



Investing in tomorrow

Bank of Ireland's Responsible & Sustainable Business
Strategy 2021 - 2024

We're a bank.

We invest.

That's what we do.

By putting time, money, effort and
resources into making things happen,
we're giving tomorrow a better chance.

An inclusive workplace.

Financially empowered customers.

Carbon neutrality.

We believe this is our most important investment ever.

Investing in tomorrow.



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A message from Francesca McDonagh



Our world is facing unprecedented challenges. We continue to struggle with many issues, including climate change, inequality, and a lack of financial wellbeing and inclusion.

One thing is clear: if we are to live in a more sustainable way, we need to do things differently.

At Bank of Ireland our purpose is to enable our customers, colleagues, and communities to thrive. Our Responsible and Sustainable Business strategy gives us an opportunity to further bring this purpose to life – to make a positive contribution today as well as investing in the future.

Our approach is threefold – centred on investing in our colleagues, enhancing our customers' financial wellbeing, and supporting the green transition. Through this strategy, we will develop new capabilities in our colleagues, build financial capability and confidence in our customers and communities. We will also support our customers and communities transition to a green, sustainable economy.

We recognise the ever-growing expectations from our investors, customers, regulators and society for increased action and transparency. As we developed this strategy, we listened to our stakeholders to hear what is important to them, and we reflected their feedback in our approach.

We have already started. In October 2019, I signed Bank of Ireland up to the United Nations Principles for Responsible Banking. The development of our Responsible and Sustainable Business strategy is an important step in further aligning our business with these principles, but its implementation is now even more important. This will be a key focus in the coming years. Our commitment is to be transparent and accountable to all of our stakeholders about our progress.

Through this strategy – and the commitments we are making today – we look forward to playing our part in developing a more sustainable world.

*Francesca McDonagh, Group CEO, Bank of Ireland
01 March 2021*



Engaging with our stakeholders



Understanding the role we play and the impact we have on our many stakeholder groups provides a platform to really make a difference, inform our strategy and improve the quality of our reporting – whilst highlighting risks and emerging trends that may also be on our customers' or investors' radar. We engage regularly with our stakeholders through a variety of methods, including surveys, social media, meetings and working groups.

Materiality assessment

We engaged a specialist external consultancy to undertake our materiality assessment. To start, we completed a horizon scanning exercise to understand the key issues in this agenda. This was informed by our purpose, values and strategic priorities, existing surveys with customers and colleagues, peer reviews, regulation and a review of trends, media and relevant research. A shortlist of 25 topics was produced from this exercise.

In order to prioritise, these topics were then explored in a comprehensive stakeholder engagement exercise, which sought the views of customers, colleagues, suppliers, trade associations and Non-Governmental Organisations (NGOs), among others, through interviews and surveys. Stakeholders were asked to indicate how important they considered each of the topics.

