



UNEP FI PRB – Self-Assessment & Reporting



PRINCIPLES FOR
**RESPONSIBLE
BANKING**

Bank of Ireland signed the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking in October 2019. Providing a framework for a sustainable banking industry, the UN Principles help to align the banking sector with the UN Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

1. Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.

The Bank of Ireland Group is a diversified Financial Services Group. Bank of Ireland, now a subsidiary of Bank of Ireland Group plc, was established in 1783 by Royal Charter. A traditional, relationship-driven retail and commercial bank with a conservative business philosophy, we have a clear and compelling strategy.

Our key strategic objectives are:

- Transform the Bank – improving our culture, systems and business model
- Serve customers brilliantly – by being the #1 for service
- Grow sustainable profits – through growing our revenue and optimising our cost base

Bank of Ireland Group is one of the largest financial services groups in Ireland and provides a broad range of banking and other financial services. The below shows the composition of our €77.9 billion loan portfolio as at 31 December 2021.

- Republic of Ireland (ROI) Mortgages: 28.8%
- United Kingdom (UK) Mortgages: 26.8%
- Non-Property SME & Corporate: 26.7%
- Property & Construction: 11.0%
- Consumer: 6.7%

The Group is organised into four trading segments and one support division to effectively serve our customers:

- Retail Ireland: Operating as one of Ireland's largest lenders with gross lending of €5.7 billion lent to the Irish economy in 2021, including targeted supports for businesses impacted by the difficult trading conditions. Serving more than 2 million consumer and business customers across a broad range of segments and sectors, while offering them the choice to engage through digital, branch and phone banking channels. Promoting their financial wellbeing by delivering a full range of financial products, services and propositions tailored to meet their needs, manage their current finances and to plan for the future.
- Wealth & Insurance: A leading provider of life, pensions, general insurance, investment and savings products in the Irish market. The Group is the only bancassurer in Ireland operating through New Ireland, and encompasses Wealth Distribution and Bank of Ireland Insurance Services. The Group, through New Ireland sells a broad range of protection, investment and pension products to individual and corporate customers in the Republic of Ireland. Its liabilities are predominantly unit-linked and it has a multi-channel distribution strategy, selling products through the Bank's branch network, the independent broker market and a tied agent channel (financial advisors).
- Retail UK: Distributes consumer products via own brand and partnerships with trusted brands (Post Office and the Automobile Association (AA)) and operates a full service retail bank in Northern Ireland (NI) as well as strong niche businesses in attractive segments, which include asset finance under the Northridge Finance and Marshall Leasing Limited (MLL) brands and FX via First Rate Exchange Services (FRES).
- Corporate & Markets¹: Ireland's number one Corporate Bank and customer treasury service provider incorporating the Group's corporate banking, wholesale financial markets, specialised acquisition finance and large transaction property lending business across Ireland, UK and internationally with offices in the US, Germany, France and Spain. Holds market leading positions in chosen sectors, including corporate banking, commercial real estate, foreign direct investment and treasury solutions.
- Group Centre: Group Centre comprises the Group's central control functions, which establish governance and oversee policies, and which provide and manage processes and delivery platforms for the trading divisions.

For further information see our Group Website:
<https://www.bankofireland.com/about-bank-of-ireland/about-the-group/>

Please see the **2021 Annual Report** for further detail on the following topics:

- Our Strategy – p.13
- Scale of Exposure – p.39
- Our Business Model – p.64

For further information on our Responsible & Sustainable Business (RSB) Strategy, [click here](#).

Reporting and Self-Assessment Requirements

High-level summary of bank's response (limited assurance required for responses to highlighted items)

Reference(s)/Link(s) to bank's full response/ relevant information

2. Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

In March 2021, Bank of Ireland launched its Responsible and Sustainable Business (RSB) strategy (2021-2024) 'Investing in Tomorrow'. The strategy comprises three pillars (i) Enabling Colleagues to Thrive, (ii) Enhancing Financial Wellbeing and (iii) Supporting the Green Transition – and these are built on strong foundations which guide our commitment to being a responsible and sustainable business. Each of the pillars of the strategy are mapped to relevant Sustainable Development Goals. Our pillar on 'Supporting the Green Transition' sets out our commitment to supporting our customers and communities' transition to a resilient, net zero economy by 2050, in line with the Irish and UK governments' ambitions and actions. Our commitment to Science Based Targets ensures alignment with the Paris Climate Agreement.

