Begin

Bank of Ireland Investment Markets

Statement on Principal Adverse Impacts of investment decisions on sustainability factors

June 2025

Bank of Ireland

Contents

Click below

A. Summary

Bank of Ireland Investment Markets, which is a division and trading name of The Governor and Company of the Bank of Ireland, considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Bank of Ireland Investment Markets.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2024.

Bank of Ireland Investment Markets provides portfolio management services regulated under the European Union (Markets in Financial Instruments) Regulations 2017 (as amended). Bank of Ireland Investment Markets has one professional corporate investor to whom it provides portfolio management services. For this client, New Ireland Assurance Company (New Ireland), Bank of Ireland Investment Markets is responsible for making investment decisions in relation to New Ireland's portfolio, in alignment with agreed investment guidelines and subject to the specific investment management processes and procedures between Bank of Ireland Investment Markets and New Ireland as a client.

Bank of Ireland Investment Markets 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 their investment decisions. In its investments, Bank of Ireland Investment Markets considers the mandatory principal adverse impact indicators and two voluntary indicators defined by the EU Sustainable Finance Disclosure Regulation (SFDR), subject to data availability and quality. Bank of Ireland Investment Markets' assessment of its principal adverse impacts is described in its Responsible Investment and Engagement Policy. Bank of Ireland Investment Markets' responsible investment and engagement efforts focus on engaging with our external fund managers as part of our investment due diligence process and collaboration with local and international organisations within its industry and beyond. The purpose of this is to share experience and leverage expertise and knowledge, to assist it in responding to the environmental, social and governance (ESG) challenges facing us today.

To find out more

Bank of Ireland Investment Markets' Responsible Investment and Engagement Policy can be found on the Bank of Ireland Sustainable Investing Hub:

Visit our **Sustainable Investing Hub**

B. Description of the principal adverse impacts on sustainability factors

The mandatory indicators under SFDR, in relation to the principal adverse impacts of Bank of Ireland Investment Markets' investment decisions on sustainability factors, are set out in Table 1. For each of these indicators Bank of Ireland Investment Markets has outlined the actions taken thus far and its intended plans to avoid or reduce the principal adverse impacts identified. This information covers the reference periods of 1 January to 31 December 2024 and 1 January to 31 December 2023. The impacts are calculated as the quarterly average of impacts on 31 March, 30 June, 30 September and 31 December of each reference period. Details on the impacts compared to the previous year will be published continuously on an annual basis.

Table 1 – Quantitative Indicators

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		**Metric**	**Impact year 2024**	**Impact year 2023**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	27,757.9 tCO2eq	54,195.76 tCO2eq	The value decreased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	**General approach** Bank of Ireland, we understand the important role we can play in facilitating the transition to a low-carbon economy. Our Sustainability strategy, under the 'Supporting the Green transition' pillar, outlines how 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 the Irish and UK governments' ambitions and actions. In December 2022, Bank of Ireland became the first Irish bank, and one of the first in Europe, to have its targets validated by the Science Based Targets initiative (SBTi). The targets cover all of the Group's own operations and 76% of the loan book. Initially confined to our own operations and the loan book, the scope of our decarbonisation strategy will consider gradually increasing coverage to include the asset portfolios. Throughout 2024, we have made significant strides towards meeting our Science Based Targets (SBTs) for GHG emission reduction. The Group progress to date is ahead or in line with the convergence pathways towards the respective SBTs for four of the six targets set, including the target set on own operations emissions reduction. For the remaining targets, progress is currently lagging the convergence pathway however, the Group consider the lag to be recoverable by the target date. Bank of Ireland Group continued to develop SBTs for GHG emission reductions aligned with the Paris Agreement. Our net zero ambitions depend on all sectors of society and the economy doing their part: policy, industry, investors and consumers. Our commitment is made in the expectation that governments will follow through on their own commitments to the goals of the Paris Agreement.
		Scope 2 GHG emissions	6,679.17 tCO2eq	12,425.72 tCO2eq	The value decreased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	
		Scope 3 GHG emissions	251,471.71 tCO2eq	446,188.84 tCO2eq	The value decreased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	
		Total GHG emissions	285,800.03 tCO2eq	509,813.35 tCO2eq	The value decreased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	