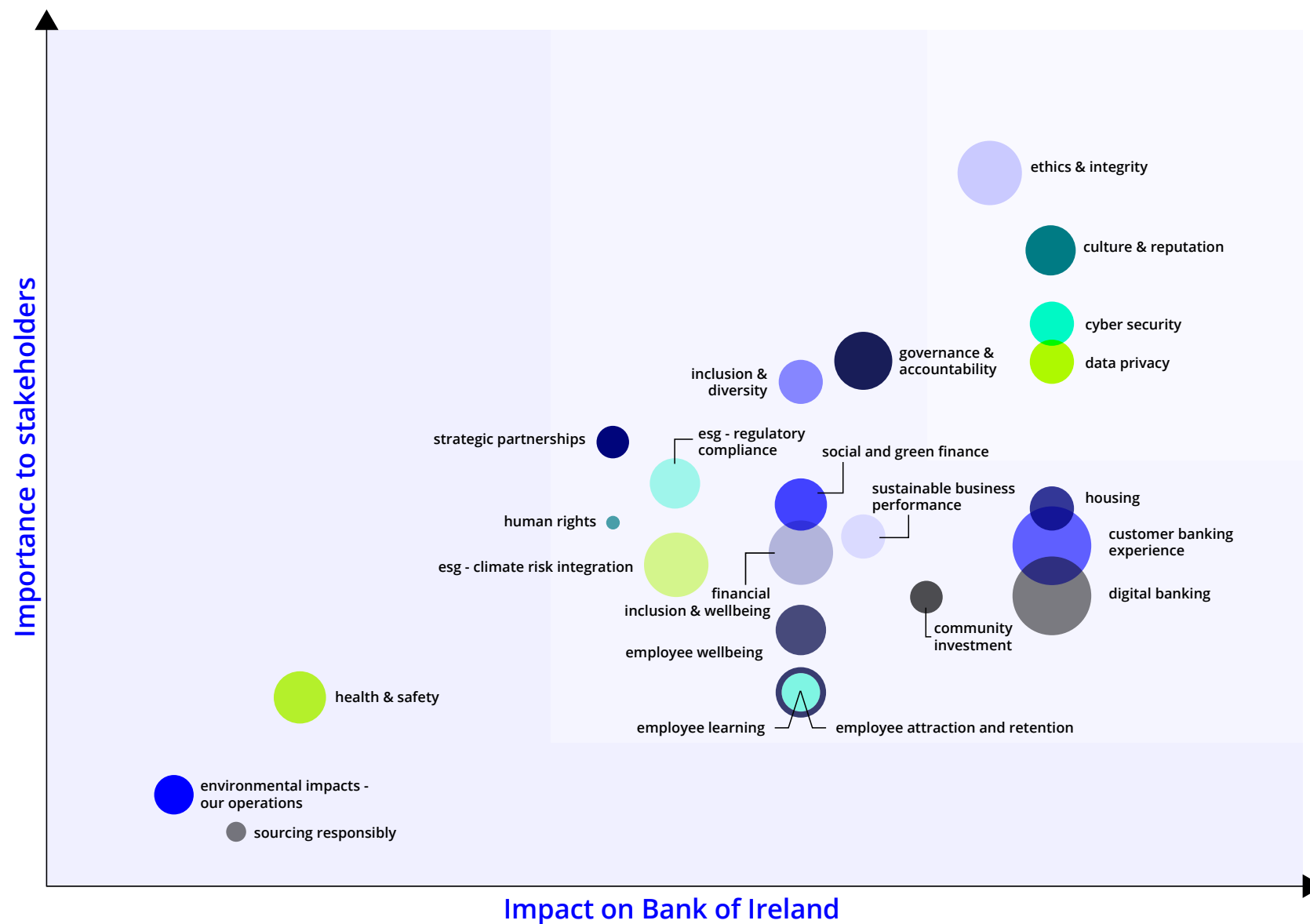
The Responsible and Sustainable Business Forum, which comprises senior management from our trading businesses and support functions, then validated these stakeholder engagement findings and assessed the impact and influence of each of the topics in detail against agreed criteria.

The output of this process is the materiality matrix, set out on Page 4, which plots issues of material importance to stakeholders, as well as the impact they might have on the Group and its ability to influence each of them.

The materiality assessment findings have significantly informed our new Responsible & Sustainable Business Strategy.



Materiality matrix



The size of the bubble indicates the level of influence Bank of Ireland believes it has over each topic.



Our Responsible & Sustainable Business Strategy

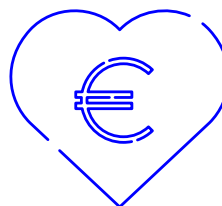
Enabling colleagues to thrive



We will be a 'digitally able' learning organisation that values inclusion and diversity, reflecting society and our customer base.

