outcomes.

Our assessment of climate risk drivers is informed by the use of climate change scenario analysis.

The Group has continued to embed the management of climate risk drivers into its risk management framework to mitigate the risk that climate change presents to our businessstrategy.

The following drivers are considered when assessing potential climate-related risks

Transitional risk	
Policy and legal	• Increased pricing of carbon emissions • Enhanced emissions-reporting obligations • Regulation of existing products and services • Exposure to climate-related litigation
Technology	• Substitution of existing products and services with lower emissions options • Cost to transition to lower emissions technology • Unsuccessful investment in new technologies
Market	• Changing customer behaviour • Increased cost to raw materials • Uncertainty in markets signals
Reputation	• Shifts in consumers preferences • Increased stakeholder concerns or negative stakeholder feedback • Stigmatisation of specific sectors
Physical risk	
Acute	• Increased severity of extreme weather events such as storms and floods.
Chronic	• Change in rain patterns and extreme variability in weather patterns • Rising mean temperatures • Rising sea levels

Managing Climate-related Risks continued

Our approach to climate scenario analysis
Supporting the green transition also requires the Group to assess its own resilience to climate change. To address this requirement, the Group has been continually developing its scenario analysis and stress testing capabilities in line with emerging industry methodologies and regulatory guidance.

The Group is developing scenario analysis capabilities on an iterative basis, leveraging improvements in climate data and methodologies as they become available. Given the long time horizon associated with climate change, scenario analysis is considered a key tool to inform strategic direction and risk management.

Our starting point for modelling climate-related risks are climate scenarios published by the Network of central banks and Supervisors for Greening the Financial System (NGFS). The NGFS has developed the scenarios, each of which reflects a different climate policy pathway to provide a common starting point for the financial sector to analyse physical and transition climate-related risks. During 2023, we developed internal scenarios and methodologies to quantify the potential impact of climate-related risks across our commercial and retail customer lending portfolios.

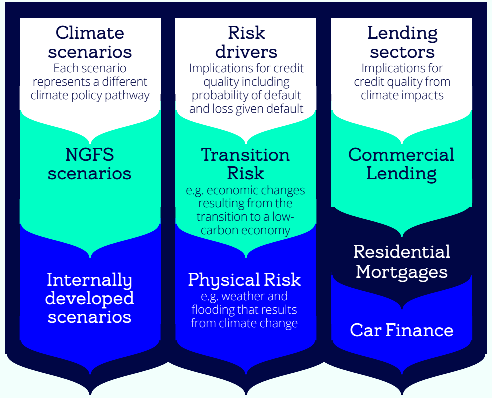
Each scenario has a separate risk driver profile (made up of both physical and transitional risks) that have implications for credit quality, including the probability of default (PD) and loss given default (LGD). These scenarios and their associated risk profiles can then be applied to lending sectors (e.g. commercial lending, residential mortgages and car finance) to understand the implications for credit quality for that sector.

Climate scenario analysis is integrated within the ICAAP in order to increase our understanding and insights into the potential impacts of climate risk.

The ICAAP is a key planning process for the Group and facilitates the Board and senior management in identifying, measuring and monitoring the Group's risks and ensures that the Group holds adequate capital to support its risk profile.

We have integrated climate into the ICAAP and its broader scenario analysis framework to assess the impacts of climate on different risk types (e.g. credit, business, operational, conduct and regulatory). The potential impact of transition and physical risk drivers is assessed for each key risk type over the short (< 3 years), medium (3-5 years) and long-term (> 5 years).

This is a standalone analysis separate to the standard ICAAP Base and Stress analysis that focuses on longer term impacts out to 2050,



beyond the standard three year time horizon of ICAAP. This scenario analysis informs climate risk materiality assessments to quantify the potential impacts across the Group's risk types that is being integrated into the Group's ICAAP. Please refer to the Climate-related Risks section on page 32 for details on how scenario analysis is informing materiality assessments of potential climate impacts by risk type and climate drivers such as flood risk.

Identification and assessment of climate-related risks
ESG risks are important considerations for financial institutions and stakeholders. The Group recognises ESG factors (including climate-related risks) represent a common risk driver across the Group's principal risk types. The Group ESG Risk Management Framework sets out the approach to the management of ESG risk factors in the Group. ESG risk management is relatively immature across the industry and continues to evolve. Implementation to date, in the Group and industry, has largely focused on climate-related risk drivers. During 2023, the focus of ESG risk management in the Group has expanded to include non-climate environmental risks.

Our strategic commitment to supporting our customers' green transition is underpinned by our management of the risks associated with climate change. We do this by embedding climate-related impacts in key decision making processes.

The Group has a detailed multi-year (2021-2024) Climate Risk Implementation Plan in place to address the ECB guidance on how banks should manage climate-related and environmental risks (November 2020).

The guidance sets out expectations for institutions when formulating and implementing their climate business strategy, governance and risk management frameworks and disclosures. Execution of the plan has seen the Group progressively aligning to the ECB guidelines, embedding climate risk and ESG considerations in business and risk management processes in line with the Board approved plan.

Managing Climate-related Risks continued

Risk Management

Integration of climate risks at a Group level

The Group defines ESG factors as environmental, social or governance matters that may have a positive or negative impact on the Group and represent a common driver across the Group's Principal risk types. The Group defines ESG risks as risks that stem from the current or prospective impacts of ESG factors on the Group that, could cause an actual or potential material negative impact on:

- the Group's earnings, franchise value or reputation;
- the Group's regulatory standing;
- the long-term sustainability of our customers' operations and financial wellbeing; and
- the communities and environment in which we and our customers operate.

Furthermore, in line with the ECB's guidelines on climate-related and environmental risks and the recommendations of the TCFD, the Group defines two key sub-categories of climate-related risks and environmental risks that impact our business. These are the risks associated with the transition to a low carbon economy and from climate related physical events. Further details on these climate-related risk drivers can be viewed on page 29.

Both transition and physical risks can affect the creditworthiness of our customers and the stability of our lending portfolios, as well as the value of assets in the medium to long term. These climate risk drivers can intensify risks to the Group, impacting across existing key risk categories including, but not limited to Credit risk, Business and Strategic risk, Operational risk and Conduct risk. Climate risk can also have reputational impacts if the Group fails to meet investor, customer, community and regulatory expectations of its support of the green transition. Per the Group's Risk Management Framework and its Group Risk Library, ESG risk factors such as climate-related risks are managed within the framework the Group has in place for its established Principal Risk types. Therefore, the Group is integrating the management of climate risk into its existing policies, controls, reporting and operating procedures, in accordance with the European Central Bank guidelines on the management of climate and environmental-related risk.

The Group has dedicated resources to lead the coordination of the Group's approach to ESG risk management, both in First Line of Defence (1LOD) (Group Sustainability function in the Group Finance division) and in Second Line of Defence (2LOD) (Business, Strategic and Sustainability Risk function in the Group Risk division).

ESG Risk Factors

Credit Risk	Market Risk	Funding & Liquidity Risk	Life Insurance Risk	Capital Adequacy Risk	Business & Strategic Risk	Conduct Risk	Regulatory Risk	Other Operational Risk

First Line of Defence (1LOD)	The business divisions or functions taking on risk have the primary responsibility for managing the risk generated by their actions and this includes managing ESG factors.
Second Line of Defence (2LOD)	2LOD has the responsibility for ensuring the ESG risk factors are considered when executing second line responsibilities as set out in the Group Risk Management Framework. This includes consideration as part of policy setting and taking reasonable steps to ensure the Group does not suffer outcomes outside of Risk Appetite.
Third Line of Defence (3LOD)	3LOD is responsible for ensuring the first and second lines of defence assess whether all significant risks are identified and appropriately reported by management to the executive and board of management, as well as assessing whether risks are adequately controlled.

Managing Climate-related Risks continued

Identification and assessment of climate-related risks

Guided by the Group's ESG Risk Management Framework, we are progressively embedding climate risk into the Group's key risk processes. We continue to improve how we assess climate risk drivers taking into account potential impacts, our mitigating actions, and next steps for each risk type. The following tables summarises the current position on the identification, assessment and mitigation of climate-related risks across the Group's Principal risk types:

Principal risk types	Impacting climate risk drivers: Transition risk drivers	Impacting climate risk drivers: Physical risk drivers	Climate risk impacts	Quantified Potential Impacts[1]: Short	Quantified Potential Impacts[1]: Medium	Quantified Potential Impacts[1]: Long	What are we doing to mitigate climate risk drivers
Credit risk	Policy & Legal, Market, Technology, Reputation	Acute, Chronic	• Borrowers' ability to repay if operating in sensitive sectors. • Changes in emission regulation or in user sentiment could affect asset value (Stranded Assets). • Collateral depreciation leading to negative impacts on Loan To Value (LTV) (e.g. flooding, storms). • Borrowers' ability to repay in sectors more sensitive to weather impacts like floods and storms (e.g. agriculture).	●●	●●●	●●●	• Credit Risk Policy: ESG risks form part of credit assessment. ESG reporting requirements included in collateral valuation; excluded sectors and risk limits. • Limits and controls: Limits on property energy ratings (Commercial Real Estate/Buy to Let); requirements for flood insurance. • ESG Risk Lending Forum established in Corporate and Business Banking to assess lending where ESG risk is elevated. • Quantitative risk metrics embedded in procedures for key portfolios in scope for SBTs. • Climate risk scenario analysis for Credit Risk integrated into the Group ICAAP.
Business & strategic risk	Policy & Legal, Market, Technology, Reputation	Acute, Chronic	• Long term franchise impacts if strategic commitments are not achieved and product offering does not adapt to changing market dynamics.	●●	●●	●●	• Group Strategy: Sustainable company is a key strategic pillar underpinned by Group Objectives and Key Results (OKRs) (including risk OKRs). • Business and Strategic Risk Policy requires ESG risk factors to be reflected in: strategic planning and internal and external business environment assessments.
Operational risk	Policy & Legal, Market, Technology, Reputation	Acute, Chronic	• Climate driven impacts on operational processes include increasing levels of systems, data, model and sourcing risk to manage. • Extreme floods or storms at multiple locations impacting our Business Continuity Plans (BCPs) with consequent impact to services we provide to clients (e.g. transaction processing). • Potential need to increase resilience of our network, supply chain and production process where off-shore operations are more exposed to increasing physical climate risks.	●●	●●	●●	• Climate risk scenario analysis for Operational Risk part of Group ICAAP. • Business Continuity Mission Critical Services Scenario Analysis: climate related scenario testing carried out. • Third Parties and Outsourcing: ESG (including climate change) is part of supplier due diligence assessment; ESG related metrics and tolerance levels where ESG materially impacts supplier. • Data Risk: Standard group control framework applies to climate data. • Model Risk: Climate risk factors to be considered in models including assessing data collection requirements to enable inclusion in models.

1. An estimation of: (i) The time horizon at which each risk is likely to materialise: short term, within 3 years; medium term, between 3 and 5 years; or long-term, more than 5 years. (ii) The relative materiality of each risk: Negligible (-); Low ●; Moderate ●●; Significant ●●●.

Policy & Legal | Market | Technology | Reputation | Chronic | Acute

Managing Climate-related Risks continued

Principal risk types	Impacting climate risk drivers: Transition risk drivers	Impacting climate risk drivers: Physical risk drivers	Climate risk impacts	Quantified Potential Impacts[1]: Short	Medium	Long	What are we doing to mitigate climate risk drivers
Conduct risk			• Failures in ESG/green product design, market practice or customer engagement could lead to regulatory sanctions and brand damage, if there is a lack of transparency and misleading classification (greenwashing), or if clients suffer an unexpected loss due to climate risks.	●●	●●	●●	• ESG considerations are incorporated in new product approvals and ongoing product lifecycle reviews for all product/service/channel initiatives that are classified or marketed as a Green/ ESG proposition to mitigate potential claims of 'Greenwashing'. • Group Customer Protection Risk Policy requires mitigation of greenwashing risk. • All colleague training on climate concepts and processes, as well as role specific training on sustainable finance and ESG risk management launched in 2023.
Regulatory risk			• Failure to implement in a timely manner ongoing changes in climate regulation could affect the Bank's profitability through regulatory sanctions. • Potential for regulatory sanctions if physical risks impact our services with consequent impact to services we provide to clients (e.g. transaction processing).	●●	●●	●●	• Upstream Regulatory Change Monitoring: ongoing horizon scanning with quarterly 1LOD/2LOD meeting to review any developments captured in climate regulation applicable to the Group.
Funding & liquidity risk	N/A		• Group liquidity risk profile does not include instruments where climate concerns may significantly impact funding and liquidity pools.	–	–	–	• Climate risk scenario analysis for funding & liquidity risk integrated into the Group's internal liquidity adequacy assessment process (ILAAP).
Market risk	N/A		• The material trading instruments in the Group do not include equities and commodities where climate concerns may significantly impact the valuation.	–	–	–	• Policy controls on exposure to climate sensitive traded instruments. • Climate risk scenario analysis for market risk integrated into the Group ICAAP.
Life insurance risk	N/A		• The potential for climate risk drivers to drive sudden increases in morbidity and mortality risk is assessed as minimal.	–	–	–	• Climate risk scenario analysis for life insurance risk is part of the ORSA (Own Risk & Solvency Assessment) process for the New Ireland entity which manages life insurance risk of the Group.
Capital adequacy risk[2]	N/A		• The risk of increased capital depletion from the impact of climate risks across the Group's other principal risks.	●●●	●●●	●●●	• Aggregation into ICAAP 2023 quantitative Climate Risk Assessment across principal risk types.

1. An estimation of: (i) The time horizon at which each risk is likely to materialise: short term, within 3 years; medium term, between 3 and 5 years; or long-term, more than 5 years. (ii) The relative materiality of each risk: Negligible (-); Low ●; Moderate ●●; Significant ●●●.
2. Aggregate of the risk impacts above

Policy & Legal **Market** **Technology** **Reputation** **Chronic** **Acute**

Managing Climate-related Risks continued

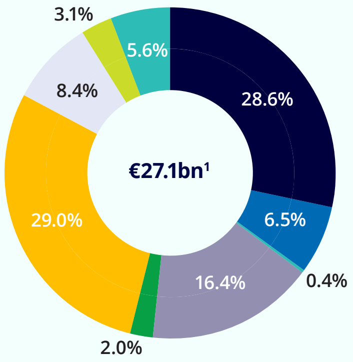
During 2023, methodologies were developed to allow climate risk to be actively measured and monitored in a similar manner to other key risk types:

- The Board Risk Report (BRR) is used by the Board to review and monitor the Group's risk profile across all Principal Risks, compliance with Risk Appetite and Risk Policies. ESG risk in the Group is reported on through the BRR on a minimum quarterly basis and is the primary source of reporting for the impact of ESG related risks on the Group's risk profile; and
- Key risk metrics on the lending portfolio are monitored by the Group Sustainability Committee on a quarterly basis aligned to Pillar 3 ESG Reporting to ensure transparency and comparability. These include:
    1. Sectoral concentrations;
    2. The energy efficiency profile of property lending portfolios; and
    3. Exposure to physical climate risks.

