



# Sustainability Report 2022

## Key Highlights

Bank of Ireland Group plc





# Sustainability at a glance

Building upon our inaugural Sustainability Report published last year, our 2022 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.

The report provides our stakeholders with an in-depth appraisal of our sustainability performance, provides a central source for the Group's Sustainability reporting, and showcases our progress as we move firmly from ambition to action.

**E**



## 1<sup>st</sup> Irish Bank

to have GHG emission reduction targets validated by the SBTi



## c.€8bn

Sustainability-related finance on balance sheet



## €3.8bn\*

Green mortgages drawn down since 2019 – Ireland's leading provider of new green mortgage lending

**S**



## Co-lead of UNPRB

Financial Health & Inclusion working group



## 40%\*

(2021: 45%) female appointments to management & leadership positions



## Family Matters

enhanced people policies including menopause, fertility and surrogacy supports

**G**



## 68%

Colleague Engagement Index (+5pts y/y)



## 76%

Colleague Culture Index (+1pt y/y)



Board-level  
**Group Sustainability Committee**  
established

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# Letter from our Group Chief Executive – Myles O’Grady

At Bank of Ireland Group our purpose is to help customers, colleagues, shareholders and society to thrive. Our Environmental, Social and Governance (ESG) strategy is central to this purpose.

This is Bank of Ireland’s second annual sustainability report which sets out the significant progress we have made in the delivery of our commitments during 2022. This was an extremely important year, with significant developments under each of our core ESG pillars – Supporting the Green Transition, Enhancing Financial Wellbeing and Enabling Colleagues to Thrive.

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

## Governance and Strategy

Excellent governance and transparent reporting is core to the delivery of our ESG commitments. To strengthen our sustainability governance, in 2022 we created a standalone board-level Sustainability Committee. A Chief Sustainability and Investor Relations Officer was also appointed in early 2022, and an enhanced sustainability team has been put in place to help deliver on our ambitions.

In March 2023, I announced our refreshed Group Strategy to 2025 with sustainability firmly embedded and formalised as a strategic pillar. As part of this strategy, our focus will continue to be on offering customers, colleagues and wider society highly practical and useful solutions and supports for some of the most critical challenges they face today.

## Supporting the Green Transition

In 2022, the Group was proud to become the first Irish bank, and amongst the first in Europe, to have our greenhouse gas (GHG) emission targets validated by the Science-Based Targets initiative (SBTi). This is the global gold standard and aligns our climate transition targets to internationally validated science and policy. Sustainable finance has a critical role to play in building a sustainable economy and society. Our aim is to ensure that the products we offer our customers are both

environmentally and financially responsible, while also working towards the decarbonisation of our loan portfolio. In this context, we have raised our sustainability-related finance targets to €15 billion by 2025 and €30 billion by 2030.

We will be focusing on key sectors for the country like agriculture, the built environment, energy and transport. A real example of our focus on the critical agriculture sector is through our recent partnership with Kerry Dairy Ireland.

**The Group is Ireland’s leading provider of green mortgage lending, with €3.8bn\* of Green mortgages drawn down since launch in 2019.**

## Enhancing financial wellbeing

As Ireland’s #1 bank for Financial Wellbeing we are continuing to hardwire financial wellbeing into how we think about our customers’ needs across all our products and services. We have taken a leadership role on this issue as co-lead of the United Nations Principles for Responsible Banking (UNPRB) working group on Financial Health and Inclusion. This positions us well to leverage global insights, particularly relevant in a world of higher energy prices, higher interest rates and elevated uncertainty.

**We have delivered successful financial literacy programmes to 418,000 students across both Irish primary and secondary schools since 2017.**

## Enabling colleagues to thrive

Our ambition is for Bank of Ireland to be one of the best places to work, through a combination of hybrid and flexible working, progressive people policies, and competitive remuneration. We are upskilling and reskilling our workforce, and are focused on attracting, retaining, engaging and developing the talented and diverse group of colleagues we need for a sustainable future. We’ve transformed what it’s like to work here, putting inclusion at the centre of our strategy, delivering positive change in culture and diversity, and driving more positive employee engagement scores. ESG is now mainstreamed into our Group’s performance management system which puts it on every colleague’s ‘to do’ list.

**In 2022, there was a +5% increase in colleague engagement to 68%.**

## Our progress continues

The range of actions the Group have taken are important, and are delivering positive results in tackling the challenges we face today and into the future. However, we also know there is much more to do. Continued delivery of our ESG commitments is part and parcel of our refreshed strategy, and I look forward to providing further updates on our progress over the years ahead.



Myles O’Grady  
Group Chief Executive

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# Letter from our Chief Sustainability and Investor Relations Officer – Eamonn Hughes

Following the publication of our 'Investing in Tomorrow' sustainability strategy in 2021, we made notable progress on turning our ambitions into action in 2022. While I am delighted with the progress achieved so far, there is still much more to do.