Digitally able
Employability
Inclusive development

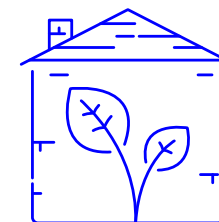
Enhancing financial wellbeing



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

Financial capability
Financial inclusion
Financial confidence

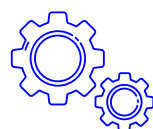
Supporting the green transition



We are committed to working with our customers, colleagues and communities to support their transition to a resilient, net zero economy by 2050.

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

Focus Areas:



Foundations

Underpinned by strong foundations which guide our commitment to being a responsible and sustainable business.





Enabling colleagues
to thrive



Enabling colleagues to thrive



While our increasingly digital world brings huge opportunities, it also demands new skills for colleagues and across society. Unaddressed, there's a risk that many will get left behind.

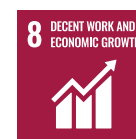
To respond to, and anticipate, these circumstances, Bank of Ireland will become a 'digitally able' learning organisation that values inclusion and diversity, reflecting society and our customer base.

We are committed to making a positive impact inside and outside the Bank. We will leverage our position to build a stronger society by sharing our learning resources with customers, communities and potential colleagues, to support their digital capability and their employability.

We will do this through:

- **Being digitally able** - Developing skills and capability to support our ambition to be a digitally-enabled bank, while supporting a digitally able society
- **Employability** - Enabling colleagues, current and potential, to develop skills that allow them to enter, return and stay relevant and future-fit in a constantly changing world of work
- **Inclusive development** - Enabling every colleague to grow and develop as a person, while building an inclusive workplace which is more reflective of society and our customer base

Relevant sustainable development goals



Enabling colleagues to thrive

Being digitally able

Developing skills and capability to support our ambition to be a digitally enabled bank while supporting a 'digitally able' society.

Initiatives:	How we will measure success:
<ul style="list-style-type: none">• The Career Agility Programme• The Digital Fitness Programme• The Business Agility Programme• All job specifications to call out the digital functionality, mindset and behaviours required to support organisation transformation• Develop external community supports to enable a 'digitally able' society through shared learnings and volunteer hours (using insights from our Vulnerable Customer Unit (VCU) and Begin Together programme)	<ul style="list-style-type: none">• Increase in colleague graduations for digital pathways from 10% (2020) to 40% by 2024• Increase in colleague digital skillset and capability (metric to be defined once baseline is established through the 2021 digital assessment)• % of colleagues that feel the organisation is digitally fit for the future (colleague survey)• Launch external development supports in 2021 (with defined metrics to be developed).



Enabling colleagues to thrive

Employability

Enabling colleagues, current and potential, to develop skills that allow them to enter, return and stay relevant and future-fit in a constantly changing world of work.

Initiatives:	How we will measure success:
<ul style="list-style-type: none">• Provide up-skilling opportunities via development programmes:<ul style="list-style-type: none">• The Career Agility Programme• The Project Management Programme• The Data Fluency programme• Equip colleagues for future of work via a range of supports through the BOI Academy Careers Lab• Create additional pathways for accessing employment among sectors of society that face significant challenges through work experience, employability skills training, returners and apprenticeship programmes	<ul style="list-style-type: none">• Number of individuals from socially disadvantaged and diverse backgrounds that transition into the Bank's workforce through our Early Talent (including graduate, apprenticeship and interns) and Returner programmes per year• Increase participation in upskilling / reskilling through colleague development programmes from 40% (2020) to 100% by 2024• Increase participation in non-mandatory training hours per colleague by 20% by 2024• Increase the number of employees trained to mentor and support external and internal colleagues in their career development• Increase mobility across roles through role rotations and stretch assignments across the Bank



Enabling colleagues to thrive

Inclusive development

Enabling every colleague to grow and develop as a person, while building an inclusive workplace which is more reflective of society and our customer base.