1. Sectoral Concentrations

We monitor sectors most sensitive to climate change on a quarterly basis. Our loan book breakdown below shows the current composition of our commercial loan portfolio and the percentage of lending to sectors we consider most sensitive to climate change – in line with the European Banking Authority (EBA) Pillar 3 ESG Reporting standards. In terms of portfolio mix, the Group has no direct exposure to fossil fuels in energy and extraction. As a predominantly retail lending bank, c.70% of our customer lending is in residential and commercial property and car finance. This assessment also highlights that the Group's direct exposure to fossil fuels and to commercial lending segments with high emissions is relatively low (with the exception of the agricultural sector, which due to its specific challenges requires broader support in which we will play an active role).

Commercial lending exposure to sectors that contribute to climate change



Sector concentrations key risk Indicators	2023 Gross Carrying Amount*	2023 % Total	YoY Change
Exposure to high contributing sectors[1]	19.3	71.4%	(8%) ▼
Exposure to top 20 global emitters[2]	–	–	–
Direct fossil fuel exposure[3]	–	–	–
Indirect fossil fuel exposure[4]	0.2	0.7%	(25%) ▼

1. Denotes exposure to commercial lending sectors that highly contribute to climate change as classified in Pillar 3 Reporting. The €27.1 billion in the pie chart above denotes the total FY2023 exposure to commercial lending (non-financial counterparties).
2. Denotes exposure to companies listed among the top 20 most carbon intensive firms globally.
3. Denotes exposure classified in the following Pillar 3 Reporting sub-sectors in Mining & Quarrying: B.05 – Mining of coal and lignite; B.06 – Extraction of crude petroleum (oil) and natural gas.
4. Denotes exposure classified in Pillar 3 to counterparties with revenue from non-direct fossil fuel activities (logistics and supply chain) – denoted in Pillar 3 as Excluded from EU Paris-aligned Benchmarks.

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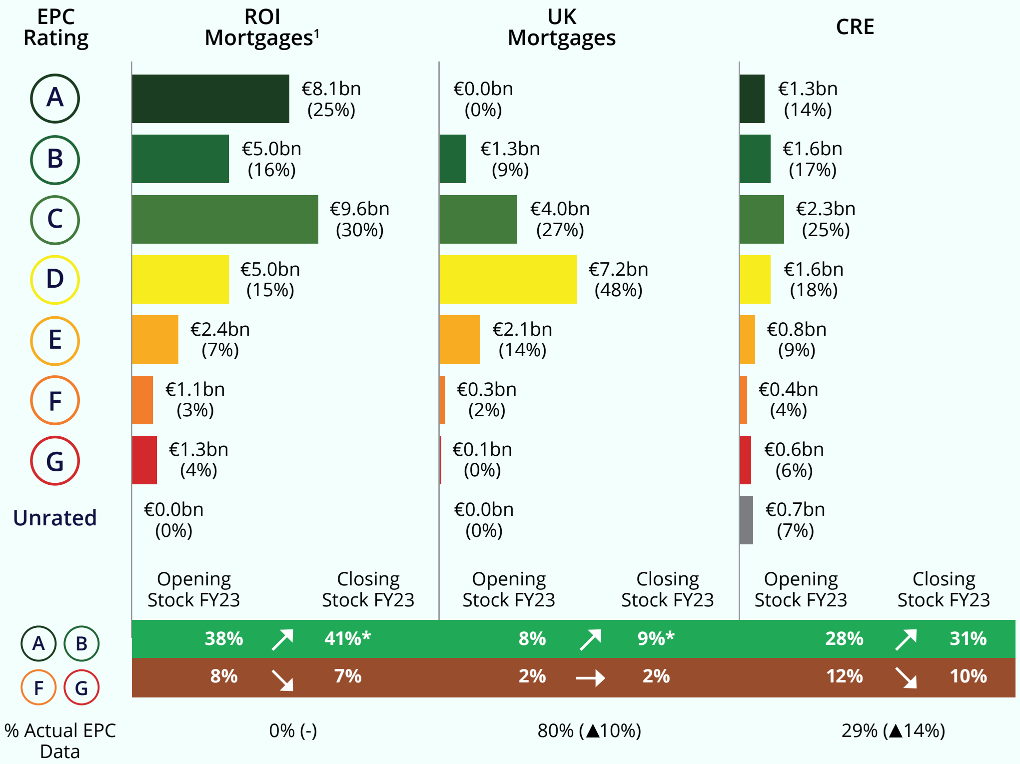
Managing Climate-related Risks continued

2. Energy efficiency of property lending portfolios

The Group is committed as part of our sustainability ambitions to support our customers to increase their residential energy efficiency whilst encouraging the purchase of energy efficient properties. Energy efficiency is represented by Energy Performance Certificate (EPC) ratings, with A indicating the best and G the worst in terms of energy efficiency.

The charts summarise the energy efficiency of the Group's residential and commercial property portfolios in RoI and the UK, based on a combination of actual and estimated EPC ratings. Currently, c.41%* of our RoI mortgage portfolio (and c.49% of new lending in the year) corresponds to properties in the A to B EPC categories. In the UK, c.9%* of properties in our mortgage portfolio (and c.13% of new lending in the year) are A to B rated. The EPC profiles and pace of improvement reflect the differences in housing stocks across the two jurisdictions. The EPC profile of our commercial property portfolio is also improving reflecting initial progress made in our lending strategies to decarbonise our property lending portfolios.

Energy efficiency of property lending portfolios (FY2023)



1. 100% of the BER/ EPC data for RoI mortgages at FY2023 is estimated and not based on specific BER labels. Data based on specific BER certificates is being collected from the start of 2024 and will be embedded in future reports.

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Managing Climate-related Risks continued

Energy Performance Certificate (EPC) data

RoI Mortgages – exposure collateralised by residential immovable property (GCA of €32.5 billion):

- For the December 2023 disclosure, 100% of the BER/EPC data for RoI mortgages is estimated, and not based on specific BER labels. A national database maintained by the Sustainable Energy Authority of Ireland (SEAI) on domestic properties with recorded energy ratings has been used to provide an estimated view on the energy rating profile of RoI lending collateralised by residential property, based on key explanatory factors (namely year of build, property type and location); and
- During 2023, the Group has developed data capture capabilities within its RoI home buying customer journey, so that data based on specific BER certificates will be collected from the start of 2024.

UK Mortgages – exposure collateralised by residential immovable property (GCA of €15.0 billion)

- For UK mortgages, the Group has processes for the collection of EPC data in place since 2020. For this December 2023 disclosure, 80% of the EPC data for the stock of UK mortgages is based on specific EPC labels, with coverage above 91% for lending originated in 2023.

For the residual UK located properties, EPC ratings have been estimated based on key explanatory factors (namely year of build, property type and location).

Commercial Real Estate (CRE) – exposure collateralised by commercial immovable property (GCA of €9.3 billion)

- During 2023, the Group has developed data capture capabilities within its CRE lending business to progressively expand and enhance the collection of data based on specific EPC certificates. Data collection is being progressed in phases and this has seen coverage of the portfolio where specific EPC ratings are available double from 14% in FY2022 to 29% in FY2023 (note figure based on September 2023). Further increases in coverage expected in 2024 as further phases of the data collection process are rolled out; and
- For the residual properties, national EPC ratings data on non-domestic properties is used to estimate the energy rating profile for those properties based on property type.

3. Exposure to physical climate risks

During 2023, the Group has continued to develop its capabilities to identify, measure and monitor the potential financial impacts emerging from climate-related physical risks. For this purpose, we have acquired data from Moody's to assess physical risks, at a Nomenclature of territorial units for statistic[1] (NUTS) 3 regional level across six sub-types of physical risk that have been categorised into acute and physical risk categories as follows:

Acute physical risk	Chronic physical risk
Flood	Heat stress
Hurricanes	Sea Level Risk
Wildfire	Water stress

For exposures collateralised by immovable property (residential and commercial), in line with guidance the collateral location is used to assign exposures to the NUTS 3 regions level to assess the exposure to physical risk. Where the lending is not collateralised, the country of risk is used. If any of the six physical risks are classed as 'Highly Exposed' for that region, the exposure is classed as Sensitive to Impact from Chronic and Acute Physical Risks based on the categorisation of the risk factors above.

1. The Nomenclature of territorial units for statistics is a geographical nomenclature subdividing the economic territory of the European Union (EU) into regions at three different levels (NUTS 1, 2 and 3 respectively, moving from larger to smaller territorial units). Please see the flood risk map on page 37 for a visual representation of the NUTS 3 regions.
2. Group total exposure is total gross carrying amounts for loans and advances to customers at amortised cost.
3 Material driver for YoY change is increase in coverage of flood risk assessment across CRE portfolio.

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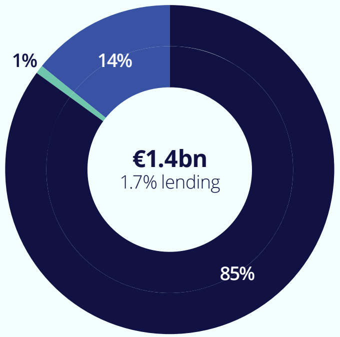


- Exposure sensitive to acute physical risks only
- Exposure sensitive to both acute & chronic physical risks
- Exposure sensitive to chronic physical risks only

	Exposure sensitive to physical risks (€m)	As a % total exposure[2*]	YTD change[3]
Group Total	1,149 192 11	1.67%	▲ 0.13%
UK Mortgages	357 183 11	3.67%	▲ 0.04%
ROI Mortgages	404	1.24%	▼ (0.03%)
Commercial Lending	388 9	1.43%	▲ 0.47%

Flood risk scenario analysis

As an additional lens to identify exposure sensitive to physical risk, we have undertaken a more localised physical risk assessment for properties in RoI and UK that are residential or commercial property collateral for lending exposures. The locations of these properties have been geo-coded for flood risk assessment. Using latitude and longitude, properties are matched to building and street based on the address data available. The map on the right represents the proportion of RoI and UK properties at high risk of flood as a percentage of the Group's mortgage lending under a forward looking climate scenario. The locations of these properties have been geo-coded for flood risk assessment using data and modelling from JBA Flood Risk Management, a leading provider of climate flood modelling in the Irish and UK market.

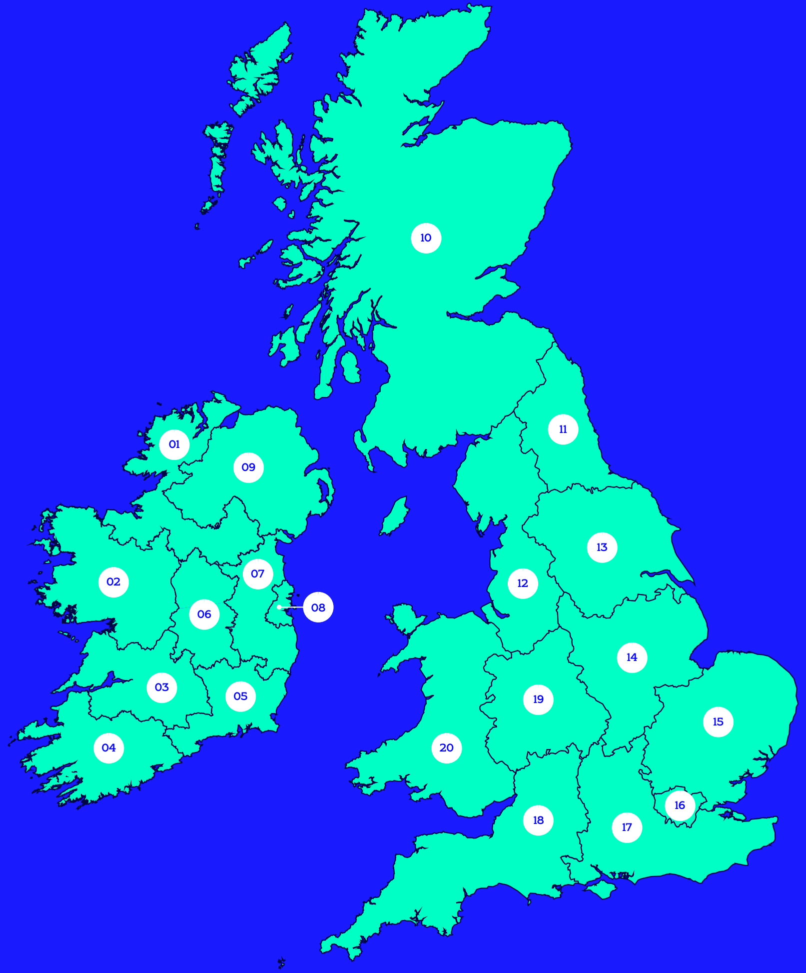
The JBA flood model for RoI and UK includes river (fluvial), surface water (pluvial) and coastal flood risk. It assigns flood risk per property based on the potential flood damage to property dependent on the type, frequency and depth of flooding modelled. The scoring ranges from 0 to 53, with 0 being lowest and 53 being the highest risk. The flood scores are projected forward based on the RCP 8.5 Pathway[1] where emissions continue to rise throughout the 21st century and global temperatures increase by 2100 by 3.2 to 5.4 degrees. Properties classified at high risk of flooding are:

- Properties in RoI with a score of 31 and above by 2050 on an undefended basis[2]; and
- Properties in UK with a probability of a flood event occurring by 2030 of >5%[3].

	Area	% of total mortgage lending	% of regional lending at risk*
RoI	1. Border	2.5%	0.9%
	2. West	4.9%	0.2%
	3. Mid West	4.5%	2.1%
	4. South West	7.5%	1.4%
	5. South East	4.0%	2.4%
	6. Midlands	2.8%	0.1%
	7. Mid East	13.0%	0.9%
	8. Dublin	29.2%	2.2%
UK	9. Northern Ireland	1.5%	2.8%
	10. Scotland	2.6%	2.0%
	11. North East	1.0%	1.1%
	12. North West	3.1%	1.8%
	13. Yorkshire and the Humber	1.6%	3.2%
	14. East Midlands	1.8%	1.7%
	15. East of England	2.9%	1.5%
	16. Greater London	6.5%	3.2%
	17. South East	4.8%	3.2%
	18. South West	2.6%	2.4%
	19. West Midlands	2.1%	1.0%
	20. Wales	1.1%	3.9%
	Total	100%	

* Indicator is prepared in line with Reporting Criteria and is subject to Limited ISAE 3000 (revised) and ISAE 3410 assurance by KPMG for the 2023 Bank of Ireland Group plc Sustainability Report. Please see pages 39-41 of the Bank of Ireland Sustainability related Reporting and Assurance 2023 report for Reporting Criteria and pages 42-43 for KPMG's limited assurance opinion, available here.

