

Begin

**Bank of Ireland Wealth  
Advice and Distribution  
and Bank of Ireland  
Investment Markets**

**Responsible Investment Policy**

June 2023



**Bank of  
Ireland**

# Contents

[Click below](#)

|  |   |
|--|---|
| 1. Introduction .....  | 3 |
| 2. Scope and application .....   | 4 |
| 3. Investment advice .....   | 5 |
| 4. Sustainability themes addressed by this policy when acting as an investment manager .....   | 5 |
| 5. Stewardship, shareholder voting, shareholder engagement and consideration of principal adverse impacts when acting as an investment manager ..... | 6 |
| 6. Exclusions and screening when acting as an investment manager .....   | 8 |
| 7. Implementation by Bank of Ireland Investment Markets .....  | 8 |
| 8. Governance .....  | 9 |
| 9. Conflicts of interest .....   | 9 |

# 1. Introduction

1.1 This policy is the responsible investment policy of Bank of Ireland Wealth Advice and Distribution and Bank of Ireland Investment Markets, both of which are divisions of The Governor and Company of Bank of Ireland.

- ▶ Bank of Ireland Wealth Advice and Distribution is the division with overall responsibility for providing investment advice to our customers.
- ▶ Bank of Ireland Investment Markets acts as an investment manager to a small number of professional corporate investors, for certain products sold by the Bank of Ireland Wealth Advice and Distribution channel.

This policy outlines how we provide responsible investment advice and investment decisions related to our roles as investment advisor and investment manager<sup>1</sup>. It sets out how responsible investment decisions and advice are consistent with the duty of Bank of Ireland Wealth Advice and Distribution and Bank of Ireland Investment Markets to help our clients achieve their investment objectives and protect their interests.

1.2 When acting as investment manager, Bank of Ireland Investment Markets invests either through direct investment (for example, equities) or by selecting externally managed funds, which may select equities or other assets as part of their investment strategy.

- ▶ When selecting direct holdings in equities, Bank of Ireland Investment Markets integrates Environmental, Social and Governance (ESG) factors into the selection process.
- ▶ When investing in externally managed funds, Bank of Ireland Investment Markets requests the manager of the funds to have documented appropriate ESG policies and to implement good practices.

More information on how this is monitored is available in the Bank of Ireland Investment Markets Engagement Policy which can be found on the Bank of Ireland Sustainable Investing Hub:

Visit our [Sustainable Investing Hub](#) 


1.3 Bank of Ireland Wealth Advice and Distribution and Bank of Ireland Investment Markets believe that our approach achieves the main objectives of responsible investing and is in the best interests of our customers.



<sup>1</sup> Bank of Ireland is a tied agent of New Ireland Assurance Company plc trading as Bank of Ireland Life for life assurance and pensions business. Advice on Bank of Ireland Life products is provided by Bank of Ireland Wealth Advice and Distribution. Bank of Ireland Investment Markets provides investment advice and portfolio management services to professional clients as a credit institution authorised to provide services regulated by the European Union (Markets in Financial Instruments) Regulations 2017.