	2. Carbon footprint	Carbon footprint		274.02 tCO2eq/ EURm	382.65 tCO2eq/ EURm	The value decreased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	**Collaboration** The environmental challenges facing us today require a collaborative response from organisations across society. Bank of Ireland has partnered with a number of national and international organisations to share experience and leverage expertise and knowledge. We are a contributor to public and industry consultations, including those pertaining to ESG topics in general and climate topics in particular. Including membership of the Central Bank of Ireland Climate Forum and Sustainable Finance Ireland and voluntary commitments to UNEP FI UNPRB, UNPRI, CDP (formerly The Carbon Disclosure Project), UN SDGs, SBTi, PCAF, TNFD Forum, 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) in addition to our mandatory/ regulatory commitments. We continue to engage in consultations and provide views on topics around financing the low carbon transition and the role that banks and asset managers can play.
	3. GHG intensity of investee companies	GHG intensity of investee companies		630.91 tCO2eq/ EURm	778.73 tCO2eq/ EURm	The value decreased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector		2.45%	3.21%	The value decreased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources		62.76%	71.05%	The value decreased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	NACE Code A (Agriculture, Forestry And Fishing)	0 GWh/EURm	0 GWh/EURm	The values remained broadly unchanged, changes were due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	
			NACE Code B (Mining And Quarrying)	0.03 GWh/EURm	0.03 GWh/EURm		
			NACE Code C (Manufac-turing)	0.07 GWh/EURm	0.17 GWh/EURm		
			NACE Code D (Electricity, Gas, Steam And Air Conditioning Supply)	0.05 GWh/EURm	0.08 GWh/EURm		
			NACE Code E (Water Supply; Sewerage, Waste Man-agement And Remediation Activities) NACE Code F (Construc-tion)	0 GWh/EURm	0 GWh/EURm		
			NACE Code F (Construc-tion)	0 GWh/EURm	0 GWh/EURm		

			NACE Code G (Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles)	0.01 GWh/EURm	0.01 GWh/EURm		
			NACE Code H (Transporting And Storage)	0.03 GWh/EURm	0.03 GWh/EURm		
			NACE Code L (Real Estate Activities)	0 GWh/ EURm	0.01 GWh/ EURm		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas		2.75%	0.02%	The value increased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	**General approach** At Bank of Ireland, we understand that our livelihoods and entire economic system depend on nature and ecosystem services. Half of the world's Gross Domestic Product (or economic growth) 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. **Collaboration** In 2024, Bank of Ireland engaged with the following collaborative initiatives specifically relating to the nature and biodiversity in 2024: Taskforce for Nature-related Financial Disclosures (TNFD) Forum - Focuses on helping organisations report and act on nature-related risks and opportunities. Partnership for Biodiversity Accounting Financials (PBAF) - Aims to develop a framework for financial institutions to measure and report on biodiversity impacts. UNPRB Nature Target-setting Working Group - Supports banks in setting targets related to nature and biodiversity under the Principles for Responsible Banking. All-Ireland Pollinator Plan - A national biodiversity initiative focused on protecting pollinators and their habitats. UNEP FI Pollution Working Group - Helping financial institutions understand and address the risks and impacts of pollution - particularly in high-impact sectors like agriculture, construction, and plastics. Bank of Ireland believe that collaboration is important as it brings together diverse perspectives, skills, and resources to achieve common goals that are often too complex to be tackled alone. Managing for positive environmental impact is about making sure that environmental factors are understood and factored into relevant policies practices and engagements. We are building these capabilities in our own organisation through training and development initiatives, external collaboration and thought leadership on key issues.

Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.26 t/EURm	15.07 t/EURm	The value decreased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	**General approach** Transitioning to a circular economy is widely acknowledged as being a prerequisite to achieving Ireland and Europe's climate targets, mitigating biodiversity loss, reducing waste and improving management of vital resources like water. We recognise how water is essential for all human life, but water supplies are under increasing pressure from rising consumption, climate change and pollution. We have been tracking freshwater withdrawals and related emissions arising from our business operations since 2015 and transparently disclosing this information via the CDP platform. **Collaboration** In 2024, the Alliance for Water Stewardship held a workshop with our water stewards to support the development of a comprehensive water action plan. The workshop included an assessment of water-related impacts, dependencies and risks (including the identification of sites in areas of water stress), along with the identification of opportunities for improvements such as water conservation infrastructure, water consumption reduction targets, and staff training.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.55 t/EURm	2.23 t/EURm	The value decreased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.08%	0.29%	The value decreased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	**General approach** We recognise the importance of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises and the important role these initiatives play in promoting fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. In December 2024, the Group's first Human Rights policy was approved by the Board. The purpose of this policy is to provide information about the Group's commitments and efforts to respect human rights in all its business activities and relationships. The policy describes the governance structure and related policies supporting the commitments. The Group is committed to upholding and promoting human rights in all areas of its operations.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.38%	20.71%	The value decreased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	16.32%	16.18%	The value increased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	**General approach** Gender pay gap and board gender diversity considerations are some of the corporate governance factors we look at as part of our investment process. We believe having diversity of gender is one of many factors that foster diverse thinking and strengthen corporate governance and creates value within companies as a result. **Collaboration** We participate on gender related collaborative industry initiatives. Bank of Ireland voluntarily publishes our own position to gender pay gap and transparency to encourage more action on this important topic and to support the development of an open, inclusive and transparent working environment for all colleagues.

	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	36.28% Female	35.10% Female	The value increased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	**General approach** Assessment of board gender diversity is one of a number of corporate governance factors we look at as part of our investment process. We believe having diversity of gender, race, ethnicity, background and skills on boards strengthens their decisionmaking and oversight abilities.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0.12%	The value decreased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	**General approach** For all strategies, we deem anti-personnel mines, cluster munitions, chemical weapons and biological weapon to be controversial weapons.
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		**Metric**	**Impact year 2024**	**Impact year 2023**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Environmen-tal	15. GHG intensity	GHG intensity of investee countries	302.62 tCO2eq/ EURm	304.53 tCO2eq/ EURm	The value decreased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	**General approach** At Bank of Ireland, we understand the important role we can play in facilitating the transition to a low-carbon economy. Our Sustainability strategy, under the 'Supporting the Green transition' pillar, outlines how 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 the Irish and UK governments' ambitions and actions. In December 2022, Bank of Ireland became the first Irish bank, and one of the first in Europe, to have its targets validated by the Science Based Targets initiative (SBTi). The targets cover all of the Group's own operations and 76% of the loan book. Initially confined to our own operations and the loan book, the scope of our decarbonisation strategy will consider gradually increasing coverage to include the asset portfolios. Throughout 2024, we have made significant strides towards meeting our Science Based Targets (SBTs) for GHG emission reduction. The Group progress to date is ahead or in line with the convergence pathways towards the respective SBTs for four of the six targets set, including the target set on own operations emissions reduction. For the remaining targets, progress is currently lagging the convergence pathway however, the Group consider the lag to be recoverable by the target date.

						Bank of Ireland Group continued to develop SBTs for GHG emission reductions aligned with the Paris Agreement. Our net zero ambitions depend on all sectors of society and the economy doing their part: policy, industry, investors and consumers. Our commitment is made in the expectation that governments will follow through on their own commitments to the goals of the Paris Agreement. **Collaboration** The environmental challenges facing us today require a collaborative response from organisations across society. Bank of Ireland has partnered with a number of national and international organisations to share experience and leverage expertise and knowledge. We are a contributor to public and industry consultations, including those pertaining to ESG topics in general and climate topics in particular. Including membership of the Central Bank of Ireland Climate Forum and Sustainable Finance Ireland and voluntary commitments to UNEP FI UNPRB, UNPRI, CDP (formerly The Carbon Disclosure Project), UN SDGs, SBTi, PCAF, TNFD Forum, 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) in addition to our mandatory/regulatory commitments. We continue to engage in consultations and provide views on topics around financing the low carbon transition and the role that banks and asset managers can play.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	4.82%	4.25%	The value increased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	**General approach** We adhere to investment restrictions applicable further to key sanctions regimes imposed by (but not limited to) the EU, UN and US.