RoI (c.€32.5bn) and UK (c.€15.0bn) mortgage portfolios – flood risk by region in forward looking stress climate scenarios (FY2023)



1. Representative Concentration Pathways for greenhouse gas concentration trajectories adopted by the IPCC (Intergovernmental Panel on Climate Change). The pathways describe different climate futures, all of which are considered possible depending on the volume of GHGs emitted in the years to come.
2. Undefended denotes that flood mitigating defences are not taken into account. The flood data provided is on an undefended basis in the Republic of Ireland as the Office of Public Works currently only allows members of the Insurance Institute of Ireland access their defended areas data.
3. Probability based on projected JBA Flood Scores.

Transparently Reporting

In our 'Investing in Tomorrow' Sustainability strategy we committed to the clear reporting on the progress we are making towards fulfilling our ambitions, and reporting in line with the recommendations of the TCFD.

We seek to continually enhance our reporting and disclosures by maturing our reporting framework, with increased level of controls and assurance provided this year.

We measure our success by the alignment of our disclosures with expectations of regulators, ESG rating agencies and our shareholders.

Supporting the Green Transition	
Set And Manage Science Based Targets	We provided our first progress reporting this year across our own operations and each of our in-scope portfolios following the setting of our targets in 2022.
Provide Sustainable Finance	During 2023 we provided ongoing progress updates towards our Sustainable Finance targets and have published our Sustainable Finance Framework to provide transparency on our qualifying criteria.
Decarbonise Our Own Operations	During 2023 we continued our reporting on reductions in our own emissions, our use of renewable energy and our actions to improve energy efficiency, while continuing to enhance data processes.
Manage Climate Related Risks	During 2023 we increased our disclosures on key climate metrics, energy efficiency on property and alignment with the EU Taxonomy in line with Pillar 3 disclosures.
Transparently Report Our Progress	Our expanded sustainability disclosures and activities have supported ESG ratings upgrades in FY2023.

Nature

At Bank of Ireland, we understand that our livelihoods and entire economic system depend on nature and ecosystem services. Half of the world's GDP (or approximately $58 trillion of economic value generation) is estimated to be moderately or highly dependent on nature. It is now evident that the depletion of nature is presenting physical, transition and broader systemic risks for the Irish and global financial system, and inaction will exacerbate material risks for the finance industry. We recognise the responsibility that we hold in mitigating these risks and supporting a transition to a net zero and regenerative economy.

We understand that the biggest impact we can have is through the finance that we provide to our customers. The United Nations Environment Programme (UNEP)'s State of Finance for Nature (2022) states that an additional US$230 billion per year globally is needed to close the nature finance gap to 2030, and without immediate action, this gap will increase to US$674 billion per annum (four times current investment levels). In 2023, we took a number of actions which will help to address this gap including development of agri-based lending products incorporating features that support nature recovery and biodiversity. Further details about our lending approach can be found in our Sustainable Finance Framework and our Responsible & Sustainable Business Sector Statement, which are published on our website.

Nature related Risks and Impacts
In 2022, we began to assess the nature-related impacts, dependencies, risks and opportunities arising from our business operations, and in 2023 we expanded this work to include our lending portfolio.

Key activities include:

- Piloting the TNFD's LEAP (Locate, Evaluate, Assess and Prepare) framework to assess the nature-related impacts, dependencies, risks and opportunities arising from our business operations.
- Analysing the proximity of our operational sites in relation to sites of biodiversity importance, and transparently disclosing the results according to the Global Reporting Initiative (GRI) standards.
- Taking steps to mitigate impact drivers through the development of nature-friendly and innovative financing, in accordance with our Sustainable Finance Framework.
- We were the only Irish financial institution to participate in the UNEPFI Nature Target-setting working group (see case study on the next page).

Nature continued

Thought Leadership and Collaboration
In 2023, we engaged with the following collaborative initiatives:

Taskforce for Nature-Related Financial Disclosures (TNFD) Forum
In 2022, we joined the TNFD Forum and piloted the draft guidance, and providing feedback to support the improvement and refinement of the final TNFD disclosure recommendations.

Partnership for Biodiversity Accounting Financials (PBAF)
We joined PBAF in 2022 and continued to actively participate in the development and refinement of PBAF guidance through 2023.

UNPRB Nature Target-Setting Working Group
We became a PRB signatory in 2019, and in 2023 we were one of 34 leading banks worldwide to collaboratively develop target-setting guidance for banks (see case study).

Business for Biodiversity Ireland
We were one of 6 inaugural partner organisations to the first Irish Business for Biodiversity platform which was launched in January 2023.

International Finance Centre of Excellence (ISFCOE)
We became a member of ISFCOE in 2023, and actively participated in the development of Ireland's first Nature Finance Roadmap which was published by KPMG in December 2023.

National Biodiversity Data Centre
In 2023, we committed to the All-Ireland Pollinator Plan.

Sustainability in action

Industry first UNPRB guidance on Nature target setting

The Kunming-Montreal Global Biodiversity Framework (GBF) is a landmark, action-oriented framework that calls on the private finance sector to play a vital role in protecting and restoring nature. The GBF sets a clear mandate for aligning financial flows with the collective mission to halt and reverse nature loss by 2030, and achieve a vision of living in harmony with nature by 2050.

The banking industry has a crucial role to play in achieving the GBF's 23 targets. To do this, banks must align their strategies and portfolios with the GBF, equivalent to their alignment efforts with the Paris Climate Agreement.

Through 2023, we joined a coalition of 34 PRB signatory banks to co-create a groundbreaking industry-first PRB guidance to help banks take a systematic approach immediately to set and achieve nature targets, in alignment with the GBF. This guidance provides key recommendations for banks to integrate nature within their core processes and mobilize financial resources to help close the USD $700 billion nature finance gap. The publication fills the gap of a lack of relevant guidance for banks to align their portfolios with nature-positive outcomes.

Nature continued

Circular Economy

The majority of impacts on nature arise from the way goods and services are produced and consumed. The transition to a circular economy has the potential to mitigate up to 50% of such carbon emissions and up to 90% of impacts on biodiversity. Ireland's circular material use rate is the second-lowest in Europe at only 2% but we are committed to supporting progress in this area. Building on our previous collaboration in the 'Financing the Circular Economy' thematic working group, in 2023 we joined Circuléire – Ireland's National Platform for Circular Manufacturing as a partner organisation.

Our progress through 2023 includes a food waste pilot with Olio, and recycling of general waste and e-waste in all our branches and administrative sites. To date, we have issued 1,865,000 bio-sourced debit cards to customers. We are also currently developing a circular economy action plan for our property estate, and have launched taxonomy-aligned financing which offers competitive loan terms for circular activities.

CIRCULÉIRE

Water

Ireland is renowned for having a temperate climate with frequent rainfall. However, water quality in Ireland is in rapid decline, with the primary impact driver being nutrient pollution from agriculture. In 2023, we partnered with Kerry Group to develop financial incentives to encourage farmers to implement environmentally-friendly practices on farms. Measures to protect water quality include incentives to support the development of stringent nutrient management plans, and the implementation of measures to prevent nutrient losses to water bodies.

We have been tracking and disclosing our freshwater withdrawals and related emissions arising from our business operations since 2015.

Enhancing Financial Wellbeing

Protecting Customers' Financial Wellbeing

We run one of the most comprehensive consumer fraud awareness programmes in Ireland

#1
bank for Financial Wellbeing in Ireland

1st
and only bank in Ireland to publish UNPRB commitments to financial health and inclusion

Over
100,000
students took part in our Financial Literacy Programmes for the 2022/2023 school year

Over
133 million
personalised financial insights delivered in-app to customers through Mi365

Launched
'Extra Help' and 'Money Worries' hubs
signposting practical tips and resources to support customers

Over
17,700
adults supported through financial education initiatives throughout 2023

The Financial Wellbeing of the Nation

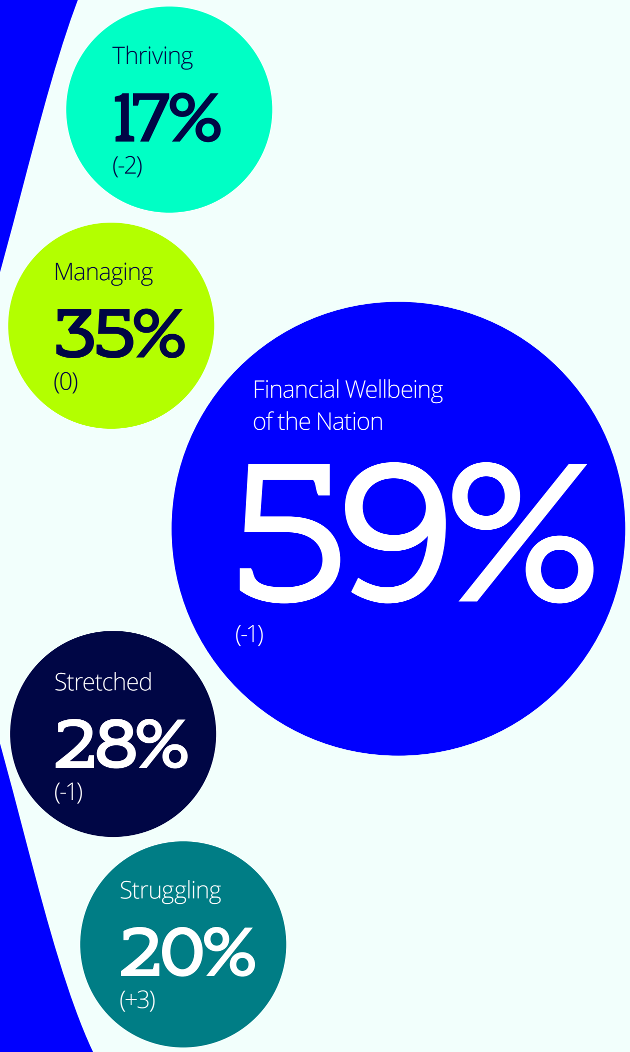
We are committed to empowering people with the knowledge and skills needed to make the most of their finances, so they can be in control of their everyday spending, have a plan for the future and the resilience to withstand the financial impact of an unexpected expense or a major life event. We strive to leave no one behind on the journey to financial health.

Our 2023 research shows Ireland's Financial Wellbeing Index Score[1], which provides an insight into the financial wellbeing of the nation, decreased to 59 from 60 in July 2022. In addition, for the first time since research began in 2018, the nation has been classified as 'stretched', albeit marginally, down from having previously been in the 'managing' category. This demonstrates the impact the changing economic environment is having on peoples' financial lives.

Respondents are divided into four financial wellbeing segments based on their financial wellbeing score (out of 100).

Thriving (index score range 80 – 100)
Managing (index score range 60 – 79)
Stretched (index score range 40 – 59)
Struggling (index score range 0 – 39)

1. Source: Red C, Financial Wellbeing and Financial Literacy Survey September 2023. Base: all adults aged 18+ living in Republic of Ireland.



- Income allows to spend well within means and comprehensively provide for financial future.
- Live within means, manage to pay bills and better ability to provide for future.
- Live within means from pay check to pay check, with little ability to save/think about future.
- Struggling to keep heads above water and have few financial buffers.

Percentage of the population surveyed in each financial wellbeing segment.
( ) = change versus July 2022

Overview

The decline in the 2023 Financial Wellbeing Index score was expected and reflects the current economic landscape. In our 2023 financial wellbeing index research people identified cost-of-living as their main concern with the biggest impact.[1] In this context, we continued to support our customers and colleagues with the launch of our 'Money Worries Hub' on the Group website. The hub signposts practical tips and resources to support people with money worries. Also during the year, a dedicated 'Money Worries' helpline was deployed. Supporting customers with money worries will continue to be a key focus area for 2024.

Through Mi365, our in-app money management tool, we have delivered over 133 million personalised insights and tailored nudges to customers since launch enabling them to understand and manage day-to-day spending, stay in control of their finances, and enhance their financial wellbeing.

Currently 24 banks globally (including BoI) have made commitments to support universal financial inclusion and create a banking sector that supports the financial health of customers. Our UNPRB commitment focuses on supporting our customers day-to-day and life event financial resilience.

We also continued to build awareness and protect customers against the growing threat of fraud, encouraging customers not to immediately react to potentially fraudulent texts or click on suspicious links but instead 'Stop, Think, Check'.

[1] Source: Red C, Financial Wellbeing and Financial Literacy Survey September 2023. Base: all adults aged 18+ living in Republic of Ireland.

Our Financial Wellbeing strategy is driven by 3 key pillars:

01 Fostering Financial Inclusion

Our ambition is to ensure inclusive and effective access to products and services for all, striving to leave no one behind on the journey to financial health.

02 Improving Financial Literacy & Capability

Our ambition is to empower people (including colleagues) with the knowledge and skills to help them improve their financial literacy and capability on their journey to financial health.

03 Building a more financially resilient & confident Ireland

Our ambition is to increase the number of customers and colleagues who have the resilience to withstand the financial impact of an unexpected day-to-day expense or a major life event.

Fostering Financial Inclusion

Our Vulnerable Customer Unit (VCU) provides enhanced support to vulnerable customers. It supported over **7,590* customers** in 2023 and **c.33,000 customers** since its establishment in 2019. It is fundamental to promoting financial inclusion amongst prioritised groups and providing expert banking support to customers in vulnerable circumstances or situations.

In 2023, we launched our 'Extra Help Hub' which centralizes information on our website on all the additional supports available to customers, families, carers and advocates across a range of topics e.g. safeguarding people, accessibility and assistance.

The Assisted Decision Making Capacity Act (ADMA) came into effect in April 2023 ensuring that every person is treated individually and that certain groups of people are not automatically deemed to lack capacity. We are currently working with the Irish Alzheimer's Society and the HSE to build a training and education programme, so all branches can become 'Dementia Friendly' by the end of 2024.

In addition, we are working with external experts and stakeholders to ensure we are ready for the upcoming European Accessibility Directive (2025-2030). These collaborative engagements will guide us on accessibility design, ensuring we can offer choice and assisted support across all our channels.

Day-to-Day Banking

We continue to recognise the needs of prioritised and marginalised groups who can struggle to get access to basic financial products. We now operate specialist onboarding services for International Protection Applicants (Asylum Seekers and Refugees) and survivors of domestic violence. We work with a number of state agencies to support account opening for those previously incarcerated and minors in care of the state respectively. In the three years until the end of 2023, we opened over 11,500 basic bank accounts.