The strategy was informed by our materiality and impact assessments. In the 'horizon scanning' step of our materiality assessment we reviewed relevant frameworks, commitments and regulation to ensure alignment. We also engaged with our stakeholders to understand what was important to them and we undertook an assessment of the impact we have on society and the environment.

As part of our implementation we will work across the Group to integrate the RSB strategy fully into the business. This implementation will align the European Central Bank's (ECB) Climate Related Risk Framework.

Please see the [2021 Annual Report](#) for further detail on the following topics:

- Responsible and Sustainable Business at Bank of Ireland - p.20
- Supporting the green transition – p.28

For further information on our RSB Strategy, [click here](#).

Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

1. Impact Analysis: Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

- Scope: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.
- Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies
- Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.
- Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.

Show that building on this analysis, the bank has

- Identified and disclosed its areas of most significant (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts

In 2020, the Group carried out an initial impact assessment to understand both the positive and negative impacts of its products and services on society and the environment in its primary geographies of Ireland and the UK covering consumer banking, business banking and corporate banking. In conducting the impact assessment, the Group used the UNEP FI Portfolio Impact Analysis Tool for Banks and fulfilled the key elements listed. As the tool evolves, we will also refine and update our impact assessment. Our €78.8 billion loan portfolio at end of December 2020 was broken down as follows:

- ROI Mortgages: 29%
- UK Mortgages: 28%
- Non-Property SME & Corporate: 25%
- Property & Construction: 11%
- Consumer: 7%

Using the Portfolio Impact Tool, it was assessed that the most relevant needs and challenges in our main geographies are climate change, biodiversity, waste and resources and inclusive, healthy economies. We also used our materiality assessment including horizon scanning and extensive stakeholder engagement to ensure context and relevance.

The outcome of this initial assessment points to employment, inclusive healthy economies, housing, health and sanitation and mobility as our primary positive impacts, while our negative impacts are in the areas of climate, resource efficiency & security, biodiversity & ecosystem, waste and soil.

The outcome of this impact assessment informed the development of our new RSB strategy. We cross-referenced the outcomes of the impact assessment with that of our materiality assessment to ensure the correct focus. As climate has been identified as our most significant negative impact, this has been explored further and is the primary focus of our 'Supporting the Green Transition' pillar. Building on our positive impact on 'inclusive healthy economies', financial inclusion forms a key element of our Financial Wellbeing pillar. In December 2021, Bank of Ireland was proud to be one of the first banks to commit to supporting financial health and inclusion through its products, services and other measures by signing up to the UN Principles for Responsible Banking 'Commitment to Financial Health and Inclusion'. Employability, both within the Bank and more broadly in society, is also a key focus of our RSB strategy under the pillar of Enabling colleagues to thrive.

Bank of Ireland was an active participant in the consultation and feedback process of the development of the UNEP FI Portfolio Impact Analysis Tool. As the tool evolves, we will also refine and update our impact assessment.

Please see the [2021 Annual Report](#) for further detail on the following topics:

- Materiality Assessment – p.22

For further information on our RSB Strategy, [click here](#).

Please see the 'How we measure success' section of our [RSB Strategy document](#).