Other indicators for principal adverse impacts on sustainability factors

In addition to the set of mandatory indicators above, Bank of Ireland Investment Markets considers two additional indicators, subject to data availability and quality. Bank of Ireland Investment Markets considers an indicator relating to investing in companies without carbon emission reduction initiatives. In regard to this indicator, Bank of Ireland Investment Markets monitors the share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement. This indicator is part of the set of additional indicators that relate to climate and the environment, as defined in the SFDR (Table 2, indicator 4). Bank of Ireland Investment Markets also considers an indicator that relates to lack of anti-corruption and anti-bribery policies. In regard to this indicator, Bank of Ireland Investment Markets monitors the share of investments in entities without policies on anticorruption and anti-bribery consistent with the United Nations Convention against Corruption. This indicator is part of the set of additional indicators that relate to social and employee, respect for human rights, anti-corruption and antibribery matters, as defined in the SFDR (Table 3, indicator 15). Bank of Ireland Investment Markets will consider these indicators subject to data availability and quality.

Table 2 - Optional Quantitative Indicators

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		**Metric**	**Impact year 2024**	**Impact year 2023**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Emissions	4. Investing in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	14.78%	12.50%	The value increased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	**General approach** At Bank of Ireland, we understand the important role we can play in facilitating the transition to a low-carbon economy. Our Sustainability strategy, under the 'Supporting the Green transition' pillar, outlines how 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 the Irish and UK governments' ambitions and actions. In December 2022, Bank of Ireland became the first Irish bank, and one of the first in Europe, to have its targets validated by the Science Based Targets initiative (SBTi). The targets cover all of the Group's own operations and 76% of the loan book. Initially confined to our own operations and the loan book, the scope of our decarbonisation strategy will consider gradually increasing coverage to include the asset portfolios. Throughout 2024, we have made significant strides towards meeting our Science Based Targets (SBTs) for GHG emission reduction. The Group progress to date is ahead or in line with the convergence pathways towards the respective SBTs for four of the six targets set, including the target set on own operations emissions reduction. For the remaining targets, progress is currently lagging the convergence pathway however, the Group consider the lag to be recoverable by the target date.

						Bank of Ireland Group continued to develop SBTs for GHG emission reductions aligned with the Paris Agreement. Our net zero ambitions depend on all sectors of society and the economy doing their part: policy, industry, investors and consumers. Our commitment is made in the expectation that governments will follow through on their own commitments to the goals of the Paris Agreement. **Collaboration** The environmental challenges facing us today require a collaborative response from organisations across society. Bank of Ireland has partnered with a number of national and international organisations to share experience and leverage expertise and knowledge. We are a contributor to public and industry consultations, including those pertaining to ESG topics in general and climate topics in particular. Including membership of the Central Bank of Ireland Climate Forum and Sustainable Finance Ireland and voluntary commitments to UNEP FI UNPRB, UNPRI, CDP (formerly The Carbon Disclosure Project), UN SDGs, SBTi, PCAF, TNFD Forum, 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) in addition to our mandatory/ regulatory commitments. We continue to engage in consultations and provide expert views on topics around financing the low carbon transition and the role that banks and asset managers can play.

Table 3 - Optional Quantitative Indicators

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		**Metric**	**Impact year 2024**	**Impact year 2023**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Anticorruption and antibribery	15. Lack of anticorruption and antibribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	0.5%	1.29%	The value decreased due to a combination of; portfolio turnover, evolving corporate disclosures, data provider methodology changes and data provider data corrections. Data coverage remains insufficient to support analysis of changes in annual metrics.	**General approach** We adhere to investment restrictions applicable further to key sanctions regimes imposed by (but not limited to) the EU, UN and US.

C. Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Identification and prioritisation of principal adverse impacts

Bank of Ireland Investment Markets' Responsible Investment and Engagement Policy **click here** sets out its approach to identifying, monitoring and implementing its approach to ESG.

Where Bank of Ireland Investment Markets invests in external funds when acting as an investment manager, they acknowledge that external fund managers will have detailed knowledge of both the governance and the operations of the underlying investee companies, sovereign and supranational or real estate assets they hold. Consequently, Bank of Ireland Investment Markets acknowledges that these external fund managers will identify and prioritise principal adverse impacts on sustainability, based on their own policies and procedures. Bank of Ireland Investment Markets carries out annual due diligence and active engagement with external fund managers.

Governance

The policies for identification and prioritisation of principal adverse impacts were approved by Bank of Ireland's Wealth Management Risk Committee (WMRC) on the 13th of June 2025. Ongoing review and ad-hoc updates are made by the ESG, operational, risk and compliance teams, which are reviewed and approved by senior management. The review and oversight of sustainable investing impacts are raised at the Bank of Ireland Group's Wealth & Insurance Environmental, Social & Governance (ESG) Forum. The ESG Forum is comprised of senior management from across Bank of Ireland's Wealth & Insurance business.