Financial Advice for Older Customers

Our vision is to be a supportive partner helping our senior customers achieve their later life goals. We have a unique Financial Wellbeing Senior Advisory Model in place which offers senior customers holistic financial advice. This model is led by a team of highly experienced and qualified senior financial advisers who support our senior customers to understand their financial goals and needs. Feedback continues to be highly positive, with customers rating it one of the highest-scoring customer experiences ever seen in the Group. Since launch in September 2020, we have supported over 4,000 customers.

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Financial Wellbeing in action

Extra Help Hub

In 2023, we launched the 'Extra Help Hub' providing a range of additional supports for customers, families and carers. Insights gathered by our VCU from over 30,000 customers, carers and advocacy groups were used to design the hub and inform the services and resources that customers needed most.

The 'Extra Help Hub' features resources and practical information around areas including financial abuse, dementia or incapacity, and advice on power of attorney, the ADMA, and related arrangements regarding a person's finances.

The hub acts as a 'where to next?' on managing financial affairs for people and families in challenging circumstances.

On an ongoing basis, the VCU assists families, carers, support workers, and those supporting international applicants, domestic violence shelters, the Irish Probation Service and TUSLA. We have partnered with advocacy groups including Dementia Ireland, the Alzheimer Society of Ireland, and the HSE National Safeguarding Office to aggregate the most important information that their service users need to manage their financial affairs.

Improving Financial Literacy and Capability

Financial Literacy is understanding how money works, how it is earned, managed and spent. It is a key step on the journey to financial health enabling individuals to be in control of their finances and navigate with confidence the financial opportunities and challenges that they encounter as they spend, save, borrow and plan.

In 2022, we commissioned one of the most comprehensive financial literacy surveys undertaken in Ireland in recent years. Results showed that Ireland's financial literacy score stood at 54% which is low and lagging in comparison with many of our closest neighbours and global peers.

In 2023 our research[1] showed that Ireland's financial literacy score stood at 53%. Key differences continue to exist across age cohorts, with lower levels of financial literacy for those aged 18-34. Financial Literacy continues to be a gender issue, with women in Ireland scoring on average 8 percentage points lower than men. Individuals whose financial wellbeing score was in the struggling or stretched category also had lower levels of financial literacy.

We continue to champion youth financial literacy education, demystifying money matters for students in the schools we work with in our communities. In addition to supporting younger generations with financial literacy, we also support adults of all ages. Over 17,700 adults were supported through financial education initiatives throughout 2023. The talks covered topics such as: saving, budgeting, borrowing, cost of living, mortgages, pensions and fraud awareness. Furthermore, we also held a dedicated colleague financial wellbeing week in November 2023.

1. Source: Red C, Financial Wellbeing and Financial Literacy Survey September 2023. Base: all adults aged 18+ living in Republic of Ireland.

Improving Financial Literacy and Capability continued

Youth Financial Literacy

Championing youth financial education and demystifying money matters for school-going students within our communities is a key focus for us. Our award winning financial literacy programmes continue to grow year-on year with more than 100,000 students participating in the 2022/2023 school year.

Since 2017, over 540,000 Irish primary and secondary school students have taken part in our Talking Cents with Ollie for Primary Schools and Money Smarts for Secondary Schools financial literacy programmes. This equates to a delivery of over 1 million financial literacy hours through our school programmes.

Money Smarts Programme
2023 Irish Loyalty Award Nomination for Bank of Ireland Youth Financial Literacy Programmes for CSR/ Community/Green Loyalty Programme or Initiative of the Year.

Money Smarts Challenge
2023 APMC Gold Award Wins for Money Smarts Challenge.

1. 2023 Irish Loyalty Award Nomination for Bank of Ireland Youth Financial Literacy Programmes for CSR/ Community/Green Loyalty Programme or Initiative of the Year.
2. Money Smarts Programme Survey May 2023, with Secondary School Teachers in Ireland who participated in the programme.
3. 2023 APMC Gold Award Wins for Money Smarts Challenge for Best Financial Experience and Best Financial Innovation.

1. Primary Schools – Talking Cents with Ollie

This increasingly popular programme invites teachers to hero financial literacy in the classroom, empowering children as young as seven to learn key money skills. More than 15,000 primary school students participated in the 2022/2023 school year.

2. Secondary Schools – Money Smarts

The Money Smarts Programme for Secondary Schools received a 2023 Irish Loyalty Award Nomination in the CSR/Community/Green Loyalty Programme or Initiative category.[1] It's also regarded as the No. 1 financial literacy programme for schools by secondary school teachers who participated in the programme.[2]

During the 2022/2023 school year more than 85,000 secondary students participated with 90% of teachers who responded to the post Money Smarts Programme Survey agreeing their students benefited.[2]

In addition, our award winning all-Ireland Money Smarts Quiz Challenge, which secured APMC Gold Award wins in both the Best Financial Experience and Best Financial Innovation categories, brings financially literacy to life in a very distinctive and engaging way with students from schools all across Ireland.[3]

Myles O' Grady and Mairead McGuinness alongside teacher Miriam Frisby with students Tom Lanigan, Lucas Maguire, Paul Tracey, Cillian O' Cronin from Catholic University School Dublin, Money Smarts Quiz Challenge Champions 2023, winning €25,000 for their school.

One school is crowned the Money Smarts Quiz Challenge Champion winning a substantial prize for their school. Close to 2,000 students took part in the 2023 Money Smarts Quiz Challenge.

Financial capability

Financial capability is broader than financial literacy and includes attitudes, skills and behaviours in relation to understanding and selecting financial products and services and assessing those that are most suitable for an individuals needs.

We continue to develop digital tools and use behavioural science to support customers' decision making and promote positive behaviours to support individual financial wellbeing. We also continue to leverage our customer engagement platform, to build deeper connections with customers and deliver more personalised insights to support their financial wellbeing. Insights and content are delivered via our App, encouraging customers to, for example, take a financial wellbeing health check or review unclaimed tax benefits they may be entitled to claim.

Improving Financial Literacy and Capability continued

Mi365

In September 2022, we launched Mi365, our in-app money management tool delivering personalised insights and tailored nudges to enable customers to understand and manage day-to-day spending, stay in control of their finances, and enhance their financial wellbeing. It was launched to all mobile app users with 47 insights across a number of categories ranging from subscriptions to cash-flow tracking.

Mi365 allows Bank of Ireland personal customers to easily track money inflows and outflows, including unexpected payments or refunds and review cash flow spend data on their account for up to six months. Overall, customers can identify changes in spending patterns they might want to keep an eye on, for instance on groceries, restaurants or entertainment. Mi365 also shows where customers may have duplicate transactions leaving their account, for instance similar online subscriptions – highlighting where a saving could be made. On average, customers receive over 7 insights per month. Of the insights that have been rated by customers, over 90% have been positively rated.

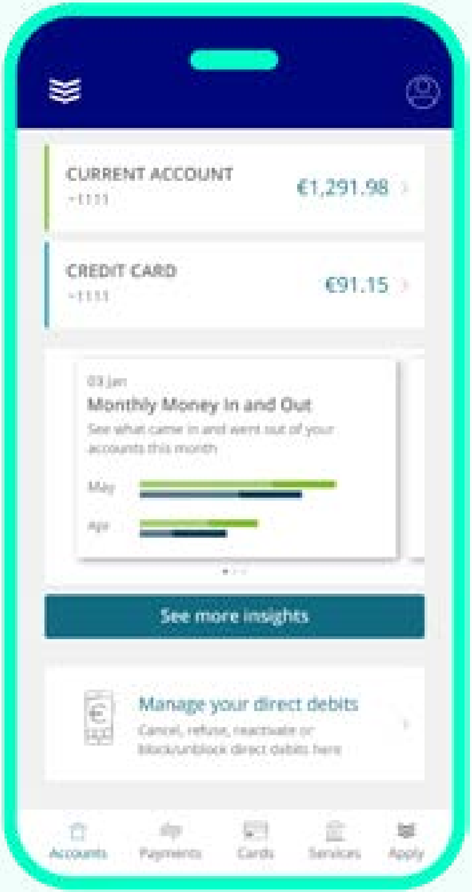
Mi365 since launch:

133m+
insights have been presented to customers

7 insights
on average received by customers a month

70%+
of insights have been rated with an average rating of greater than 4.5/5, of the insights that have been rated by customers, over 90% have been positively rated

Cash-flow
tracker is the insight that customers engage with most, followed by first time purchase which highlights to customers where an item has been purchased from a retailer for the first time, followed by an insight highlighting a current negative balance



Behavioural Science

Supporting customers to become more financially confident while dealing with deeply embedded behavioural norms and assumptions is a complex challenge.

Understanding these dynamics can make financial wellbeing easier for people to achieve. Behavioural science helps us understand why and how people make financial decisions and what works well. Some of our previous behavioural campaigns have focused on initiatives to help customers reduce their credit card debt and working with the Competition and Consumer Protection Commission (CCPC) and the Economic and Social Research Institute (ESRI) on a behavioural study of national. Importance. Previous research indicated that many households lack an adequate savings buffer to protect them from future financial shocks. To address this, a campaign was designed by the ESRI and the CCPC, in partnership with Bank of Ireland. We continue to collaborate with behavioural science experts and the wider industry both here and internationally. This brings our expertise to support customers' decision making and promote positive behaviours.

In 2024 we are continuing our partnership with Harvard's Sustainability, Transparency, and Accountability Research (STAR) Lab, with behavioural science research that's focused on building life event resilience, improving financial literacy and helping customers to make the green transition.

Building a more financially resilient and confident Ireland

Financial resilience is the capacity to withstand or absorb a financial shock which can be the result of an unexpected day-to-day expense or an unexpected life event such as job loss, relationship breakdown or long-term illness.

People vary in their ability to accumulate savings to buffer financial resilience with factors for example such as income levels, expenditure or debt repayments impacting this, particularly amongst those whose financial wellbeing is identified as struggling or stretched. However, in this context, financial literacy and financial capability which are key building blocks on the journey to financial health can have a positive impact where low levels of financial resilience currently exist. Through our youth and adult financial literacy supports and delivery of digital financial wellbeing tools, we will continue to demystify money matters and support building a more financially resilient nation.

UNPRB Commitment to Financial Health and Inclusion

Currently 24 Banks globally (including BoI) have made commitments to support universal financial inclusion and create a banking sector that supports its customers financial health. Our UNPRB commitment focuses on supporting our customers day-to-day and life event financial resilience.

Our goal is to contribute to the creation of a more financially resilient and confident Ireland by increasing the number of customers who have the resilience to withstand the financial impact of an unexpected day-to-day expense and/or a major life event by:

Target: **70%**[2]

Increasing from 62% (April 2023) to 70% the percentage of customers who are confident (strongly or somewhat) that they have funds available to cover an unexpected day-to-day expense by 2030

Target: **50%**[2]

Increasing from 44% (April 2023) to 50% the percentage of customers who are confident (strongly or somewhat) that they have funds (Savings or Insurance) available to cover a major unexpected event by 2030

We regularly track progress[1] against our financial resilience targets, aware that factors such as the economic climate and the cost-of-living concerns of people impact confidence levels.

60%[1]

(-2% vs April 2023 baseline) of people who identified BoI as their main day-to-day bank are confident (strongly or somewhat) that they have the funds to cover an unexpected day-to-day expense. At a national level (customers and non-customers), this number was also 60% (no change vs April 2023 baseline).

42%[1]

(-2% vs April 2023 baseline) of people who identified BoI as their main day-to-day bank are confident (strongly or somewhat) that they have the funds (savings or insurance) to cover a major unexpected life event. At a national level (customers and non-customers), this number was 44% (-2% vs April 2023 baseline).

In 2024, we will continue through financial literacy and capability including digital tools to champion building a more financially resilient and confident Ireland including financial resilience for retirement.

We will continue to leverage behavioural science to understand how people make decisions in relation to life event financial resilience and what works well.

Financial resilience is a major contributing factor to financial wellbeing. A nation that is financially healthy has a positive impact on all of society.

1. Source: BoI's quarterly tracker of the Financial Resilience metrics with Red C among a nationally representative sample of all adults aged 18+ living in Republic of Ireland (as of March 2024).
2. Source: Target set based on National Survey April 2023 with RED C, adults aged 18+ living in Republic of Ireland, who claim Bank of Ireland as their main day-to-day Bank

Protecting Customers' Financial Wellbeing

Protecting our customers and colleagues' financial wellbeing is a key priority for us with a strong focus on supporting those with money worries and providing fraud education and awareness.

Face in a crowd – Baz Ashmawy and members of the BoI fraud team 'fake Baz' characters reminding customers not to take anything at face value when it comes to transactions online or unsolicited calls. Bank of Ireland is warning customers to be extra vigilant.

Financial Wellbeing in action

Building fraud awareness

Bank of Ireland runs one of the most comprehensive consumer fraud awareness programmes in Ireland as a central part of its commitment to safeguarding the financial wellbeing of its customers. In research the majority of members of the public surveyed see Bank of Ireland as the financial institution most associated with educating the general public about fraud.[1]

In the past 12 months, the vast majority of the population (90%)[1] have experienced fraudulent communications via text, email or on the phone. According to the Garda National Economic Crime Bureau, reports received by Gardaí from victims of fraudulent texts increased by over 30% in 2023. Across Bank of Ireland, 225 colleagues are now solely dedicated to fraud prevention and protection through the provision of 24/7 phone support to customers every day of the year, and the detection of financial crime.

In 2023, our fraud awareness campaign continued to educate customers on fraud prevention by:

- Raising awareness of fraudulent activity to protect everyone's financial wellbeing.
- Alerting people about the impacts of fraud – both financial and emotional.
- Educate consumers on the cyberpsychology behind fraud, partnering with global cyberpsychologist Professor Mary Aiken to share tactics and human psychology used by fraudsters.
- Encouraging customers not to immediately react to potentially fraudulent texts or click on suspicious links but 'Stop, Think, Check'.
- Forewarning customers on emerging trends.

Looking ahead to 2024, we have announced an investment of €50 million on customer fraud prevention and protection. The investment includes €15 million on new fraud prevention technology, along with a range of high-profile consumer awareness campaigns and support for customers who are targeted by fraudsters.

[1] Source: Research into awareness and incidence of financial fraud among a nationally representative sample of the population was conducted by Red C in its RED Line Online Omnibus from 5th to 8th February 2024.

Enabling Colleagues to Thrive

80%
culture embeddedness index (+5 points vs global financial services benchmark)

73%
colleague engagement index (+5 points since 2022)

'Family Matters' initiative
Enhanced support for women and families

Awarded Gold
in diversity EDI Mark

Launched new Neuroinclusion strategy

40%*
of colleagues undertaking All-Colleague Future Skills Pathways achieving our set target

46%*
female senior appointments to management and leadership positions (+6 points vs 2022)

* Indicator is prepared in line with Reporting Criteria and is subject to Limited ISAE 3000 (revised) and ISAE 3410 assurance by KPMG for the 2023 Bank of Ireland Group plc Sustainability Report. Please see pages 39-41 of the Bank of Ireland Sustainability related Reporting and Assurance 2023 report for Reporting Criteria and pages 42-43 for KPMG's limited assurance opinion, available here.