I would like to extend my sincere thanks to my colleagues for their commitment as we progress on our ambitious programme.

We recognise the major role and responsibility that we have as Ireland's National Champion Bank and sustainability is now embedded within our refreshed Group corporate strategy as one of our core strategic pillars (Sustainable Company). We are committed to making a positive contribution today whilst also investing in the future by delivering impact that matters on the most critical challenges facing our customers, colleagues and society.

## Key Highlights

### Environment

Combatting climate change is one of the biggest challenges facing society and the Group is committed to supporting the transition to a resilient, net zero and nature-positive economy by 2050, in line with the Irish and United Kingdom (UK) governments' ambitions and actions. To progress this we have set ambitious GHG reduction targets and were the first Irish bank to have these targets validated by the SBTi.

Under the targets, we are committing to emission reductions of 48% in our residential mortgage portfolio and 56% in our commercial real estate portfolio by 2030 as well as 49% from our own operations. We are also committing that 25% of the Group's corporate loan portfolio will have SBTi-validated targets by 2025.

**Our sustainability-related lending has increased significantly to meet our targets.**

The Group has continued its leadership in green lending in Ireland, including being the #1 provider for green mortgages which grew from €1.8 billion in 2021 to €3.8 billion\* in 2022.

Bank of Ireland continues to be the largest provider of wholesale finance in the Republic of Ireland (RoI) market for Electrically Charged Vehicles (ECVs), both battery and plug-in, providing funding for

around 50% of all ECVs sold. We introduced a new green motor loan to incentivise customers through reduced interest rates to avail of green options such as Battery Electric Vehicles (BEVs) and Plug in Hybrids (PHEV).

Aligned with the Irish and UK government's targets to reduce GHG emissions by 2030, and sectoral targets set out in Ireland's Climate Action Plan and the UK's net zero strategy, we have developed new innovative sustainable finance products. These provide the right supports, at the right time, to decarbonise key sectors including energy, buildings, agriculture and industry. Key achievements in 2022 included funding c.740MW renewable wind across the island of Ireland and issuing €1.3 billion in green bonds bringing total issues to date to €2.5 billion.

Agriculture is one of the most critical sectoral targets for Ireland. Therefore, in addition to green farm lending the Group is setting up innovative partnerships. This includes, for example, a unique partnership with Kerry Dairy Ireland.

**Our partnership with Kerry Dairy will provide funding for sustainable farming improvements for milk suppliers who are members of its Evolve programme.**



With biodiversity loss as critical an issue as climate change, in 2022 the second round of the Woodland Nature Trust funding 400 hectares of 1.2 million new native trees was launched. The Group also joined leadership initiatives establishing best practice on measuring and managing nature-related risks. These include the Task Force on Nature Related Financial Disclosure (TNFD) Forum, Partnership for Biodiversity Accounting Financials (PBAF), Irish Business for Biodiversity Platform's Community of Practice and also the United Nations (UN) Principles for Responsible Banking Nature Target-Setting Working Group.



## Social

In 2022, we launched a range of supports to help customers with the rising cost of living pressures including higher energy prices and interest rates. The launch of Money Insights 365 (MI365) delivered personalised insights and tailored nudges in-app to support customers financial wellbeing. We also continued to support the most in need with access to financial services and advice. These initiatives have seen significant customer engagement and we aim to further enhance our financial wellbeing supports which will deliver better outcomes for customers, the bank and wider society.

As co-lead of the working group for the UN Principles for Responsible Banking (UNPRB) Commitment to Financial Health and Inclusion the Group has taken a leadership role in publishing guidance on the measurement of financial health and inclusion metrics for signatory banks globally.

**Throughout 2023 and beyond the use of these metrics will further validate our current position as #1 for Financial Wellbeing in Ireland.**



Eamonn Hughes  
Chief Sustainability and Investor Relations Officer

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## Letter from our Chief Sustainability and Investor Relations Officer – Eamonn Hughes (continued)

**We continue to focus on employee wellbeing and this has driven more positive engagement scores with employee engagement levels improving by 5 points in our most recent Open View survey.**

We published our first Group [gender pay gap report](#) and the Group's senior management and leadership appointments were 40%\* female in 2022 (53% in Q4 2022). The Group remains committed to achieving a 50:50 ratio. In addition, we are supporting our colleagues with a range of new and enhanced people policies, targeted talent programmes for under-represented colleagues including women and ethnic minorities and digital skills training for colleagues in the areas of digital fitness, data fluency, project management, agile, and cyber security.

### Governance

As the demands for greater transparency and accountability for achieving sustainability targets continues to grow, we have stepped up to meet these making great progress last year. We grew our in-house sustainability team and expertise across the Group and our subsidiaries. Our team has been working hard with the Group Sustainability Committee at board level to improve governance and actions across the Group. We also participated in the European Central Banks (ECB's) thematic review on climate and environmental risk, which has informed our ongoing integration of ESG and climate into our Group Risk Management Framework. We have enhanced our ESG data acquisition capabilities to inform our decisions and ESG is being mainstreamed into our Group's performance management system. The Group's sustainability-related disclosures were also extensively expanded following the publication of our inaugural annual Sustainability Report in 2022, which contributed to improved ESG rating agency scores from Sustainalytics, S&P Global and MSCI.