To find out more

You can find more information on Bank of Ireland Investment Markets' Responsible Investment and Engagement Policy by visiting the Bank of Ireland Sustainable Investing Hub here:

Visit our **Sustainable Investing Hub**

C. Description of policies to identify and prioritise principal adverse impacts on sustainability factors (cont'd)

Methodologies used

(a) To select the additional indicators:

Where Bank of Ireland Investment Markets elects to voluntarily report against a principal adverse impact, it has selected indicators given their probability of occurrence and the severity of those principal adverse impacts, including their potentially irremediable character. In determining which additional indicators to focus on, Bank of Ireland Investment Markets considered a range of factors, including the quality and reliability of the data related to the indicator and the level of subjectivity associated with the indicator.

(b) To identify and assess the principal adverse impacts:

Bank of Ireland Investment Markets sources data on principal adverse impacts from MSCI ESG®. In terms of SFDR adverse impact metrics, MSCI ESG® covers over 11,000 corporate equity and fixed income issuers, including the MSCI ACWI Investable Market Index®. This market index covers approximately 99% of the global equity investment opportunity set. MSCI® collects and verifies ESG data by utilising 100+ specialised datasets, assessing company disclosures, including sustainability and proxy reports, contacting companies directly to validate data and by monitoring over 3,400+ media sources daily. MSCI®'s adverse impact coverage is gradually being increased and the underlying methodology is being improved continuously.

In assessing the adverse impact scoring sourced using this methodology, Bank of Ireland Investment Markets considers the significance and severity of adverse sustainability impacts, including severity, scope and character (whether it is potentially irremediable or not). This is performed as part of the on-going review of the principal adverse impacts, as outlined in our Responsible Investment and Engagement Policy.

Margin of error with Bank of Ireland Investment Markets' methodologies

The methodology to identify principal adverse impacts is subject to data availability and data quality. Where reported data is not available or of adequate quality, we use proxy data provided by third-party data providers.

Despite substantial progress in the availability of data, Bank of Ireland Investment Markets has noted that there are limitations and potential margins of error present in obtaining the impact data of certain types of investments, such as fund-of-fund investments, certain derivatives and in relation to real estate assets. Bank of Ireland Investment Markets continuously endeavours to enhance its data coverage and obtain issuer data on a best-efforts approach.

D. Engagement Policies

Bank of Ireland Investment Markets, as part of its investment manager due diligence process, engages with its external fund managers on many topics, including sustainability on behalf of their client in which it provides portfolio management services. The purpose of these engagement activities is to influence and encourage improved ESG practices, enhance sustainable long-term financial performance and to seek to mitigate adverse impact on sustainability factors.

Responsible Investment and Engagement Policy

Bank of Ireland Investment Markets' Responsible Investment and Engagement Policy outlines the general principles for how responsible investment and engagement is integrated in the investment process and sets out how the different engagement activities are carried out on behalf of clients where relevant.

The Responsible Investment and Engagement Policy elaborates on general principles that Bank of Ireland Investment Markets has established for positive engagement with the external fund managers we work with.

It should be noted that the application of the Responsible Investment and Engagement Policy is subject to the individually agreed investment guidelines, processes and procedures between Bank of Ireland Investment Markets and New Ireland, to whom Bank of Ireland Investment Markets provide portfolio management services.

Bank of Ireland Investment Markets' Responsible Investment and Engagement Policy describes its monitoring of and dialogue with external fund managers. The Responsible Investment and Engagement Policy outlines how Bank of Ireland Investment Markets consider adverse impacts in respect to climate and environmental-related indicators, such as greenhouse gas emissions, or indicators with respect to governance, such as board gender diversity. When investing through external fund managers, Bank of Ireland Investment Markets requests those fund managers integrate shareholder engagement into their investment strategies. Every year, Bank of Ireland Investment Markets will review whether there is a change in the principal adverse impacts on sustainability factors. If there is insufficient progress being made, Bank of Ireland Investment Markets will consider adapting its Responsible Investment and Engagement Policy in terms of strategy and approach.