Refreshed 3 year strategy (2023-2025)

In 2023, we refreshed our values to better align with our updated strategy. Receiving colleague input to help shape our future values was crucial.

We engaged with more than 400 colleagues to understand what our values meant to them, how they were informing their behaviours and actions, and what values were needed to guide us in the future.

Together the sharpened purpose, evolved values and refreshed strategy was launched in March 2023. The values are an important part of our culture. Annually, we measure culture embeddedness through Openview, our all-colleague engagement survey to understand the colleague's experience.

In 2023, our Culture Embedding Index was 80%, a 4 point increase on the previous year, and 5 points above the Global Financial Services benchmark clearly demonstrating our success in integrating our refreshed values into the organisation. We also experienced an uplift in our Engagement Index which is 73% (+5 points compared to 2022), with colleague enjoyment, advocacy of Bank of Ireland as a place to work and pride all increasing.

Our purpose
Our purpose 'Helping you Thrive' defines why we exist. It is expressed through our values, experienced in our culture and delivered through our strategy.

Our values
Our values represent who we are and who we want to be. They push us to create the culture that we aspire to but also to be our best every day. Our values guide how we show up for each other and how we deliver for our customers.

Our four values are:

1. **Customer First:** Everything we do is for our customers. Our business is designed around them.
2. **Better Together:** We achieve more when we work together.
3. **Take Ownership:** We are trusted and supported to take ownership for our actions
4. **Be Decisive:** We move quickly and make things simple to deliver positive outcomes for customers and for us.

Our Priorities
We have set out our people agenda to create a great experience for all our colleagues, deliver on business strategy and further embed Group Values.

01 Build a Future Ready Workforce

02 Create a Differentiated Colleague Experience and Workplace

03 Simplify our Ways of Working

Engaged with 400+ colleagues to understand what our values meant to them

Build a Future Ready Workforce

We recognise the importance of fostering a future-ready workforce by encouraging continuous learning, ongoing career development and inclusivity within the workplace. By investing in our colleagues personal and professional growth, we enhance individual career trajectories, future-readiness and contribute to the resilience of the organisation.

Learning/ Skills
The Group utilises a learning platform to offer all colleagues, including contractors, a suite of on-demand learning options. The essential learning programme is accessed through this platform and completed annually by all colleagues across a range of areas such as Conduct, Risk and Compliance. This includes maintaining regulatory Conduct of Business obligations managing Conduct Risk and fulfilling the Group's Consumer Protection Obligations.

In 2021 we conducted a Group-wide skills assessment to understand the roles and capabilities required for the future. In response, we developed our multi-year skills programme to enable colleagues develop these new capabilities alongside their core banking skills. By the end of 2023, 40%* of our colleagues had invested in building future ready capabilities through our foundation level learning pathways, achieving our target. IT Engineering and Simpler Business pathways were introduced in 2023 alongside existing programmes. These pathways are specially curated, self-directed learning journeys and contain a mixture of engaging videos, digital content and webinars hosted by our leaders.

On completion of a foundation pathway, colleagues can further develop their skills by undertaking the relevant industry certifications, through our partners including University College Dublin (UCD). At the end of 2023, over 380 colleagues had undertaken role-based industry certifications. This initiative is increasing talent mobility and empowering colleagues with traditional banking skills to transition to in-demand digital roles.

Colleagues who want to seek further learning externally can apply for Education Support. Our focus is on supporting colleagues who are undertaking qualifications to help them meet regulatory standards required to perform their role, respond to specific challenges in the commercial environment and support us in responding to our customers' needs and expectations.

Career Development
To understand unique skills and motivations, all colleagues have access to a digital platform 'Careers Lab'. Through this, colleagues can access a full suite of tailored learning including stretch opportunities and career resources. Additionally, they can connect with mentors and career connectors to receive career advice and build skills. The Careers Lab has facilitated a culture of mentorship and cross-Group collaboration.

Thrive
Our new colleague performance experience 'Thrive' delivers personal and business objectives by focusing on our colleagues' priorities, personal development and wellbeing. It is integrated with our Careers Lab platform and provides our colleagues with a tool to record and resources to manage priorities, people manager 'check-ins' and performance ratings.


Eimear Moore, Emerging Careers Lead at Bank of Ireland, and colleagues David Banfield, a graduate of the Trinity Centre for People with Intellectual Disabilities who recently joined the bank on a permanent contract and Nivali Mantramurthy, a participant in our graduate programme.

40%*
By the end of 2023, 40% of our colleagues had invested in building future ready capabilities through our future skills learning pathways.

380
At the end of 2023, over 380 colleagues had undertaken role-based industry certifications.

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Build a Future Ready Workforce continued

Growing a Future Ready Society
Our Emerging Careers programme continues to mature providing people from all backgrounds with opportunities to enter the workforce.

In 2023, we expanded into community engagement programmes with Business in the Community Ireland. These programmes support students in Delivering Equality of Opportunity in Schools (DEIS) to enhance numeracy and literacy skills and aid in planning for future careers.

We initiated 11 programmes in 2023, seven with primary schools and four with secondary schools. Colleague volunteers dedicate their time to support these programmes nationwide. This programme complements our existing STEM Teacher Internship in collaboration with Dublin City University (DCU) providing primary and post-primary teachers with industry experience which they can bring into the classroom and educate future generations of talent.

We have made significant progress in establishing opportunities to access entry-level employment and promote diversity in the workplace through internships, apprenticeships, work placements and full time hires. This includes a work placement programme in partnership with The Trinity Centre which supports people with intellectual disabilities gain professional work experience and an internship programme with DCU Access which provides opportunities to students from minority and socio-economically disadvantaged backgrounds.

Additionally, we work with the FIT Apprenticeship Programme to offer greater access to employment for marginalised job seekers and with Digital Skillnet Women's ReBoot to support female job seekers who have been out of the workforce for more than a year and want to reignite their technology careers.

Leadership and Management Development
In May 2023, we held our first People Manager Summit to provide People Mangers with a better understanding of our strategy, how to embed our new purpose and refreshed values and how to leverage the new thrive performance development approach.

Our leadership development programmes focus on talent development and career progression into senior leadership roles through dedicated programmes, such as Culture Enabler teams and the Future Business Leader programme. These teams are supported to think differently, realise their potential and deliver on specific enterprise opportunities.

At the end of 2023, the Rise and Accelerate talent programmes were relaunched with the core programme continuing in 2024. The programmes are an external learning experience where talent can come together and enhance their leadership capability, adopting a culture that encourages growth and supports colleagues to maximise their potential.

ESG developmental programmes have also been delivered to senior leaders and their leadership teams. We continued with the delivery of the Speaker series on Sustainability Quotient (SQ) with increasingly tailored supports for individuals based on their area of specialism. This was complemented with the launch of a multi-year ESG training plan with specific senior leader modules to support a top-down approach to embedding ESG.


People Manager Summit May 2023

Business Analyst Advanced Pathway

Our foundation and advanced pathways offer a valuable opportunity for colleagues within the bank to enhance their skills in their areas of interest. These pathways are excellent tools that empower colleagues to build enduring careers at Bank of Ireland.

Shirley Moody is the perfect example of a colleague taking full advantage of the pathway resources available to her.

Here is Shirley's story:
"I worked as an SME in Bank of Ireland Finance, supporting an IT system. In this role, I worked alongside business analysts (BAs) and would have helped the BAs on my team gather all the information needed to write business requirements documents. This started my interest in a career change.

I was delighted when I heard about the opportunity to enroll in the foundation pathways and made the decision to register for the agile and project management pathway. I thought the structure of the foundation pathway was brilliant. Being able to complete it at my own pace and plan it around my work schedule was extremely helpful.

After completing the 12-week foundation pathway, I then qualified to apply for both the project manager and business analyst advanced pathways. I made the decision to apply for the BA Pathway as I felt I had a good amount of BA experience in the job I was doing, and this industry-recognised certification would complement that very well.

One year after finishing the BA Pathway, I successfully applied for a BA position in the Group change department. Two aspects of the advanced pathway that really helped me secure the new role were the stretch assignment and the CV and interview workshops. For the stretch assignment, I worked on a project with Retail UK, sitting in on their meetings and doing assignments. It was interesting to learn another side of the business and to start building up my experience as a BA.

When applying for the BA role, the qualification along with the stretch assignment really stood to me as the interviewers were very interested in my pathway journey and experience of the stretch assignment. Overall, I couldn't recommend the pathways enough, they played a crucial role in helping me secure my new role!"

> **One year after finishing the Business Analyst Pathway, I successfully applied for a Business Analyst position in the Group change department**

Build a Future Ready Workforce continued

Inclusion & Diversity

Our overall ambition is to build a company which welcomes everybody, enables fair progression for all and provides a safe and fair place to work where colleagues can thrive. Progress against this strategy is measured by the delivery of our gender, ethnicity, sexual orientation and disability diversity targets.

Growing a Future Ready Society

NATIONAL DIVERSITY & INCLUSION AWARDS

46%*

female senior leadership appointments (up from 40% in 2022)

14%

of new joiners self-declared as being from an ethnic minority against the 2022 Irish Central Statistics Office data of 7%.

In 2023, we saw 46%* female senior appointments to management and leadership positions (up from 40% in 2022) with an ongoing commitment to achieve a 50:50 ratio.

Our continued dedication to invest in female talent, simplified recruitment process and celebrating female role models positively impacted female representation. Further to this and as part of our commitment to Inclusion and Diversity (I&D) transparency, we commenced voluntarily publishing Gender Pay Gap figures in 2020, prior to 2022 legislation.

For the first time we set an ethnicity target in line with representation in society. In 2023, 14% of new joiners self-declared as being from an ethnic minority against the 2022 Irish Central Statistic Office data of 7%. The launch of our iCount platform empowers colleagues to self-declare their demographic data and enables us to identify any representation gaps.

Our progress to date is evident through receiving the Gold Investors in Diversity EDI mark and Investing in Ethnicity accreditations.

I&D Multicultural network members, with Chief People Officer Matt Elliott & **Group Inclusion and Diversity Lead** Kate Butler on accreditation of Investing in Ethnicity award

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Create a differentiated Colleague Experience and Workplace

It is our people who deliver on purpose and priorities, so they need to be supported in a healthy, flexible, inclusive and sustainable way. In 2023, we continued our journey to be an employer of choice through leading edge colleague supports, flexibility and an enhanced reward proposition.

MyReward

We introduced our reward and benefits platform 'MyReward' in 2023 and this has increased colleague access, understanding, and flexibility with their benefits and overall reward package. Over 7,800 colleagues accessed the platform within the first 10 days of launch and experienced a more personalised and holistic view of the value of salary, flexible benefits, other supports and products.

Colleague Wellbeing

In 2023, we continued to make mental health supports and burnout awareness a top priority through multiple initiatives:

- Over 300 colleagues attended our refreshed mental wellbeing awareness course.
- The my workplace wellbeing assessment (an individual workplace health assessment) was offered to colleagues again with over 2,300 colleagues taking part.
- Establishing the colleague emergency support fund for those experiencing financial hardship.
- Created the wellbeing advocate role to enhance the experience and connection of over 100 customer facing teams.
- Over 250 People Managers completed targeted training aimed at creating psychological flexibility to cope with the challenges of the modern workplace, facilitated by an external organisation 'the blink effect'.

Women and Family Campaign

We continued to enhance the supports offered to women and families through a focused campaign including:

- Introduction of the family matters handbook which includes an accessible summary of all policy supports such as 52 weeks maternity, surrogacy and adoptive leave, above the statutory paternity leave with 6 weeks full pay, and dedicated cross jurisdictional facilities for new and expectant mothers.
- Launched progressive new policies in the workplace e.g. domestic violence policy, fertility Leave, and menopause leave.
- A dedicated menopause communications and awareness campaign to highlight the experiences of women in the workplace. Our Chief People Officer, Matt Elliott completed the MenoVest challenge demonstrating our commitment to supporting the women in our lives during this life stage and role modelling open conversations about menopause and the supports available.
- Enhanced the employee assistance programme with the option to choose female therapists with specialist experience in female health.

Chris Keeley, Campaign Manager and his daughter Ava with Myles O'Grady, Bank of Ireland CEO at the launch of Family Matters

Create a differentiated Colleague Experience and Workplace continued

I&D Networks
We have six I&D networks which continue to support on delivering our I&D strategy. Achievements include our I&D multicultural network supporting the celebration of key cultural dates such as Diwali. We continued our MyStory platform which features personal and career stories from colleagues with diverse backgrounds.

I&D Education
We progressed our inclusive education journey with targeted unconscious bias initiatives for our Board and Group executives building empathy, awareness and understanding.

As part of our Pride celebrations, members of the executive committee took part in our 'GEC in the Closet' experience where they self-censored their personal lives for a week and then shared their experience and learnings with colleagues. In addition, all colleagues completed mandatory I&D training and we introduced mandatory 'Inclusive Hiring' training for all hiring managers to support more diverse hiring outcomes.

Inclusion Passport
Our Inclusion Passport was introduced in 2023 as a tool to remove barriers colleagues may face in the workplace due to their personal circumstances, including health conditions, disabilities, and caring responsibilities, among others. The passport helps colleagues feel more included in the workplace by providing a space to share their unique needs, preferences, and working styles with their colleagues and managers.

Accreditations
Core to our I&D strategy is achieving and leveraging best practice through industry recognised accreditations. We achieved an Age 55 accreditation recognising the Group as an Age Friendly Employer.

In December, we sponsored the HIV Ireland Red Ball to drive awareness and support people living with HIV. We have been externally recognised through shortlisting at awards such as Business and Finance Awards, LGBTQ+ GALA's, and CIPD. We won the 'Advancing Race and Ethnicity' award at the National Diversity and Inclusion awards.

BoI colleagues at the HIV Ireland Red Ball

Neuroinclusion Strategy
We aim to create a working environment where everyone can thrive. In 2023, we partnered with auticon, a social enterprise that supports organisations to become more neuroinclusive.

auticon

In Q2 2023, we commenced delivery of our 3 year neuroinclusion strategy to create a better experience for neurodiverse colleagues and customers, which focuses on neurodiversity education and improvements to processes, policies and accommodations.

In the first year, we made significant progress:

- Created a neurodiverse focus group of 16 neurodivergent colleagues
- Completed a Neuroinclusion survey to understand attitudes and experiences for people managers and colleagues.