Initiatives:	How we will measure success:
<ul style="list-style-type: none">• Dedicated learning opportunities and pathways for females and ethnic minorities e.g. Rise/Accelerate• Learning embedded in core programmes to support inclusivity e.g. Unconscious Bias Module• Colleague wellbeing programme	<ul style="list-style-type: none">• 50:50 gender balance in management appointments (Bands 4-6)• Increase in representation of ethnic minority groups across all levels by 2024• 50:50 gender balance on all Graduate hiring by 2024• Increase the engagement levels across all colleague demographics by 2024• % of colleagues that feel organisation is sufficiently supporting their health and wellbeing (colleague survey)



A woman with long, wavy red hair and bangs is sitting at a wooden table, smiling as she looks at a laptop screen. She is wearing a dark red V-neck shirt. In the background, there is a white wicker chair and a white table with some items on it. The image is partially covered by a blue shape on the left side.

Enhancing financial wellbeing



Enhancing financial wellbeing



The health of our customers' finances can have a profound impact on their quality of life. Financial wellbeing is about people having the knowledge, tools and confidence to manage their finances, so that they can cover day-to-day expenses, plan for the future and cope with the unexpected.

Through our commitment to enhancing financial wellbeing, we aim to empower people to thrive financially by enabling them to make better financial decisions for themselves and for the people that matter most in their lives: their family, their business and their community.

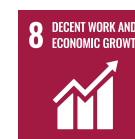
We will build financial capability and confidence, using behavioural insights to drive positive outcomes for our customers.

We will be inclusive in our approach, recognising the diverse financial challenges that many in society face. We aim to be the leading voice for financial wellbeing in Ireland.

We will do this through:

- **Financial capability** - Enabling people to know and do more – improving their ability to know the gaps to address and the actions to take
- **Financial inclusion** - Protecting our most vulnerable customers, including those in difficult circumstances
- **Financial confidence** - Enabling people to better understand their financial position and make better financial decisions

Relevant sustainable development goals



Enhancing financial wellbeing

Financial capability

Enabling people to know and do more – improving their ability to know the gaps to address and the actions to take:

- Empower people with the knowledge to help them improve their financial capability and confidence
- Deliver digital capabilities and tools to help customers manage their day-to-day finances and plan for the future
- Help our colleagues improve their financial wellbeing through education, tools and tailored supports

Initiatives:	How we will measure success:
<ul style="list-style-type: none">• Financial literacy programmes for all customer segments (e.g. youth, SMEs & older customers)• Digital tools for customers to better manage their day-to-day finances and plan for the future (e.g. money management, financial healthchecks, goal planning)• Dedicated Financial Wellbeing programme for Bank of Ireland colleagues with focus on education, bespoke offerings, tools and advice	<ul style="list-style-type: none">• Increase in the Financial Wellbeing score for Bank of Ireland customers to >70 by 2024 (Feb 2019 baseline = 63)• Increase in the National Financial Wellbeing Index score for Ireland (Feb 2019 baseline = 61)• Increase in the Financial Wellbeing of Bank of Ireland employees (measured through colleague survey)



Enhancing financial wellbeing

Financial inclusion

Protect our most vulnerable customers including those experiencing difficult circumstances:

- Ensure the marginalised in society have access to banking services
- Support community financial wellbeing

Initiatives:	How we will measure success:
<ul style="list-style-type: none">• Enhanced services and tools to support vulnerable customers and their families• Champion initiatives to assist (1) customers experiencing difficult financial circumstances and (2) marginalised groups to access banking services• Support the financial wellbeing of communities through Bank of Ireland's Begin Together programme	<ul style="list-style-type: none">• Number of vulnerable customers supported by Bank of Ireland• Number of customers accessing basic bank accounts• Number of community financial wellbeing projects funded through Begin Together



Enhancing financial wellbeing

Financial confidence

Enabling people to better understand their financial position and make better financial decisions:

- Lead the national discussion on financial wellbeing in Ireland
- Strengthen customer relationships and trust through advice, products & services that meet their needs
- Help our customers to emerge from financial difficulty in a post-COVID-19 world