### Our focus in 2023 and beyond

We are dedicated to offering customer-focused solutions and supports for some of the most critical challenges facing society.

**We have raised our sustainability-related finance targets from c.€8 billion in 2022 to €15 billion by 2025 and €30 billion by 2030.**

We intend to focus on nature-based interventions as well as climate. We will continue to drive forward our financial wellbeing agenda and foster a collaborative culture and inclusive environment for colleagues. This is because the Group's core sustainability strategic pillars – Supporting the Green Transition, Enhancing Financial Wellbeing and Enabling Colleagues to Thrive – are all intrinsically linked with each other.

Combined, our proactive engagement with stakeholders on this important agenda will shape a sustainable business model for customers, colleagues and society, whilst also delivering long term sustainable returns for shareholders.

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# Sustainability Strategy

## Group Strategic Pillar: Sustainable Company

Embedded in our Group strategy is a commitment to deliver impact on the most critical challenges facing our customers, colleagues and society. We focus on stability, risk management and operational resilience across the Group for our expanded customer base.

## Sustainability Strategy

Our Sustainability Strategy consists of three core pillars - Supporting the Green Transition, Enhancing Financial Wellbeing and Enabling Colleagues to Thrive, supported by a number of Foundational topics.

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### Supporting the Green Transition

SDGs supported



**S**

### Enhancing Financial Wellbeing

### Enabling Colleagues to Thrive

SDGs supported



**G**

### Governance

Foundational topics:

Community Investment  
Responsible sourcing  
Human Rights  
Health & Safety

Cyber security  
Data protection  
Financial crime  
Anti-bribery and corruption  
Culture

# Supporting the green transition

We are committed to working with our customers, colleagues and communities to support their transition to a resilient, net zero and nature-positive economy by 2050, in line with the actions and plans of the Irish and UK governments.

## Focus Areas

- Manage science-based targets
- Provide sustainable financing
- Decarbonise own operations
- Manage climate-related risks
- Transparently report



## 2022 Highlights



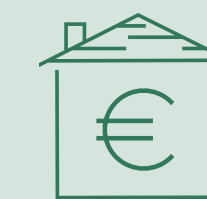
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Sustainability-related finance on balance sheet



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# Enhancing Financial Wellbeing

We aim to empower people to thrive financially by enabling them to make better financial decisions.

## Focus Areas

- Financial capability
- Financial inclusion
- Financial confidence



## 2022 Highlights



**62\***

Financial Wellbeing Index score for Bank of Ireland Customers, 2 points above the national average



**6,363\***

Vulnerable customers supported



**418,000**

students across both Irish primary and secondary schools have taken part in our financial literacy programmes since 2017.

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# Enabling colleagues to thrive

## Responding to the Challenge

Our world is changing rapidly. Organisations need to reflect this in meeting the ever-changing needs of their customers, colleagues and the communities they serve. To deliver our ambition and enable our customers and communities to thrive, we must similarly enable our colleagues to remain relevant in an increasingly evolving and digital world. We appreciate that the Group does not exist in isolation. As other organisations respond to these challenges and compete in an increasingly competitive labour market, we need to ensure that we take the lead in developing relevant skills for today and the future.


## Our Approach


Bank of Ireland is integral to the Irish economy and we will leverage this position to build a stronger society for everyone. In achieving our ambition of enabling colleagues to thrive, we will ensure that our customers and communities are equally well-positioned to take advantage of the opportunities presented within this societal transformation. We will achieve this through clearly defined strategies and targets across three focus areas:


1. Digitally able
2. Employability
3. Inclusive development



## 2022 Highlights

 **40%\***  
female senior leadership appointments

 **64%\***  
of open roles filled internally through career agility

 **34%\***  
of colleagues undertaking All-Colleague Future (Digital) Skills Pathways ahead of target and +11 percentage points y/y



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# Governance

## Delivering our Strategy

In 2022, oversight of the Group's execution of the Sustainability strategy transferred from the Nomination, Governance and Responsible Business (NGRB) Committee to a dedicated Board-level GSC. Together with the Group Executive Committee (GEC), the GSC oversaw the Group's progress against its key sustainability commitments and obligations.

To further drive progress on Sustainability strategy execution, Eamonn Hughes was appointed CSIRO and joined the Group in February 2022. An in-house Sustainability team of specialists dedicated to supporting the Group's delivery against each Sustainability strategy pillar further supported progress at an operational level.



## 2022 Highlights



**Establishment of Board-level Group Sustainability Committee**



**Appointment of a Chief Sustainability and Investor Relations Officer**



**Upgraded scores from 3 key ESG rating agencies**