Social Connection and Engagement
Promoting opportunities for colleagues to connect and improve social fitness is crucial as we continue to benefit from the flexibility of our hybrid working model.

In 2023, promoting social connection and engagement involved:

- Rollout of Coffee Roulette which automates the pairing of signed up colleagues, bi-weekly, to encourage cross divisional relationships and increased social connection
- Engaging more than 2,500 colleagues across 15 locations to work together as teams and participate in Fittest Teams (our 3 week fitness programme)
- Continuing to nurture our two-way communication networks including our private colleague wellbeing Instagram account (3.4K followers) and our Yammer community
- Building our Mental Health First Aiders community further with certified colleagues now on board across all our main locations

Simplify our Ways of Working

Our aim is to reduce colleague toil and make it easier to get work done. Colleague positivity on our processes and ways of working being efficient continues to increase, underpinned by the Group transformation journey. Our hybrid working model and the people services transformation programme have been key enablers to this.

Cultivating Connection Through Hybrid Work
Our hybrid work model recognises that one size doesn't fit all. It enables teams and leaders to interpret hybrid working for their unique needs and purposes. The flexibility of our hybrid model and our avoidance of a fixed organisational mandate best supports our diverse business and workforce.

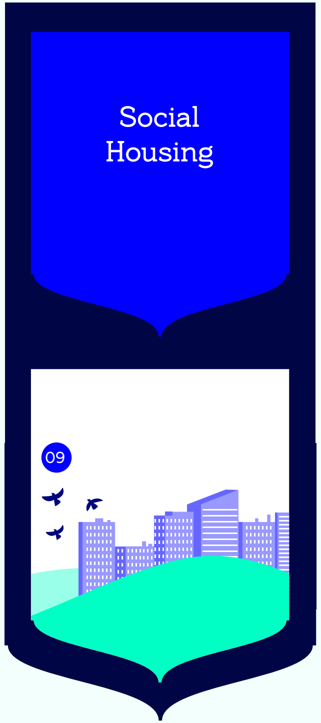
Our role families define the hybrid options available to each colleague. Teams create team charters to build consensus around the ways of working. Colleagues leverage a variety of workspaces, from office buildings to hubs to remote environments, and an evolving suite of technology unifies our experience.

People Services Transformation
The People Services Transformation programme is set out to simplify and transform our HR and payroll policies, processes and operating model to make it easier to get work done. Through 2024, these improvements will culminate in the launch of our new HR information system next year.

Susan Russell, CEO Retail Ireland; Minister for Finance Michael McGrath, TD; Aisling Killilea, Bank Manager, Douglas branch; and Bank of Ireland Group Chief Executive Myles O'Grady

Social Foundation Topics

Social Housing



We support the Irish Government's 'First Home', 'Help to Buy' and 'Local authority Affordable Purchase' schemes.
The Group is a founding member of the First Home Scheme (FHS), a €400 million fund launched in July 2022, to assist first time buyers to bridge an affordability gap between their maximum mortgage value and deposit and the purchase price of the house. Since launch in July 2022, c.4,000 buyers have been approved and received first home eligibility certs with c.1,500 homes bought using the scheme so far.

- **Local Authority Affordable Purchase Scheme**: will make homes available, through the local authorities, at a reduced price for first-time buyers whose mortgage and deposit will not cover the price of the home and who are seeking to purchase a newly-built home. Through the scheme, the local authority will take a percentage equity stake (share of the ownership) in the home equal to the difference between the open market value of the property and the reduced price paid by the purchaser.
- **Vacant Property Refurbishment Scheme**: provides funding to individuals to refurbish vacant and derelict houses and aims to incentivise the purchase of existing housing stock in towns, villages and rural locations across the country. The grant can be availed of where the property is being used as a principle private residence, or where the property is made available for rent. Up to €50,000 can be approved to a vacant property and up to €70,000 if the property is derelict.

Increased funding available for housing
In February 2024, Bank of Ireland announced it was increasing it's available funding for housing development from €1.75 billion to €2.5 billion by 2026. Within this, funding for social and affordable housing is increasing to €1 billion. This represents a 40% increase in funding available for home building, with the ambition to support the construction of 25,000 units of all types including houses and large and smaller scale apartment developments.

We are currently funding the development of c.21,000 residential units across c.170 sites, including c.3,200 units for social housing. We have a dedicated property lending team that can provide advice and guidance to developers who are preparing to submit an application for funding which can include guidance on our lending criteria for quality, sustainable, and long-term housing solutions.

Minimum BER Ratings on Buy to Let Properties
To support Bank of Ireland's Sustainability targets a minimum BER rating is now in place for all new buy to let (BTL) lending. We will only lend against BTL properties with a BER rating of A-E. Applications against properties with a BER of F&G will be declined unless it is intended to upgrade the property to an improved BER rating.

This change prepares the Group for upcoming legislation in this area. As part of the National Climate Action Plan, the government has indicated their intention to dictate minimum BER ratings on BTL properties from 2025 onwards.

Social Foundation Topics continued

Community Investment

We recognise our role in supporting the local communities where our customers live and work, and it is an important part of our sustainable business activity. We focus on providing financial support to local not-for-profit and community groups, and social enterprises who are working to address social issues and make a lasting change in their communities.

In 2023 we provided support to a range of local initiatives aiming to foster inclusion and build capability amongst underserved groups across the island of Ireland through our Begin Together activity. Our €500,000 Community Fund was distributed to 20* organisations delivering initiatives spanning financial literacy and wellbeing, mental health, inclusion and diversity and was delivered in partnership with Community Foundation for Ireland. In addition our Begin Together Arts Fund, delivered in partnership with Business to Arts, provided c.€100,000 funding to 8* projects focused on engaging vulnerable artists or audiences. A further c.€300,000 was donated by colleagues to local causes and not-for-profit organisations from the Fund for Colleagues.

Our 2023 community activity brings our total community investment to c.€7.1m since 2020.

We also recognise that sometimes there is a need for direct support. That's why in 2023 we provided a further c.€1m funding to support those most impacted by the cost-of-living crisis through a dedicated fund. This was fast tracked to organisations working directly with impacted groups.

c.€1m funding for those most impacted by cost-of-living crisis

c.€7.1m total community investment since 2020

Social Finance Foundation

We are a founding partner in the Social Finance Foundation (SFF) since its inception in 2007. Funded initially by a number of retail banks, including Bank of Ireland, by way of a non-repayable €25 million grant, subsequent tranches of low-cost loan funding (€107 million) have been provided by the participating retail banks for the period 2009 to 2025.

The SFF was established, as a not for profit organisation, by the Irish Government to address the needs of community and voluntary organisations and social enterprises for loan funding which was difficult to obtain from mainstream financial institutions. It provides funding up to €600,000 per group through its social lending partners. To date, SFF has provided over €215m in loan funding to a variety of community and voluntary organisations and social enterprises throughout the country.

In recent years, through a global pandemic and cost of living crisis, the relevance and support of the SFF, backed by the Irish banks, has been more pertinent than ever, and is strongly aligned with the Group's financial wellbeing and inclusion objectives and purpose to help society thrive.

Among the groups who benefitted from our €1 million funding to organisations in immediate need of funding to maintain services due to cost of living pressures was **Hill Street Family Resource**, an intercultural centre in Dublin's north east inner city.

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Sustainability in action

Citywise Education

Citywise is at the heart of the community of West Tallaght and has almost 30 years' experience in providing impactful supports to young people in a fun and engaging way. The project supports young people with educational resources to assist in improving their financial wellbeing and managing their finances. In 2023, Citywise Means Business expanded to include a pilot third-level aspect of the programme, with an emphasis on life-long learning supporting 300 students including 150 primary school students, 120 secondary and 30 third level students.

"Citywise Education, who have been awarded a grant in our Community Enterprise and Innovation category, is a fitting example of an effective social enterprise in action. The group has been part of the fabric of the community in West Tallaght for over 30 years, providing learning opportunities that equip the community for future study or employment

Aine McCleary
Chief Customer Officer Bank of Ireland.

Daire Hennessy, CEO Citywise
Andreia Vwadiae, student and Aine McCleary, Chief Customer Officer Bank of Ireland.

Sustainability in Action

Staff Charitable Fund

Seeing images of the extreme poverty being encountered by African communities, the Staff Charitable Fund was established by like-minded employees as a payroll-giving fund in 1982, dispersing its first project funding in 1983.

In the subsequent 40 years, the bank's staff have personally donated more than €30m with a singular focus, the alleviation of poverty amongst those most in need in the world. This has been leveraged to an estimated €160m+ in local spending power delivering more than 1,450 projects and more than 4 million beneficiaries.

When established, the fund had three key objectives for those in need in developing countries and these continue to be the focus of the fund to this day:

- Relief of poverty.
- Advancement of education.
- Improvement of living conditions.

Because the fund is run by volunteers and receives administrative support from the Bank of Ireland Group, every cent/ every penny that is raised by the fund is expended directly on the projects it supports.

In 2022, arising from a very generous bequest, a flagship project, Aidlink/ Girl Child Network's "Let Girls Learn" project was funded. This project, which completed in 2023, supports over 4,000 children in primary education, targeting 15 public primary schools in two of the poorest areas in Kenya to increase enrolment, retention, and performance and to also provide 20,000 people with access to safe, clean water. In October 2023, 11 Bank of Ireland colleagues took part in a life-changing immersion programme in Kenya where they saw first-hand the work of the Staff Charitable Fund and Aidlink's collaboration with Let Girls Learn.

The colleagues who went to Kenya were: Ewan Adair, Corporate & Markets, Belfast; Tom Buckley, retired, Dublin; Fiona Cassidy, Group Legal, Dublin; Mary Fallon, Group Finance, Dublin; Damien Flynn, Retail Ireland, Limerick; Jane Garry, People Services, Dublin; Emily Hendy, Retail Ireland, Dublin; Kerry Hinks, People Services, Belfast; John Kennedy, Group Marketing; Dublin; Kathy Kennedy, Group IT, Dublin; and Nonsi Mthunzi, Group Compliance, Dublin.

Social Foundation Topics continued

Health and Safety

Responding to the Challenge

We aim to ensure that all our locations are safe and healthy workplaces for our colleagues, customers, communities and suppliers. With the implementation of hybrid working, this commitment also extends to colleagues working from home.

Our three key strategic objectives are as follows:

1. Maintain a robust health and safety management system to continually identify, manage, and monitor risks across our business, including all locations and colleagues working from home.
2. Maintain legal compliance with health and safety legislation.
3. Train and educate all colleagues on health and safety risks relevant to their roles.

Our Approach

To ensure we successfully deliver our strategic objectives, we have designed and implemented a safety management system and processes that ensure compliance with our legislative responsibilities.

A key component of this is our Group Health and Safety Policy which details our health and safety risk management framework.

We employ a three-line defence model for Health and Safety

First Line of Defence

Responsibilities for health and safety are documented within the policy, specifically how business unit managers are responsible for ensuring and evidencing compliance with the requirements of the management system.

Second Line of Defence

The Group Health and Safety team has the second line of defence risk oversight responsibility, including developing and updating risk management standards and policy, independent review and audit, challenge and monitoring, and supporting local management through advice and support. They also deliver mandatory annual health and safety awareness training programmes and track our legislative compliance. Compliance with legislation is a minimum requirement but the health and safety team seek to exceed this where possible.

Third Line of Defence

Group Internal Audit comprises the third line of defence. It undertakes an independent review of risk and controls standards, guidelines, risk management systems, and reporting to assure compliance with health and safety requirements as our project management team in Group Property.

Social Foundation Topics continued

Health and Safety continued

Delivering Our Objective

Objective 1

Maintain a robust health and safety management system to identify, manage, and monitor risks across all business areas, including our locations and colleagues working from home.

In 2023 one of our key objectives was to maintain our health and safety management system ISO45001 accreditation. This was achieved following an in-depth surveillance audit by our specialist 3rd party auditing company which included a detailed validation of our health and safety policies and standards along with extensive on-site audits at various BoI locations.

We were awarded this without any non-conformances or opportunities for improvements identified which is something we are extremely proud of.

Objective 2

Maintain legal compliance across all jurisdictions.

Our Health and Safety team validates and maintains a detailed legislation register for all jurisdictions through regular auditing. Monitoring of audit results takes place on an ongoing basis. If actions arise from the audit related to legal compliance, imminent dates for closure of audit actions are agreed upon and tracked closely by the Health and Safety auditor. Where required, relevant findings are escalated via the People Services risk report to the Board and GEC for discussion at their quarterly Board Risk and Executive Risk Committees, respectively. A detailed management information report is made available at the end of each quarter.

Objective 3

Train and educate all colleagues on health and safety risks relevant to their roles.

We have two mandatory health and safety training courses for colleagues on alternate years. The first course is Health and Safety Awareness for line managers and colleagues which deals with all reasonably foreseeable health and safety hazards that a colleague could encounter and highlights the supports, processes and site-specific risk assessments that are in place for colleagues and where they can access this. Our 2023 completion rate for this course was 98% which is excellent.

Our second mandatory course is a Workstation Assessment awareness which focuses on key health and safety risks at the workstation to ensure a compliant ergonomic setup. In 2023, preparation for this course was carried out and it will go live in quarter 2 2024. We also deliver specific classroom training, for fire wardens, first aiders and those who require role- specific health and safety training, such as our project management team in Group Property.

Our Performance to Date

We report our key metrics quarterly to the Executive Risk Committee and the Board Risk Committee.

In 2023, our reportable accident frequency rate was 0.077 reportable accidents per 1,000 headcount. This is significantly below the HSA expected rate for our industry which is 2.8 reportable accidents per 1,000 headcount.

Additionally, we completed 483 health and safety audits during 2023 including audits of our retail and admin locations along with audits of our suppliers who carry out maintenance and construction works. Any actions identified were tracked to closure in an efficient manner.

All of our key metrics in 2023 with respect to workplace accidents, workplace inspections and red risks identified remained well below agreed tolerances which further reinforces the effectiveness of our management system.

Looking Ahead

Maintaining our ISO45001 accreditation for our Health and Safety Management system in RoI, GB and NI is a key objective for 2024.

Additionally our mandatory 'Workstation Assessment' is due to be completed by all colleagues in Q2 2024. We have enhanced both our web-based training course and our workstation risk assessment template to include more detailed and specific guidance regarding risks that could be encountered by colleagues whilst working from home.

Social Foundation Topics continued

Responsible Sourcing

Responsible Sourcing is critical to ensure human rights and environmental protection in our value chain remains at the centre of our procurement processes and is shaped by current best practice including compliance with Modern Slavery legislation and our commitment to the UNPRB.

Conducting our business in a responsible and sustainable manner is fundamental to achieving our purpose of helping customers and the communities we serve to thrive. The Group procurement objective of sourcing responsibly supports this, ensuring we act ethically and responsibly when sourcing goods and services from suppliers.