## 2. Scope and application



- 2.1 This policy applies to:
- (a) The investment advice provided by the Bank of Ireland Wealth Advice and Distribution channel of Bank of Ireland and
  - (b) The investment management services and investment advice provided by Bank of Ireland Investment Markets to their professional corporate investors, the Bank of Ireland Investment Funds and New Ireland Assurance Company plc Ireland trading as Bank of Life.
- 2.2 Responsible investment will be achieved by ensuring that:
- (a) The approach of Bank of Ireland Wealth Advice and Distribution and Bank of Ireland Investment Markets to investment explicitly acknowledges the relevance to the investor of ESG factors, and the long-term health and stability of the market as a whole;
  - (b) Our responsible investment framework is aligned to the United Nations Principles for Responsible Investment. This represents the leading global standard for investors and  Principles for Responsible Investment
  - (c) Bank of Ireland Wealth Advice and Distribution and Bank of Ireland Investment Markets demonstrate our commitment to responsible investment by collaborating and learning with our peers about the financial and investment implications of ESG issues.
- 2.3 Bank of Ireland Wealth Advice and Distribution and Bank of Ireland Investment Markets believe a sustainable investment approach is more likely to create and preserve long-term investment capital and, more specifically, that:
- (a) ESG factors can have a material impact on long-term risk and return outcomes and should be integrated into the investment process;
  - (b) Taking a broader and longer-term perspective on risk, including identifying sustainability themes and trends, is likely to lead to improved risk management and new investment opportunities;
  - (c) A sustainable investment approach that considers ESG risks and opportunities is in the best interests of the customers of Bank of Ireland Wealth Advice and Distribution and Bank of Ireland Investment Markets. Our approach will be kept under review in support of that ambition;
  - (d) Standardised and integrated reporting, which incorporates material sustainability information with financial information, plays an important role in informing investors of the impact of their investing activities and in informing their investment decision-making and we are working towards achieving that goal and
  - (e) Stewardship (or active ownership) supports the realisation of long-term shareholder value by providing investors with an opportunity to enhance the value of companies and markets. See [section 5](#) for more details.

## 3. Investment advice

Where a customer indicates a preference to invest in a product that promotes ESG characteristics or has sustainable investment as its objective, the preference will be considered when advice is being provided.

## 4. Sustainability themes addressed by this policy when acting as an investment manager

### 4.1 Applicable asset classes

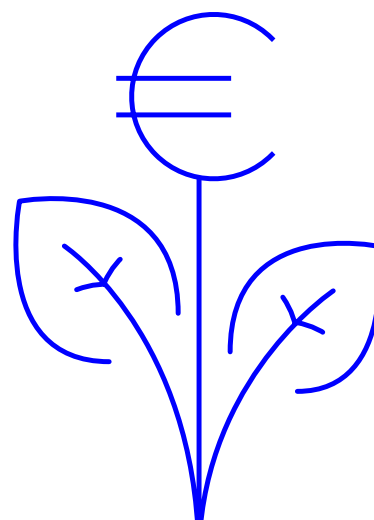
Bank of Ireland Investment Markets believes that ESG factors can be applied across various asset classes including:

- ▶ Listed equities;
- ▶ Sovereign and corporate bonds;
- ▶ Property and
- ▶ Unlisted assets.

However, we acknowledge that the degree of relevance, or materiality, varies across asset classes, as does the progress by external fund managers on the integration of ESG factors across their investment strategies. These considerations, summarised in Table 1, inform our expectations when selecting externally managed funds where we act as an investment manager on behalf of our customers:

**Table 1: Integration of ESG factors across asset classes**

| Asset class             | Manager progress on ESG integration |
|-------------------------|-------------------------------------|
| Public equity           | Medium/high                         |
| Fixed income            | Low/medium                          |
| Real estate             | Low/medium                          |
| Private equity and debt | Medium                              |
| Infrastructure          | High                                |
| Natural resources       | Medium                              |
| Hedge funds             | Low                                 |



## 5. Stewardship, shareholder voting, shareholder engagement and consideration of principal adverse impacts when acting as an investment manager

- 5.1 Bank of Ireland Investment Markets aims to realise long-term shareholder values by providing customers with an opportunity to enhance the value of companies and markets in a manner more consistent with long-term investor timeframes, for example, by voting on resolutions at investee company AGMs and writing to or meeting with company management on particular issues.
- 5.2 This policy represents the commitment of Bank of Ireland Investment Markets to industry standards of good governance and stewardship.
- 5.3 Active/engaged shareholders have a greater chance of ensuring company management acts in ways that are aligned with shareholder interests. Stewardship also provides our customers with an opportunity to enhance the value of companies and markets.
- 5.4 Bank of Ireland Investment Markets' approach to shareholder engagement, where it is investing in shares of investee companies and, more broadly, when allocating to externally managed funds, is described fully in the Bank of Ireland Investment Markets' Engagement Policy under the headings of;
- (a) How Bank of Ireland Investment Markets integrates shareholder engagement into its investment strategy;
  - (b) Monitoring investee companies and externally managed funds (EMFs);
  - (c) Conducting dialogues with investee companies and EMFs;
  - (d) Exercising voting rights and other rights attached to company shares and shares of EMFs;
  - (e) Managing actual and potential conflicts of interest in relation to engagement;
  - (f) Cooperating with other shareholders and communicating with relevant stakeholders of the investee companies and EMFs and
  - (g) Consideration of Principal Adverse Impacts (PAIs).