Initiatives:	How we will measure success:
<ul style="list-style-type: none">• Consolidate our leadership position on financial wellbeing through brand investment, research with national/ international partners and events• Leverage behavioural science to deliver positive financial wellbeing outcomes for customers• Financial wellbeing solutions to support customers dealing with financial difficulty	<ul style="list-style-type: none">• Become the number one bank associated with financial wellbeing (BOI Brand Tracking survey conducted by B&A)• Number of customers taking action on the back of financial wellbeing behavioural campaigns• Increase in % that believe BOI help people feel more financially confident (BOI Brand Tracking survey)

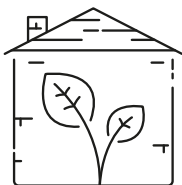


A young child with brown hair, wearing a blue sweater and yellow rubber boots, is watering a small green seedling in a garden. The child is holding a white watering can. In the background, another person is visible, also engaged in gardening. The scene is set outdoors with trees and foliage in the background.

Supporting the green transition



Supporting the green transition



Combatting climate change is one of our greatest challenges as a global society. At Bank of Ireland, we understand the important role we can play in facilitating the transition to a resilient, low-carbon economy. 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.

We will do this through:

- **Setting science-based targets** - Setting our portfolios and lending practices on a pathway aligned with the Paris Agreement and committing to setting science-based targets (SBTs) across our portfolios and operations by the end of 2022
- **Providing sustainable financing** - Through our core financing and advisory capabilities, enabling customers to transition to net zero and to develop and deploy low carbon technologies
- **Decarbonising our own operations** - Making them net zero by 2030
- **Managing climate-related risks** - Building 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
- **Transparently reporting** - Committing to the clear reporting on the progress we are making towards fulfilling our ambitions, and reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures

Relevant sustainable development goals



Supporting the green transition

Setting science-based targets

Setting our portfolios and lending practices on a pathway aligned with the Paris Agreement and committing to setting science-based targets (SBTs) across our portfolios and operations by the end of 2022.

Initiatives:	How we will measure success:
<ul style="list-style-type: none">• Baseline of portfolio emissions• Development of SBTs across our portfolios	<ul style="list-style-type: none">• Publication of SBTs by 2022• Progress thereafter measured against published SBTs

Providing sustainable financing

Through our core financing and advisory capabilities, enabling customers to transition to net zero and to develop and deploy low carbon technologies.

Initiatives:	How we will measure success:
<ul style="list-style-type: none">• Sustainable Finance Fund• Project finance to renewable energy infrastructure projects• Green Bond Framework• Additional initiatives under development	<ul style="list-style-type: none">• Drawdown from Sustainable Finance Fund (€)• Renewable energy projects financed (€)• Additional metrics to be developed

Decarbonising our own operations

Making our operations net zero by 2030.

Initiatives:	How we will measure success:
<ul style="list-style-type: none">• Ongoing energy efficiency upgrades• Renewable energy supply (100% in Ireland and UK)• ISO14001 & ISO5001 accreditations• Ongoing initiatives to reduce travel, waste and water	<ul style="list-style-type: none">• Annual decrease in emissions to meet Net Zero by 2030



Supporting the green transition

Managing climate-related risks

Building 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.

Initiatives:	How we will measure success:
<ul style="list-style-type: none">• Ongoing integration of climate risk into Risk Framework• Continued implementation of ECB guidelines on climate risk• Ongoing development of climate measurement and scenario analysis ahead of ECB climate stress-test (2022)	<ul style="list-style-type: none">• Risk Appetite metrics will be set in due course consistent with the achievement of our science-based targets across our portfolios and operations.

Transparently reporting

Committing to the clear reporting on the progress we are making towards fulfilling our ambitions, and reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Initiatives:	How we will measure success:
<ul style="list-style-type: none">• Annual reporting in line with TCFD reporting• CDP annual return	<ul style="list-style-type: none">• Full alignment with TCFD requirements for 2024 annual reporting• Increase in CDP score



A photograph of an older woman with short grey hair and a young child with dark curly hair, both smiling and looking at each other. The woman is holding the child, and they are outdoors in a grassy area with trees in the background. The image is partially covered by a dark blue shape on the left side.