As a result, it is vital for our supply partners to share our values and ambition for creating a sustainable future. Recognising this and our ability to influence the value chain, we remain committed to continuing to encourage and build meaningful sustainability practices amongst our suppliers in the future.

Our Approach

Central to our approach is the Group Code of Supplier Responsibility, which builds on our core values of Customer First, Better Together, Take Ownership and Be Decisive, and sets out the key social, ethical and sustainability standards that we expect our suppliers to achieve. This Code is supported by our Group Procurement Policy, our Group Code of Conduct and ongoing supplier due diligence activity, using the Financial Services Qualification System (FSQS), which enables us to assess supplier behaviours and capabilities across a wide range of sustainable business measures and data protection and privacy controls.

Our sourcing processes prioritise minimising the impacts of total cost of ownership and lifecycle cost for most of our purchases, and they also consider the impacts and risks associated with the onboarding of any supplier engagement.

Delivering Our Objective

The Group Code of Supplier Responsibility outlines minimum expectations of our suppliers across five key areas – Human Rights, Health and Safety, Supply Chain, I&D and Responsible and Sustainable business. We also encourage suppliers to aspire to meet specific standards, such as ISO 50001 Energy Management System, ISO 14001 Environmental Management System and having specific internal policies such as an I&D policy.

The Code applies to all suppliers providing services to or on behalf of BoI, suppliers' officers and employees, and third parties sub-contracted by a supplier. It is a requirement in supplier agreement(s) with us that they comply with applicable laws, regulatory requirements, and relevant Group policies.

Our Performance to Date

In 2023, we published our updated Group Modern Slavery and Human Trafficking Statement reaffirming our commitment to trade ethically, source responsibly and work to combat modern slavery and human trafficking in all its forms across all jurisdictions in which the Group operates.

Procurement and Financial Crime teams partnered with UN special advisor Stop the Traffik on a Group awareness drive designed to drive further awareness of Modern Slavery and Human Trafficking risk and preventative measures.

We further refined our Request for Proposal (RFP) suite to ensure that sustainability and ESG is at the forefront of supplier engagement and selection with links to our Code of Supplier Responsibility and third party policies.

Supplier, Due Diligence and Risk Assessment

We continue to review supplier ESG data and supplier adherence to our Code of Supplier Responsibility as part of our onboarding and ongoing supplier due diligence.

Looking Ahead

In 2024, the Group will publish an updated Outsourcing Strategy which will support alignment of the Group Outsourcing approach to the Group's strategy, purpose and values. We will incorporate enhanced supplier ESG profiling within our supplier due diligence process supported by our FSQS partner.

We will also closely monitor European Council and Parliament decisions in relation to the scope of the Corporate Sustainability Due Diligence Directive (CSDDD) to ensure we are positioned to incorporate requirements into our Responsible Sourcing approach as required.

Social Foundation Topics continued

Human Rights

In 2023, we continued to utilise network analysis technology to aid in the identification of potential human trafficking rings. This technology uses transactional data to establish a holistic view of potentially criminal activity and enables our Financial Crime Compliance function to provide more effective reports to the statutory authorities.

These reports, in conjunction with further collaboration with the Garda Human Trafficking Investigation and Coordination Unit, resulted in a number of prosecutions for human trafficking and organised crime related offences as part of an international human trafficking investigation. The investigation was complex, detailed and had been ongoing in various jurisdictions for over 18 months; with the intelligence we provided instrumental to the Garda investigation.

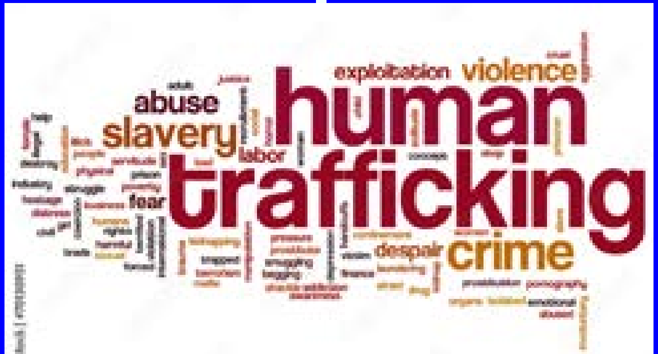
The financial intelligence we provided to the statutory authorities in 2023 is also being utilised to support additional ongoing Garda operations investigating modern slavery. We continue to meet regularly with the Garda Human Trafficking Investigation and Coordination Unit to ensure ongoing collaboration and effectiveness in disrupting human trafficking.

We have also been instrumental in the development of new technology designed to identify potential human trafficking red-flags in large data sets.

Sustainability in action

Infinitech Project

An EU initiated collaborative project, between the Banking and Payments Federation of Ireland (BPFI), Bank of Ireland, Stop the Traffik & NUI Galway to leverage Artificial Intelligence (AI) technologies and big data to help identify human trafficking typologies, which might be present in large data sets, for the purpose of providing more accurate and useful intelligence for financial crime investigation teams. This allows for unstructured data (such as news articles) to be employed in order to train an AI model to create red flag indicators that can identify potential human trafficking activity. This project has been recognised within the financial services industry, both domestically and within Europe, as a first for a financial institution in the proactive monitoring and disruption of human trafficking.



Sustainability in action

Combatting human trafficking

In November 2023, c. 200 of our colleagues gathered together to raise awareness around human trafficking. The session commenced with opening introductions from our Chief Customer Officer as well as the Group Head of Financial Crime Compliance, before moving to interviews, panel discussions and a Q&A session featuring experts in the field. These experts included representatives from the Garda Human Trafficking Investigation and Co-Ordination Unit, the Irish Banking Culture Board and the Immigrant Council of Ireland. The morning session also featured a presentation from global anti-human trafficking NGO Stop the Traffik. As part of this dedicated awareness day, Stop the Traffik also ran a volunteer session in the evening, which gave colleagues the chance to review and analyse potential intervention points in historic cases of human trafficking and modern slavery.

Our ongoing commitment in the area of combatting human trafficking was formally recognised by external bodies. In October 2022, we won in the category of 'Disruption to Money' at the Data to Disrupt Trafficking awards hosted by Stop the Traffik. The awards celebrated and recognised the pioneers and early adopters of change who are paving the way in this space, demonstrating how, through innovation, collaboration, data and technology, meaningful disruption of human trafficking is possible.

Sustainable Company

embedded as core Group strategic pillar. This puts it on every colleagues 'to do' list

+2

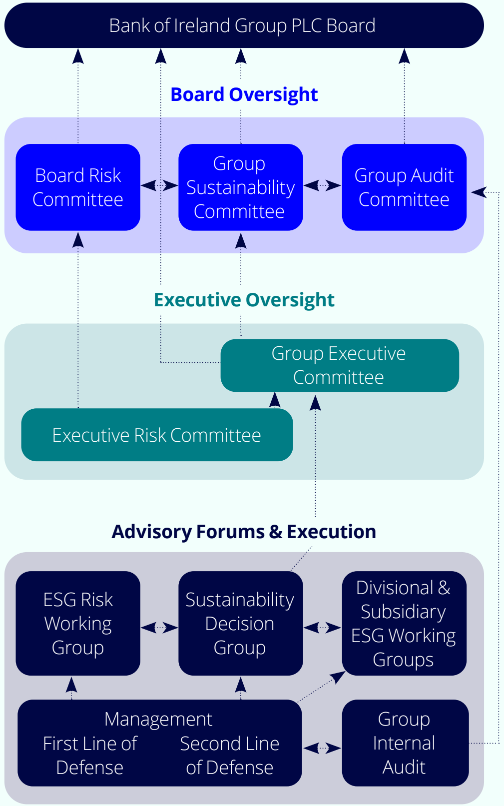
Improved ratings from two ESG ratings agencies in 2023

Colleagues helped

sharpened purpose and refreshed values

Governance

Group role, responsibilities and remuneration



Board Oversight

Sustainability at Board-level

The Board is collectively responsible for the long-term sustainable success of the Group and for ensuring there is a strong corporate structure in place, which is aligned with the Group's strategy and purpose. It provides leadership of the Group, setting strategic aims, within the boundaries of the Group's risk appetite and a framework of prudent and effective controls. Responsibilities in respect of Sustainability and ESG strategy are delegated to the Group Sustainability Committee (GSC), which, jointly with Board Risk Committee (BRC), is also responsible for ensuring ESG risks have been integrated into the Group Risk Management Framework.

Group Sustainability Committee (GSC)

On behalf of the Board, the GSC oversees the development and implementation of the Group's Sustainability strategy and, together with the BRC, oversees related risks, including monitoring the Climate Risk Implementation Plan. As part of that role, the GSC oversees progress against ESG targets, the review of ESG-related commitments and the publication of the Sustainability Report.

Board Risk Committee (BRC)

On behalf of the Board, the BRC is responsible, jointly with the GSC, for inter alia ensuring that ESG risks are integrated into the Risk Management Framework.

Group Audit Committee (GAC)

On behalf of the Board, the GAC is responsible for inter alia monitoring the quality and integrity of the financial statements, including sustainability disclosures. The level of GAC involvement in sustainability related matters is intended to increase over the course of 2024, given enhanced disclosures requirement under CSRD.

Executive Oversight

Group Executive Committee (GEC)

The most senior executive committee in the Group, the GEC, acts in an advisory capacity to the CEO and assists the CEO in the management and leadership of the Group on a day-to-day basis. The GEC has overarching responsibility for delivery and operationalisation of the Group's Sustainability strategy, with specific executive responsibility for sustainability (including climate change) delegated to the CSIRO, who reports to the Group Chief Financial Officer (CFO). Members of the GEC include the CFO, Divisionals CEOs and the Chief Risk Officer (CRO).

Executive Risk Committee (ERC)

The ERC supports both the GEC and the BRC, in overseeing the material risks of the Group, taking a holistic approach to overseeing the effective management of risk, including climate and environmental risks.

Advisory Forums and Execution

Sustainability Decision Group (SDG)

The SDG brings together senior business and functional management across the Group to enable a coordinated approach to sustainability objectives across the 3 pillars and to provide a discussion and decision-making forum to deliver on the Group's sustainability agenda. The SDG is chaired by the CSIRO and regularly updates the GEC on progress against key initiatives.

Divisional and Subsidiary ESG Working Groups

All materially impacted business divisions and businesses have in place dedicated ESG leads and ESG working groups to ensure ESG strategy and operational aspects are integrated into the Group's business model.

Group role, responsibilities and remuneration continued

Advisory Forums and Execution continued

ESG Risk Working Group

The ESG Risk Management Framework sets out the approach to the management of ESG risk factors in the Group. Coordinated by Group Risk, the ESG risk working group brings together Second Line of Defence (2LOD) risk management from across the principal risk types (with representation from the First Line of Defence (1LOD Sustainability team) to ensure there is a coordinated, cohesive and challenging approach to the management of ESG risks (including climate-related and wider ESG risks) within the Group.

Linking remuneration to targets and incorporating sustainability into performance management

In November 2022, the Irish Government announced that a number of crisis-era restrictions related to remuneration were being changed in respect of the Group. These included removal of the blanket prohibition on variable pay and the introduction of a variable pay cap of €20,000.

As a result of these changes the Group has implemented a regulatory compliant Group Profit Share scheme for all colleagues in all jurisdictions. This has enabled the Group to improve the links between remuneration, personal performance, delivery for customers and the achievement of our long term strategic and commercial goals. The appropriateness of the final profit share is assessed against a mix of financial and non-financial criteria, including profit and related metrics, affordability, customer, and ESG, with the pool as a whole subject to risk adjustment. The Bank currently does not have an Employee Stock Option Plan and did not operate a Stock Incentive Plan in 2023.

With 'Sustainable Company' now a core strategic pillar, ESG is mainstreamed into our performance management system. This puts it on every colleague's 'to do' list.

Employee representative bodies

We respect our colleagues' right to freedom of association and we engage with employee representatives bodies, trade unions and partners council, as recognised by the Bank, with c.80% of our colleagues covered by collective bargaining. We frequently consult with employee representatives to provide updates and share information on any relevant matters.

Memberships, associations and ratings

The ESG challenges facing us today require a collaborative response from organisations across society. We have partnered with a number of organisations to share experience and leverage expertise and knowledge. The Group has committed to aligning with a number of mandatory and voluntary frameworks specifically related to Sustainability, including:

Mandatory commitments

- EU Non-Financial Reporting Directive (NFRD)
- Corporate Sustainability Reporting Directive (CSRD) effective from 1st January 2024
- The Taskforce on Climate-Related Financial Disclosures (TCFD)[1]
- EU Taxonomy
- EBA Sustainable Finance Pillar 3 ESG Disclosures
- EU Sustainable Finance Disclosure Regulation (SFDR), applicable to Group entities New Ireland Assurance Company plc, Davy and Bank of Ireland Investment Markets
- Regulatory expectations on climate change as set out by the European Central Bank (ECB), the Prudential Regulatory Authority (PRA) for BoI UK plc and the Basel Committee on Banking Supervision

Voluntary commitments

- UNEP FI Principles for Responsible Banking (UNPRB)
- UN Principles for Responsible Investment (UNPRI)
- UN Principles for Responsible Banking 'Commitment to Financial Health and Inclusion'
- CDP (formerly The Carbon Disclosure Project)
- UN Sustainable Development Goals (SDGs)
- Science Based Targets initiative (SBTi)
- Partnership for Carbon Accounting Financials (PCAF)
- Taskforce for Nature-related Financial Disclosures (TNFD) Forum
- Partnership for Biodiversity Accounting Financials (PBAF)
- All-Ireland Pollinator Plan
- UNPRB Nature Target-setting Working Group
- Circuléire
- Business in the Community Ireland's Low Carbon Pledge and Elevate Pledge
- ISO 50001 Energy Management System and ISO 14001 Environmental Management System (EMS)

Industry partnerships and commitments

1. TCFD which was mandatory for Bank of Ireland UK Plc has been disbanded in December 2023 and the Financial Stability Board (FSB) transferred the responsibility of monitoring companies' climate-related disclosures to the International Financial Reporting Standards (IFRS) Foundation.

Memberships, associations and ratings continued

BOI's Voluntary Associations and Memberships

- Business in the Community Ireland's Business Working Responsibly Mark
- Central Bank of Ireland Climate Forum
- Banking & Payments Federation Ireland
- Sustainable Finance Ireland
- Irish Banking Culture Board (IBCB)
- IBEC
- UK Finance

2023 ESG ratings

The Group participates in a number of ESG ratings and benchmarks with focus on agencies that have a strong reputation for financial services industries based on market insight and investor feedback.

In 2023, the Group participated with three key rating agencies; Sustainalytics, MSCI and S&P, and also reported to the CDP climate change questionnaire investor benchmark with scores below.