Bank of Ireland Investment Markets' Engagement Policy is available on the Bank of Ireland Sustainable Investing Hub:

[Visit our Sustainable Investing Hub](#) 

- 5.5 Bank of Ireland Investment Markets expects the external managers of funds it selects, when acting as an investment manager, to monitor investee companies and to report on stewardship activities and outcomes. Bank of Ireland Investment Markets may seek disclosure from external fund managers on an annual basis, including a voting and engagement activity review that covers the following areas:
- (a) **Voting Execution** - Bank of Ireland Investment Markets may request records on voting activity and statistics to monitor execution and consider vote percentages;
  - (b) **Voting Rationale** - Bank of Ireland Investment Markets may request information from external fund managers related to their rationale for:
    - i) Votes for and against management;
    - ii) Votes against proxy advisor policy (where applicable);
    - iii) Abstentions and
    - iv) No votes.

## 5. Stewardship, shareholder voting, shareholder engagement and consideration of principal adverse impacts when acting as an investment manager (cont'd)

(c) **Engagement** - Bank of Ireland Investment Markets may request external fund managers to provide examples of instances where the external fund manager has exchanged views with investee companies. This may involve:

- i) Receiving information related to the number of companies the external fund manager engaged with during a certain period and the topics that were discussed as part of the engagement;
- ii) Examples of where the external fund manager collaborated with other investors as part of the engagement and
- iii) Any voting activity that is an escalation of concerns following engagement.

5.6 Bank of Ireland Investment Markets acknowledges that external fund managers will have detailed knowledge of both the governance and the operations of the investee companies and other securities they invest in. Consequently, Bank of Ireland Investment Markets acknowledges that these external fund managers will vote based on their own proxy-voting execution policy. Bank of Ireland Investment Markets will engage with the managers of the external funds in which it invests, on behalf of customers, with the aim of driving change where it believes practices can be improved.

5.7 In line with the Sustainable Finance Disclosure Regulations (SFDR), Bank of Ireland Investment Markets considers principal adverse impacts of its investment decisions on sustainability factors. It considers and identifies principal adverse impacts of its investment decisions on sustainability factors by measuring and monitoring the aggregated negative impact on sustainability factors of its aggregate investment decisions. Bank of Ireland Investment Markets considers the mandatory principal adverse impact indicators and two voluntary indicators, subject to data availability and quality.





## 6. Exclusions and screening when acting as an investment manager

- 6.1 It is possible to screen companies and to exclude them as potential investment targets based on certain criteria. By screening and excluding companies, Bank of Ireland Investments Markets is effectively giving up its ability to influence excluded companies to make positive and sustainable change, and it narrows the investment universe available to its customers.
- 6.2 Bank of Ireland Investment Markets prefers to adopt an integrated approach where possible, but accepts that certain external fund managers may apply strict exclusions based on internationally accepted norms such as the UN Global Compact. Certain funds may exclude companies that have material connections to controversial industries, e.g., tobacco, predatory lending and cluster munitions.

## 7. Implementation by Bank of Ireland Investment Markets

- 7.1 Bank of Ireland Investment Markets monitors the progress being made and continuously enhances the integration of ESG into its investment processes.
- 7.2 Relevant indicators of progress include:
- (a) The proportion of assets under management that formally integrate ESG factors into decision-making;
  - (b) The impact of the Bank of Ireland Investment Markets' engagement and proxy voting activities and
  - (c) Whether Bank of Ireland Investment Markets is meeting the needs of its customers for ESG-integrated solutions.