To find out more

You can find the Bank of Ireland Investment Markets' Responsible Investment and Engagement Policy by visiting the Bank of Ireland Sustainable Investing Hub:

Visit our **Sustainable Investing Hub**

E. References to international standards

Bank of Ireland Group is a member of, endorses or adheres to the following business conduct codes and internationally recognised standards for due diligence and reporting including:

- UN Principles for Responsible Banking (UNPRB)
- UN Principles for Responsible Investment (UNPRI)
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- UN Universal Declaration of Human Rights
- Science-Based Targets initiative (SBTi)
- Partnership for Carbon Accounting Financials (PCAF)
- UNEP FI Portfolio Impact Analysis Tool for Banks
- UNEP FI Nature Target-setting and Pollution Working Groups
- Taskforce for Nature-related Financial Disclosures (TNFD)
- CDP (formerly Carbon Disclosure Project)
- GRI (Global Reporting Initiative) – GRI 304-1 for biodiversity
- ISO 14001 Environmental Management System
- ISO 50001 Energy Management System
- ISO 45001 Occupational Health and Safety Management System

The following principal adverse impact indicators are monitored as part of Bank of Ireland Investment Markets' periodic reviews. The output of those reviews is used, in part, to measure its alignment with the above standards (methodology). Some indicators align to multiple international standards.

- Table 1 PAI indicator 1 to 6 (Greenhouse gas emissions);
- Table 1 PAI indicator 10 (Violations of the UN Global Compact principles and OECD Guidelines for Multinational Enterprises);
- Table 1 PAI indicator 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;
- Table 1 PAI indicator 12 (Unadjusted gender pay gap) and
- Table 1 PAI indicator 13 (Board gender diversity).

E. References to international standards (cont'd)

Data for the indicators is sourced via MSCI®. Consideration of the indicators in decision-making will apply to all holdings and is subject to data availability and quality. The above methodology does not forecast the future performance of investments.

In Particular, Bank of Ireland Group's alignment[1] with the Paris Agreement is informed by its Five Point Climate Plan, first introduced in 2021. The plan outlines the role Bank of Ireland will play in facilitating Ireland's green transition to a low- carbon economy and its efforts to reduce its own impact on the environment. Bank of Ireland Group is committed to working with its customers, colleagues and communities to support a transition to a net zero economy by 2050. With the successful implementation of the Five Point Climate Action plan across the business since 2021. In 2022, Bank of Ireland Group became the first Irish bank to set greenhouse gas (GHG) emission reduction targets, in line with climate science and validated by SBTi, covering all the Group's operations and 76% of its loan book. This includes Scope 1 & 2 emissions, present in its operations, and Scope 3 up and downstream in its value chain. Bank of Ireland Group is committed to reporting year-on-year progress against its targets. Its GHG emission reduction targets bring opportunities to decarbonise overall group operations and will support its sustainable finance strategy through its portfolio of innovative sustainable finance products and services.

In line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), Bank of Ireland Group continued to develop and test scenario analysis methodologies in line with emerging industry methodologies and regulatory guidance. During 2024, Bank of Ireland developed internal scenarios and methodologies to quantify the potential impact of climate-related risks across our commercial and retail customer lending portfolios.

Climate scenario analysis is also integrated within the ICAAP (Internal capital adequacy assessment process) in order to increase our understanding and insights into the potential impacts of climate risk. Bank of Ireland 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 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.

As an additional lens to identify exposure sensitive to physical risk, Bank of Ireland undertake forward looking scenario analysis focusing on the mortgage portfolio, more specifically on flood risk by region. The analysis looks at properties at high risk of flooding as a percentage of the Group's mortgage lending under a forward-looking climate scenario. The locations of these properties are 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.

Bank of Ireland Investment Markets recognise the importance and benefits that forward looking climate scenarios bring and will work towards the integration of this analysis into further areas of the business, including investment management.

F. Historical comparison

This information covers the reference periods of 1 January to 31 December 2024 and 1 January to 31 December 2023. The impacts are calculated as the quarterly average of impacts on 31 March, 30 June, 30 September and 31 December of each reference period. Details of the impacts compared to the previous year is published in the above tables and will be published on an annual basis.

[1] Bank of Ireland Group is committed to a long-term ambition of alignment with the Paris Climate Agreement of Net zero emissions by 2050. As part of its implementation, Bank of Ireland Group is working across the group to integrate the Sustainability strategy fully into the business. This implementation is aligned with Bank of Ireland Group's Climate Risk Implementation Plan.

June 2025