Agency	Rating scale	2023	2022	Comment
Sustainalytics	Scale of 0 – 100, with a lower score being positive	17.9	20.0	The Group's score was in the low risk category placing the Group in the top 18th percentile of banks globally (2022: 23rd percentile).
MSCI	AAA to CC, AAA as a best possible score	A	BBB	The Group was upgraded to A in September 2023 continuing the momentum from the prior year.
CDP	A+ to F, with A+ as best possible score	B	B	The Group's overall CDP score remained unchanged at B, with improvements noted in Risk management processes.
S&P Global	Scale of 0 – 100, with a lower score being positive	50	56	Decrease is consistent with a number of our peers.

Governance foundation topics

Culture

The Group is in a new phase of its strategic cycle and our culture is a critical enabler to its successful delivery. Our culture is rooted in our Purpose 'Helping you thrive' and brought to life by our four values of 'Customer First', 'Better Together', 'Take Ownership' and 'Be Decisive', co-created with colleagues in 2023.

Our Culture ambition

- our values help guide the decisions we make and actions we take to help our customers, colleagues, shareholders and society to thrive.
- to have a diverse workforce with a growth mindset, who share and respect different perspectives, and put the customer first.
- we are trusted and supported to take ownership for our actions. We recognise we are at our best when we work together.
- we move quickly to deliver positive outcomes. We learn from our mistakes and celebrate our successes. We take pride in doing the right thing.

Responding to the challenge

To evolve our culture further we focused on both the 'heart ware' of culture (i.e. our purpose and values) and the 'hard ware' or areas impacting culture progress (i.e. systems, processes, decision making) when building out our Group Culture Action Plan 2023/24.

Approach and Performance to Date

The Group Culture Action Plan 2023/24 reflects planned strategic deliverables that will accelerate the culture change and is aligned to our purpose and values.

Purpose and Values

The delivery of our Group Culture Action Plan is further driven by culture leader led enabler groups to tackle challenging impediments and promote shared accountability for culture across the Group.

Progress against this plan is measured on an ongoing basis through our Culture Embedding Index and Engagement Index in our all colleagues surveys (called Open View survey). In addition, specific metrics associated with each of our values are included in a Culture Transformation Dashboard which is reported to Board level.


Laura O'Donovan (Irish Centre for Diversity) with Myles O'Grady (CEO) as BOI awarded Gold Investors in Diversity EDI Mark

Culture Working Group

The Culture Working Group provides external context, market and regulatory updates, challenge on factors which impact culture, future culture opportunities, risks and suitable measures for mitigation.

Colleague engagement survey

We use our Open View survey to understand and improve the experience colleagues have working with us, measuring engagement, culture, leadership, risk, customer focus, and people management.

Our Group Culture Action Plan 2023/24 and Culture Transformation Dashboard will continue in 2024 and will be reported on regularly to the executive team. This will be further enabled by our culture leader led enabler groups to tackle harder edge impediments and ensure shared accountability for culture change.

2023 Cultural Highlights

400
Colleagues co created, sharpened purpose and refreshed values

2,000
Attendees at the People Manager Summit Helping you Thrive

- Re-alignment of Recognition Programme to values, with 5,393 nominations in 2023
- Launch of Inclusive Hiring training for all hiring managers
- Continued focus on Wellbeing
- Mental Health & Wellbeing winners at 'This Can Happen Global Awards' and 'Working Families Best Practice Awards UK'

Governance foundation topics continued

Business Ethics

Responding to the challenge

We are committed to applying the highest ethical conduct and integrity standards in our business activities. Every colleague acting on our behalf is responsible for maintaining the Group's reputation and conducting business honestly and professionally, demonstrating our values every day in everything we do.

The Board is committed to implementing effective systems and processes that foster these standards. This includes the Group's Code of Conduct, Group Speak Up Policy, Market Integrity Policy and Financial Crime Policy. These apply to all colleagues, including subsidiaries and all geographies, whether full-time, part-time, permanent or temporary and outsourced partners, and third party suppliers.

Code of Conduct and Speak Up

The Group's Code of Conduct provides guidance on the expectations for all colleagues in pursuit of upholding our values and culture and outlines various expected behaviours. By acting on the code we aim to create an efficient, customer-focused and responsible workplace with a mature culture that fosters growth for our customers, colleagues and society. Should colleagues have concerns at work, they will be supported through internal avenues such as, Grievance Procedures or Respect at Work Procedures.

A culture of openness and accountability is essential to prevent and address wrongdoing if it occurs, to protect our customers, colleagues and business. The Group's Speak Up Policy sets out how all colleagues can safely and confidentially raise a genuine Speak Up concern 24/7 about a suspected or actual wrongdoing (as defined in the policy) in the workplace without fear of penalisation. The GAC is responsible for the governance of Speak Up and receives updates on the number of reports received, the categories of concerns and measures taken.

Anti-Bribery and corruption

We have a zero-tolerance policy towards bribery and corruption, whether as an initiator or recipient, including the facilitation of tax evasion. The Group Financial Crime Policy outlines the standards applied to identify, manage, monitor and remediate bribery and corruption risks. The Group will not consider any business arrangements that involve bribery and corruption to be binding.

All employees complete annual mandatory Anti Bribery and Corruption training. 98%* of employees completed the Anti-Bribery and Corruption web-based training in 2023 (2022: 97%).

Gifts and hospitality

It is imperative that all employees operate in a way that does not give rise to grounds for the suggestion of improper influence or conflicts of interest. The Financial Crime Policy addresses the risks associated with gifts and hospitality and provides that gifts and hospitality should not be given or received to influence or create the appearance of influencing the recipient inappropriately. The Group strictly prohibits colleagues from soliciting or receiving bribes or unauthorised payments.

Looking ahead

Business Ethics must remain non-static to continue to act with high standards and integrity whilst operating in a changing environment. The Group periodically (and at least annually) reviews its Conduct Risk policies having regard to changing industry regulations and best practices. This enables us to continue evolving our approach to business ethics in the future.

* Indicator is prepared in line with Reporting Criteria and is subject to Limited ISAE 3000 (revised) and ISAE 3410 assurance by KPMG for the 2023 Bank of Ireland Group plc Sustainability Report. Please see pages 39-41 of the Bank of Ireland Sustainability related Reporting and Assurance 2023 report for Reporting Criteria and pages 42-43 for KPMG's limited assurance opinion, available here.

Governance foundation topics continued

Cyber Security

Responding to the challenge
We continue to invest in our cyber capabilities in line with our approved cyber strategy.

Our approach
Led by our Group Chief Information Security Officer (CISO), we have a Group Information Security function which tasks key focus areas of cyber security to specific teams. Our Cyber Resilience team ensures we are prepared to respond to and recover from cyber incidents. Our Cyber Engagement team focus on security awareness and education of our colleagues, including our mandatory annual web-based training, which 98% of colleagues completed in 2023 and which includes clear communications on how to report suspicious events. Customers are supported with a dedicated security zone on our website, which is regularly updated with relevant cyber security articles. We have a dedicated Security Operations Centre (SOC) who provide 24/7/365 monitoring and oversight.

Delivering our objective
We have established a multi-year programme to deliver the objectives of our Group cyber strategy. The CISO ultimately sets the direction of this programme, and is accountable for the programme outcomes.

Looking ahead
Our 2023-2024 cyber strategy remains aligned to both our business and technology strategies. In addition, we will continue to apply a 'Security by Design' principle to all change initiatives to ensure security is appropriately considered. We continue to sustain and optimise our existing capabilities along with ensuring we adapt to the evolving threat, regulatory and technology landscapes. We remain focused on achieving compliance with DORA and NIS2 regulations.

Data Protection

Responding to the challenge
Data Protection is a fundamental right which ensures that the privacy rights of individuals are always protected. The appropriate management of data protection and privacy supports our purpose and values. We are committed to ensuring that the privacy rights and freedoms of our customers and colleagues are always upheld, protecting our customers' and employees' personal information and using it in a fair, transparent, and lawful way.

Our approach
Our Data Privacy Policy is one of the Group's Conduct Risk management policies and forms part of the Group's overall Risk Management Framework. It describes the roles and responsibilities across the organisation, the risks we are exposed to, the risk processes we follow, and key enablers.

It provides the Group with the foundations and organisational structure for ensuring compliance with legislative data protection and privacy obligations. It sets out the Group's approach to protecting personal data, taking account of the data protection and privacy principles and requirements that must be followed, and defines the standards for effective management of Data Protection and Privacy related risks.

Our policy, guidelines and tools ensure we manage our data protection responsibilities and identify and implement appropriate technical and organisational measures to mitigate risk and protect personal data. Policies apply to all colleagues, agents and providers of services to the Group, including outsourcing and processing arrangements and to the employees and agents of such providers.

Our commitment to complying with our data protection responsibilities applies to all entities across the Group and considers all data protection laws, including the changes effected by the General Data Protection Regulations (GDPR).

To support the integration of Data Protection principles within the Group, we empower our colleagues through dedicated training and awareness programmes such as mandatory annual training on data protection and privacy applicable group-wide. We also offer colleagues access to tailored training modules on key trends, internal developments, and external regulatory updates; which are published on the Group's internal website.

Looking ahead
As regulatory guidance evolves, we continue to ensure our colleagues remain informed through our ongoing training programme and policy framework.

Governance foundation topics continued

Financial Crime

Responding to the Challenge
Protecting the financial system's integrity from financial crime risk, including money laundering, terrorist financing, bribery and corruption, is imperative to us. Incidents of financial crime can damage customer confidence. We are dedicated to upholding the integrity of the financial system and protecting our customers from the impact of financial crime.

Our Approach
We manage financial crime events through our Three Lines of Defence approach with the Group's Board responsible for oversight of financial crime risk.

The Group's Risk Management Framework serves as the cornerstone for safeguarding and mitigating against financial crime risk.

Our Head of Financial Crime Compliance and Money Laundering Reporting Officer (MLRO) leads the team responsible for undertaking annual enterprise-wide risk assessments. These assessments evaluate Money Laundering and Terrorist Financing Risk, Sanctions Risk and Fraud Risk and identify enhancements to the Financial Crime Framework to ensure continued compliance with relevant regulations and legislative duties. The outcomes of these assessments are reported to the Group's Board Risk Management. Our MLRO monitors and oversees financial crime controls across the Group, working with our assurance teams to regularly report on Key Risk Indicators (KRIs) to Senior Management and the Board.

Our comprehensive Financial Crime Framework includes policies and procedures designed to identify, assess, mitigate and manage financial crime risks. These policies and procedures are integral to our framework and are informed by our engagement with law enforcement, regulators and industry.

All colleagues complete mandatory training and assessment annually embedding these policies into our operational activities. The MLRO and wider team provide comprehensive annual training to the Board and bespoke training on financial crime risks to key business functions.

We monitor customer transactions to identify unusual or suspicious activities. When we onboard new customers, and on an ongoing basis, we conduct due diligence and screen them against national and international sanctions and terrorism lists. Where customers present as high risk, we complete enhanced due diligence, requesting further information to understand the risk.

Abbreviations

1LOD	First Line of Defence
2LOD	Second Line of Defence
3LOD	Third Line of Defence
€	Euro
$	Dollar
£	Pound
mn	Million
bn	Billion
ALCO	Asset Liability Committee
APMC	Association of Promotional Marketing Consultants
AUM	Assets Under Management
BA	Business Analyst
BER	Building energy rating
BPFI	Banking and Payments Federation of Ireland
BREEAM	Building Research Establishment Assessment Methodology
BRC	Board Risk Committee
BTL	Buy to Let
CBI	Central Bank of Ireland
CCPC	Competition and Consumer Protection Commission
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CFI	Community Foundation for Ireland
CIPD	Chartered Institute of Personnel Development
CISO	Chief Information Security Officer
CSIRO	Chief Sustainability and Investors Relations Officer
CSO	Central Statistics Office
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
CRU	Commission for Regulation of Utilities
CSDDD	Corporate Sustainability Due Diligence Directive
DCU	Dublin City University
DEFRA	Department of Environment, Food and Rural Affairs
DEIS	Delivering Equality of Opportunity in Schools
DORA	Digital Operational Resilience Act
EBA	European Banking Authority
ECB	European Central Bank
EDI	Equality, Diversity and Inclusion
EMS	Environmental Management System
EPC	Energy performance certificate
ERC	Executive Risk Committee
ESG	Environmental, Social and Governance
ESRI	Economic Social and Research Institute
ETP B2DS	Energy Technology Perspectives 2017 Beyond 2oC Scenario
EV	Electric vehicle
FCA	Financial Conduct Authority
FHS	First Home Scheme
FIT	Fast track to IT Apprenticeships
FSB	Financial Stability Board
FSQS	Financial Services Qualification System
GB	Great Britain
GCA	Gross Carrying Amount
GDPR	General Data Protection Regulations
GEC	Group Executive Committee
GHG	Greenhouse gas
GIA	Group Internal Audit
GRI	Global Reporting Initiative
GSC	Group Sustainability Committee
HIV	Human Immunodeficiency Virus
HSA	Health and Safety Authority
I&D	Inclusion and Diversity
IBCB	Irish Banking Culture Board
ICAAP	Internal capital adequacy assessment process
IFRS	International Financial Reporting Standards Foundation
ISO	International Organization for Standardization
IT	Information Technology
LEED	Leadership in Energy and Environmental Design
NDA	National Disability Authority
NFRD	Non-financial Reporting Directive
NGRB	Nomination, Governance and Responsible Business Committee
NI	Northern Ireland
NUTS	Nomenclature of territorial units for statistic1
PBAF	Partnership for Biodiversity Accounting Financials
PCAF	Partnership for Carbon Accounting Financials
PRA	Prudential Regulatory Authority
RAG Status	Red, Amber and Green Status
RFP	Request for Proposal
ROI	Republic of Ireland
RSB	Responsible and Sustainable Business
SBCI	Strategic Banking Corporation of Ireland
SBTi	Science-Based Targets initiative
SBTs	Science-based targets
SDG	Sustainability Decision Group
SDGs	Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation
SFF	Social Finance Foundation
SME	Subject Matter Expert
SQ	Sustainability Quotient
STAR	Sustainability, Transparency, and Accountability Research
TCFD	Task Force on Climate-related Financial Disclosures
TCPID	Trinity Centre for People with Intellectual Disabilities
TNFD	Task Force on Nature-related Financial Disclosures
UCD	University College Dublin
UK	United Kingdom
UN	United Nations
UNEP FI	United Nations Environment Programme Finance Initiative
UNPRB	United Nations Principles for Responsible Banking
UNPRI	United Nations Principles for Responsible Investment
US	United States
VCU	Vulnerable Customer Unit
We, Group, Bank of Ireland	Bank of Ireland Group plc