Given the dynamic and evolving nature by which ESG factors are material to investment performance, Bank of Ireland Investment Markets is committed to continued innovation and improvement.





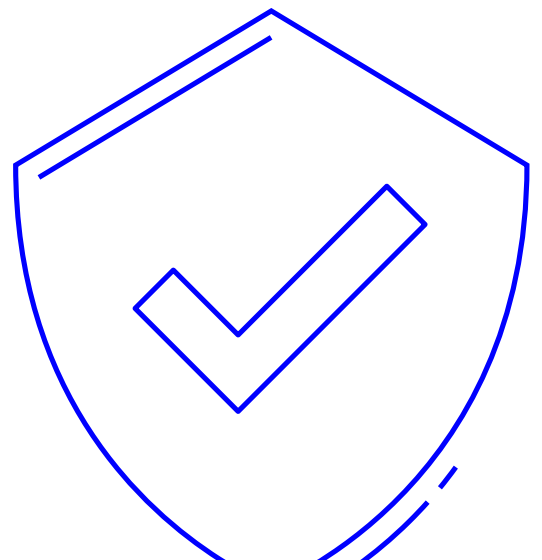
## 8. Governance

- 8.1 The Bank of Ireland Wealth Advice and Distribution and Bank of Ireland Investment Market divisions have ownership of this Policy. Reports will be provided to the Bank of Ireland Wealth Management Risk Committee on those topics covered by the Policy.
- 8.2 Bank of Ireland Wealth Advice and Distribution and Bank of Ireland Investment Markets are committed to an ongoing and long-term process of improving its approach to integrating ESG considerations into its investment products and services.
- 8.3 As a result, this policy reflects the Company's current approach. It is expected that this policy will evolve over time to reflect changes in business practices, business structures, technology, and regulations. Accordingly, the sub-committee will review the policy annually and recommend amendments as necessary.
- 8.4 Bank of Ireland Wealth Advice and Distribution and Bank of Ireland Investment Markets will ensure that policies and information published on the Bank of Ireland Sustainable Investing Hub are kept up to date and when information does change that a clear explanation of the changes shall be published on the Sustainable Investing Hub:

Visit our [Sustainable Investing Hub](#) 

## 9. Conflicts of interest

- 9.1 Bank of Ireland endeavours to act in the best interests of its customers and will seek to avoid conflicts of interest in line with Bank of Ireland Group's conflict of interest policy.
- 9.2 As part of its review and appointment process, Bank of Ireland Investment Markets assesses whether external fund managers have policies and procedures that are designed to manage conflicts in relation to stewardship. This forms part of the investment due diligence process.
- 9.3 External fund managers to which we allocate to as an investment manager are required to report any conflicts of interest and demonstrate that they have adhered to their conflicts policy and reported any breaches.



This document has been prepared by Bank of Ireland for informational purposes only and is not to be reproduced, in whole or in part, without prior permission. Any information contained herein is believed by Bank of Ireland to be accurate and true but the Bank expresses no representation or warranty of such accuracy and accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in this document. You should obtain independent legal advice before making any decision.

Bank of Ireland is regulated by the Central Bank of Ireland. Bank of Ireland Investment Markets is an investment management unit within Bank of Ireland. Bank of Ireland trading as Bank of Ireland Investment Markets is regulated by the Central Bank of Ireland. A member of Bank of Ireland Group. Bank of Ireland is a tied agent of New Ireland Assurance Company plc for life and pensions business.

Bank of Ireland is incorporated in Ireland with limited liability. Bank of Ireland is regulated by the Central Bank of Ireland. In UK, Bank of Ireland is authorised by the Central Bank of Ireland and the Prudential Authority, and is subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority and our regulation by the Financial Conduct Authority are available from us on request.

Registered Office: Head Office, 40 Mespil Road, Dublin 4, Ireland. Registered Number: C-1.