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

In 2020, the Group carried out an initial impact assessment to understand both the positive and negative impacts of its products and services on society and the environment. This has informed the development of our RSB strategy. Bank of Ireland is an active participant in the consultation and feedback process of the development of the UNEP FI Portfolio Impact Analysis Tool. As this tool evolves, we will also refine and update our impact assessment.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
<p>2. Target Setting: Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets</p>	<p>Our impact assessment indicated that climate is our most significant negative impact, therefore we have set out a five point climate action plan as part of our 'Supporting the Green Transition' pillar. As part of this we have committed to setting science-based targets across our portfolios and operations by the end of 2022. Bank of Ireland is one of over 2,000 businesses and financial institutions working with the Science Based Targets initiative (SBTi) to develop and apply standards to help reduce their emissions in line with science. In the Group's 2021 Annual Report, we published preliminary estimated baseline attributed or 'financed' emissions intensity values for some of the asset classes for which we intend to set Science Based Targets (SBTs), with work on the remainder ongoing. In September 2021, Bank of Ireland signed up to the Partnership for Carbon Accounting Financials (PCAF). The Bank's SBTs are being calculated using PCAF's 'Global Standard for the Finance Industry', ensuring a robust methodology is being adopted.</p> <p>Our plan for 2022 is to:</p> <ul style="list-style-type: none"> • complete the development of our baseline values, develop SBTs and continue evaluating the commercial implications of implementing the SBTs; • submit our SBTs to and seek formal approval by SBTi by the end of 2022, well ahead of the end of our two year window allowed by SBTi for target submission; and • then communicate our SBTs and how our wider strategy will help support meeting them. <p>We look forward to being able to report progress against our SBTs. We believe that this will be a key metric in providing evidence of the Group's progress to decarbonise both its business and operations, contributing to the transition to a low carbon economy and meeting the goals of the Paris Agreement. Our SBTs will help inform our commercial strategy, including the opportunities to further build out our sustainable finance offerings and the Group's exposures to different asset classes / sectors.</p> <p>A commitment to make our own operations Net Zero by 2030 has been made.</p>	<p>Please see the 2021 Annual Report for further detail on the following topics:</p> <ul style="list-style-type: none"> • "Supporting the Green Transition" Five Point Plan – p.28 • Setting science based targets – p.40 <p>For further information on our RSB Strategy, click here.</p> <p>Please see the 'How we measure success' section of our RSB Strategy document.</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p> <p>We are committed to setting science based targets by the end of 2022. We will provide further detail of the outcome of this target setting process in our next report.</p>		
<p>3. Plans for Target Implementation and Monitoring: Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>Targets are in the process of being set, with comprehensive implementation and monitoring plans being developed.</p>	<p>Please see the 'How we measure success' section of our RSB Strategy document.</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p> <p>We are committed to setting science based targets by the end of 2022. We will provide further detail of the outcome of this target setting process in our next report.</p>		
<p>4. Progress on Implementing Targets: For each target separately:</p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target. Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>	<p>Targets are in the process of being set, with comprehensive implementation and monitoring plans being developed.</p> <p>While this work takes place, we have already taken a number of actions which will support achievement of the targets when set, such as the launch of green mortgages, green home improvement loans and green business loans in 2019. As at 31 December 2021, Bank of Ireland was Ireland's leading green mortgage provider with €1.8 billion drawn down since launch in 2019. The Group is the largest provider of Electrically charged vehicle (ECV) wholesale finance in Ireland and our sustainability-linked loan commitments totalled €1.4 billion at 31 December 2021, a 144% increase on prior year.</p>	<p>Please see the 'How we measure success' section of our RSB Strategy document.</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets.</p> <p>We are committed to decarbonising our own operations and making them net zero by 2030 and we are committed to setting science based targets by the end of 2022. We will provide further detail of the outcome of this target setting process in our next report.</p>		

Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

1. Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.

We are committed to building a customer focused organisation that invests in improving service and digital capabilities, while also getting the basics right.

To support our strategic commitment to Serve Customers Brilliantly, our Group Code of Conduct sets out the high standard that we set ourselves when we deal with others, both within and outside the Bank of Ireland Group, and in our personal financial dealings. The code is supported by other policies such as our Speak Up Policy and our Anti-bribery and corruption policy. All colleagues complete mandatory Web Based Training (WBT) on an annual basis on all of these aspects.

In 2021, Bank of Ireland Corporate and Markets externally published an RSB Exclusion list 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 Corporate non-property new lending, this Exclusion List means Corporate Banking will not provide financing to customers who are deemed to engage in a defined list of excluded business activities.

One of the key pillars of our RSB strategy is '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 build financial capability and confidence, using behavioural insights to drive positive outcomes for our customers. We are 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.