Foundations



Foundations

The three pillars of our RSB strategy are underpinned by our commitment to our foundational topics. These are the issues that we must manage, monitor and disclose in order to operate as a responsible and sustainable business.

Sourcing Responsibly	Initiatives:
	<ul style="list-style-type: none">• Responsible & Sustainable Business sourcing assessments built into the initial and ongoing supplier due diligence activities• Bank's expectations of Suppliers set out in an externally published 'Code of Supplier Responsibility'
Business Ethics	Initiatives:
	<ul style="list-style-type: none">• Code of Conduct• Speak Up Policy• Annual mandatory Web Based Training
Financial Crime	Initiatives:
	<ul style="list-style-type: none">• Financial Crime Compliance Framework encompassing policies and supporting procedures on the following pillars:<ol style="list-style-type: none">1. Anti-Bribery and corruption (ABC)2. Anti-Money Laundering (AML)3. Sanctions• Annual mandatory Web Based Training
Health & Safety	Initiatives:
	<ul style="list-style-type: none">• Group wide risk assessments• H&S auditing• Mandatory web based training• Health and Safety Policy



Foundations

Culture	Initiatives:
	<ul style="list-style-type: none">• Group Culture Transformation Plan
Human Rights	Initiatives:
	<ul style="list-style-type: none">• Code of Supplier Responsibility• Modern Slavery Statement• Human Trafficking Risk Awareness training• Membership of the Joint Intelligent Group• Membership of Traffick Analysis Hub
Cyber Security	Initiatives:
	<ul style="list-style-type: none">• Board-approved cyber strategy• Groupwide Information Security Policies and Standards Framework (aligned to NIST)• Annual Security and risk training• BOI Security Zone to support customer security awareness• Member of the Cyber Defence Alliance
Data Protection	Initiatives:
	<ul style="list-style-type: none">• Data Privacy Notice
Community Investment	Initiatives:
	<ul style="list-style-type: none">• Begin Together Community Fund• Begin Together Awards• Begin Together Colleague Fund• Begin Together Arts Fund





Bank of Ireland's Commitments



Bank of Ireland's commitments

Conducting our business in a responsible and sustainable way is fundamental to enabling our customers, colleagues and communities to thrive. Making the below commitments is a key step in Bank of Ireland's Responsible & Sustainable Business journey, signifying our commitment to be part of the global drive for more responsible banking and business operations.



Principles for Responsible Banking

In October 2019, Bank of Ireland signed the United Nations Environment Programme – Finance Initiative (UNEP FI) Principles for Responsible Banking at the UN Headquarters in New York City.

Providing a framework for a sustainable banking industry, the programme has been developed through a partnership between banks globally and the UNEP FI. The UN Principles help to align the banking sector with the objectives of the UN Sustainable Development Goals and the 2015 Paris Climate Agreement.

For more information on the Principles click [here](#).



Task Force on Climate-related Financial Disclosures

In February 2020, Bank of Ireland of Ireland became a supporter of the TCFD.

The TCFD is a voluntary and consistent climate-related financial risk disclosure framework for use by companies in providing information to investors, lenders, insurers, and other stakeholders. The recommendations of the TCFD consider the physical and transition risks associated with climate change.

For more information on the TCFD click [here](#).



Business in the Community Low Carbon Pledge

In 2018, Bank of Ireland was one of the first companies in Ireland to sign Business in the Community's Low Carbon Pledge.

All signatories commit to reducing their Scope 1 & 2 greenhouse gas emission intensity by 50% by 2030.

For more information on the Pledge click [here](#).





If you have any questions about our Responsible & Sustainable Business Strategy, please contact us.

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