

Responsible & Sustainable Business Sector Statement



**Bank of
Ireland**



Supporting responsible and sustainable behaviour is fundamental to achieving our purpose of enabling our customers, colleagues and communities to thrive.

- ▶ **Behaving in a responsible and sustainable way also involves managing risk effectively** for our customers, communities and shareholders and we have elected to publish this RSB Sector Statement clearly setting out our risk appetite for lending to potentially sensitive sectors which we believe cause environmental and/or social harm to society and our communities.
- ▶ Applying to all new non-property lending arrangements within the Corporate Banking business, we will not provide financing to customers who are deemed to engage in this **defined list of excluded business activities**.
- ▶ Our current portfolio is materially aligned with these new arrangements and by embedding these exclusions at origination stage these criteria can continue to evolve in line with our RSB strategy.

Oil, Gas & Coal

Direct financing for the purposes of:

- ▶ Onshore/offshore exploration, extraction or refining of Coal or Oil
- ▶ Exploration, extraction, production and upgrading of oil sands projects (including coal liquefaction)
- ▶ Hydraulic fracturing ('fracking') for oil and gas
- ▶ Exploration or production in the Arctic region or Antarctic territories

Power & Energy

- ▶ Direct financing for the purposes of construction or design of nuclear power plants or uranium enrichment facilities
- ▶ Direct financing for the purposes of construction of new coal power stations
- ▶ Lending & financing of customers directly engaged in coal or oil fired power generation (other than emergency or stand by oil generation) except where less than 25% of revenues are generated from this activity and customer is implementing transition to sustainable fuels

Mining

Lending & financing of prospective customers or projects directly engaged / primarily involved in:

- ▶ Thermal coal mining (including project finance for new thermal coal mines]
- ▶ Mining using the mountaintop removal technique
- ▶ Mining of asbestos
- ▶ Diamond mining companies that have not incorporated the Kimberley Process Certification Scheme (to prevent trade in conflict diamonds) in their processes
- ▶ Gold mining companies that use cyanide or mercury in processing operations without adoption of the International Cyanide Management Code for cyanide (or equivalent) or appropriate chemical management controls (for mercury)

Forestry, Fishing & Agriculture

Lending & financing of prospective customers or projects directly engaged / primarily involved in:

- ▶ Deforestation (or the burning of natural ecosystems) for the purposes of land clearance; inc:
 - ▶ Degradation of High Conservation Value Areas (often forests).
 - ▶ The conversion of primary tropical forests; or land clearance by burning
- ▶ Direct involvement in the production of palm oil where the company is not a member of - or in the process of becoming a member of - the Round Table for Sustainable Palm Oil (RSPO)
- ▶ Activities where there is clear evidence of the direct displacement and/or resettlement of large numbers of people without free prior and informed consent
- ▶ Direct involvement in damaging fishing methods including:
 - ▶ Use of explosives (dynamite) and/or poison (cyanide); use of driftnets in excess of 2.5km or use of driftnets intended for the capture of species such as tuna and swordfish
 - ▶ Shark-finning or trading in shark fin; commercial whaling; Illegal, Unreported or Unregulated (IUU) fishing activities or trade in IUU products
- ▶ Production of tobacco products or sell such products under their own label
- ▶ Manufacture of pesticides banned under the Stockholm Convention and by the US Environmental Protection Agency (EPA)

Animal Welfare

- ▶ Animal testing and biotechnology - direct involvement in:
 - ▶ Commercial, non-medical related animal testing that is not permitted under EU, UK, US or equivalent legislation
 - ▶ Medical related animal testing that is non-compliant with EU, UK, US or equivalent legislation
 - ▶ The use of endangered species or great apes for testing or experimental purposes
- ▶ Direct involvement in fur farming, and traders/retailers where fur is their primary product line
- ▶ Support of any type of animal fights for entertainment

Defence

Lending & financing of companies or projects directly engaged and primarily involved in:

- ▶ The manufacture, sale, trade, service or stockpiling of weapons of mass destruction or highly controversial weapons banned under international agreements including nuclear, biological and chemical weapons, cluster munitions, anti-personnel landmines and blinding laser weapons and the manufacture or sale of bespoke components of such weapons
- ▶ Any activity involved with any equipment that is solely designed for use in capital punishment, torture or other cruel, inhuman or degrading treatment or punishment
- ▶ The manufacture, sale or trade of finished defence goods where there is no defence related licence in place and such is required

Adult Entertainment

Lending & financing of companies or projects directly engaged and primarily involved in:

- ▶ The production, broadcasting or publication of pornography
- ▶ Sale of sexual services
- ▶ Sexual entertainment venues

RSB Risk Factors

For customers and transactions in all sectors (including those covered by the specific sectoral screening criteria), ESG Risk Factors are used to screen for heightened ESG risk. If there is recent evidence in the public domain (in the last three years) of one or more of the following issues the case is subject to an enhanced review.

- ▶ Abuses of human rights
- ▶ Operations in internationally protected conservation areas and UNESCO sites
- ▶ Major or sustained environmental or socially-related campaigns against a company
- ▶ Major environmental or social incident or fine

We do not support customers and/or transactions involved in what are considered to be excluded activities on enhanced review.

Bank of Ireland is regulated by the Central Bank of Ireland.