2021 achievements include:

- 202,765 visits to the Financial Wellbeing (FWB) online centre (146,927 in 2020, 126,506 in 2019);
- 6,511 hours of financial literacy support provided by coaches to customers, colleagues and communities (3,492 in 2020, 3,975 in 2019);
- a cumulative 151,620 Financial Healthchecks taken by people looking to start their FWB journey since the tool was launched in 2019;
- supporting 6,000 vulnerable customers facing challenging situations (10,000 in 2020 of which 4,000 calls were to the COVID-19 support line, 3,000 in 2019);
- an increase of 216% in Basic Bank Accounts opened in 2021. The increase has been assisted by a new dedicated section on the Group website, alternative state issued documentation that is acceptable as proof of identity and address and a bespoke service solution at the National Reception Centre for those seeking asylum and refugee status; safeguarding customers who do not have decision making capacity, while ensuring they and their care givers can meet their daily care and comfort needs;
- our Carers proposition, which involves opening or converting accounts specifically for this cohort, saw an increase of actively monitored accounts of over 24% in 2021;
- we targeted over 171,000 customers through behavioural campaigns with practical steps on how they could improve their Financial Wellbeing; and
- through a series of fraud campaigns focused on protecting customers financial wellbeing, we have seen an increase of over 181% in visits to our Online Security Zone.

Please see the **2021 Annual Report** for further detail on the following topics:

- Serving Customers brilliantly – p.16
- Vulnerable Customer Unit (VCU) – p.16 and 27
- RSB Foundations – p.44

For further information on our RSB Strategy, [click here](#).

Reporting and Self-Assessment Requirements

High-level summary of bank's response (limited assurance required for responses to highlighted items)

Reference(s)/Link(s) to bank's full response/ relevant information

2. Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.

At Bank of Ireland, we understand the important role we can play in facilitating the transition to a low-carbon economy. Our RSB 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.

To put this commitment into action, over the coming years, the Group will implement a 5-point plan:

- Set science-based targets: Set our portfolios and lending practices on a pathway aligned with the Paris Agreement and commit to setting science-based targets across our portfolios and operations by the end of 2022.
- Provide sustainable financing: Support our customers through our core financing and advisory capabilities to enable them to transition to Net Zero and develop and deploy low carbon technologies.
- Decarbonise our own operations: Make our own operations Net Zero by 2030.
- Manage climate related risks: Support our customers through our core financing and advisory capabilities to enable them to transition to Net Zero and develop and deploy low carbon technologies.
- Transparently report our progress: Support our customers through our core financing and advisory capabilities to enable them to transition to Net Zero and develop and deploy low carbon technologies.

Bank of Ireland is supporting its customers transition to a greener environment through the following sustainable finance products and initiatives:

Sustainable finance fund - In 2021, the Group announced a €3 billion increase in its Sustainable Finance Fund to bring it to €5 billion by 2024. The fund covers Bank of Ireland's suite of green loans designed to incentivise home owners and businesses to be more energy efficient.

Green mortgages - Since the Group launched Ireland's first green mortgage in 2019, c.€1.8 billion has been drawn down by borrowers. A green mortgage is available to new customers who are buying or building a property with a BER of B3 or better as well as to customers who are retrofitting an existing property to a BER of B3 or better. Green mortgages accounted for 35% of total RoI mortgage lending in 2021 and c.45% in Q4 2021. The Group also launched a green mortgage product in the UK business in 2021.

Green home improvement loan - In support of the Climate Action Plan and the Government's retrofit ambitions to retrofit 500,000 homes to a BER B2 standard by 2030, Bank of Ireland offers a Green Home Improvement Loan designed to fund energy-efficiency upgrades. The Green Home Improvement Loans accounted for 13% of total lending on overall home improvement loans by the Group during 2021.

Green transport - Bank of Ireland Finance is the largest provider of wholesale finance in the RoI market for Electrically Charged Vehicles (ECV) - both Battery and Plug-in. Bank of Ireland Finance provides wholesale finance to 13 of their current 15 car manufacturer franchises for their Battery Electric Vehicle (BEV), Hybrids (HEV) and Plug-in Hybrid Electric Vehicle (PHEV) ranges supporting the sector on the global journey to net zero emissions by 2050.

Financing renewable energy - The growth of renewable energy in Ireland is predicated on Ireland diversifying its electricity generation mix away from traditional forms of carbon electricity such as coal and gas-fired power. The Climate Act 2021 commits Ireland to a legally binding target of net zero GHG emissions by 2050 and a reduction of 51% by 2030. To enable the continued growth of renewable electricity, the Irish Government introduced a Renewable Energy Support Scheme (RESS) with the aim of achieving 80% of our electricity generation from renewable sources by 2030. BoI has provided financing associated with the development of c.750MW of renewable wind capacity across the island of Ireland.

Green bond framework - The Group issued €1.3 billion in bonds through our Green Bond Framework during 2021, which further enabled the financing of additional projects across renewable energy, green buildings and clean transportation. In March 2022, the Group published its Green Bond Impact Report and Allocation Report for 2021 which provides further information on the projects financed through the Green Bond Framework and their environmental impact.

Please see the [2021 Annual Report](#) for further detail on the following topics:

- Supporting the Green Transition – P.28
- Sustainable Finance Fund – p.34

For further information on our RSB Strategy, [click here](#).

For the Group's Green Bond Impact Report and Allocation Report 2021, please [click here](#).

Reporting and Self-Assessment Requirements

High-level summary of bank's response (limited assurance required for responses to highlighted items)

Reference(s)/Link(s) to bank's full response/ relevant

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

1. Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/ results achieved.

We engage regularly with our stakeholders through a variety of methods, including surveys, social media, meetings, working groups and more.

To inform the development of our RSB strategy, we conducted our first materiality assessment in 2020. This allowed us to get a deeper understanding of the issues important to our stakeholders. We completed a horizon scanning exercise initially 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.

To prioritise, these topics were then explored in a comprehensive stakeholder engagement exercise - which sought the views of customers, colleagues, suppliers, trade associations and NGOs among others; through interviews and surveys. Stakeholders were asked to indicate how important they considered each of the topics to be and their reasons for this.

A materiality assessment refresh is planned for 2022.

Please see the **2021 Annual Report** for further detail on the following topics:

- Materiality Assessment – p.22

For further information on our RSB Strategy, [click here](#).

Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

1. Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.

The Board, through the Group Nomination, Governance and Responsible Business and Board Risk Committees, oversees the implementation of our climate change action plan. In order to adequately assess climate risks and opportunities, the Board draws on expertise both internally and externally. To enhance capability, the relevant Board Committees took part in climate-change training on relevant topics, including SBTs and emerging climate-related regulation in 2021. The Board continued to oversee the progress on the Group's SBTs, resourcing, reporting and disclosures. In addition, the Board monitored the Group's identification and management of climate-related risks.

In late 2021, given the importance of the RSB agenda, the Board decided to further enhance the Group's RSB governance through the establishment of a standalone Board-level RSB Committee. Oversight responsibilities for the Group's RSB and UNPRB commitments will transition to the new committee from the Group NGRB Committee during the first half of 2022. The RSB Committee will report and make recommendations to the Board on all RSB matters, including the Group's actions on climate change. At an Executive-level, the new committee's oversight will be supported by the Group's newly appointed Chief Sustainability and Investor Relations Officer (CSIRO), who will report to the Chief Financial Officer.

Following the publication of the Group's RSB strategy in March 2021, the Green Transition Decision Group was established, convening senior business and functional executives from across the Group to enable the execution of the 'Supporting the Green Transition' delivery plan. In 2021, the Green Transition Decision Group updated the GEC on progress against the five point plan, including key programme metrics and milestones.

As climate risk impacts through existing risk channels, it requires a matrix approach and integration across multiple risk frameworks. With coordination from Enterprise Risk Management, climate is being integrated into existing risk control frameworks, policies and strategies. Within Group Risk, an ESG Risk Working Group brings together second line risk management from across key risk types (with the RSB team) to support an integrated approach to ESG management and climate-related risks within the Group.

Please see the **2021 Annual Report** for further detail on the following topics:

- "Supporting the Green Transition" – p.28
- Governance – p.30

For further information on our RSB Strategy, [click here](#).

For further information on Responsible & Sustainable Business Sector Statement, [click here](#).

2. Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.

By incorporating climate change into performance, the Group encourages behaviour consistent with our strategy. In 2022, climate-related objectives will be included in our balanced scorecard performance assessments, along with Enabling Colleagues to Thrive and Enhancing Financial Wellbeing metrics which are already captured.

A key focus of the Group's RSB strategy is ensuring the strategy and its ambitions are embedded into the Group's culture transformation plan.

To enhance capability, the relevant Board committees took part in climate-change training on relevant topics, including SBTs and emerging climate-related regulation in 2021. Where possible RSB is being embedded in key training while other bespoke training is in the process of being developed.

Reporting and Self-Assessment Requirements

High-level summary of bank's response (limited assurance required for responses to highlighted items)

Reference(s)/Link(s) to bank's full response/ relevant information

3. Governance Structure for Implementation of the Principles

Show that your bank has a governance structure in place for the implementation of the PRB, including:

- target-setting and actions to achieve targets set
- remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.

The RSB committee provides oversight of the Group's RSB Strategy and monitors the implementation of the UN Principles for Responsible Banking. At Senior Executive level, the CSIRO has been delegated responsibility for development and delivery of the RSB strategy. The CSIRO is supported in this by the RSB Team and working groups mentioned above. Both the RSB Committee and the Group Executive Committee receive regular updates on RSB. The Chief Risk Officer has overseen the development of an overarching ESG Risk Framework (incorporating climate risk) which was approved by the executive level Group Risk Policy Committee.

Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

We have made significant progress to date in fulfilling this requirement. The Bank has established key elements of a governance structure for ensuring that the Principles are implemented effectively. Given the importance of the RSB agenda, a standalone board-level RSB Committee has been established and the Board Risk Committee has established oversight of climate risk as a transverse risk driver, through the Group Risk Framework. The CSIRO has been delegated responsibility for development and delivery of the RSB strategy.

Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

1. Progress on Implementing the Principles for Responsible Banking:

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).

Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.

Following the launch of the Responsible and Sustainable Business strategy 'Investing in Tomorrow' in March 2021, the Bank's focus has been on the integration of the strategy across the organisation. As noted under Principle 3 above, the Bank has made significant progress against its strategy in 2021.

We are continuously considering existing and emerging good practice aligned with our RSB strategy. In September 2021, Bank of Ireland signed up to the Partnership for Carbon Accounting Financials (PCAF). This complements our existing commitment to the Science-Based Target Initiative (SBTi) and is used as part of our progress towards setting science-based targets (SBTs).

Following the Group becoming a signatory to the UNEP FI Principles for Responsible Banking in 2019, in December 2021, the Group was proud to be one of the first banks to commit to supporting financial health and inclusion through its products, services and other measures by signing up to the UN Principles for Responsible Banking 'Commitment to Financial Health and Inclusion'.

Bank of Ireland engages with investors, specialist advisors and actively participates in workings groups in the ESG area in addition to being a member of a number of relevant industry bodies such as the Banking and Payments Federation Ireland.

Building on the progress of 2021, Bank of Ireland intends to further embed the RSB strategy across the business in 2022 through:

- Further incorporation of ESG metrics into the balanced scorecard performance assessments;
- Progressing on work to develop our ESG data capabilities;
- Setting of science-based targets;
- Completion of ECB stress testing exercises and continual progress on the Group's 2021 ECB Implementation Plan.

Please see the [2021 Annual Report](#) for further detail on the following topics:

- Responsible and Sustainable Business at Bank of Ireland - p.20

For further information on our RSB Strategy, [click here](#).

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

Following our commitment to the UN Principles for Responsible Banking (UNPRB) in October 2019, our focus in 2020 was to work on better understanding our impact, the issues important to our stakeholders and our baseline. This work culminated in the development of our new Responsible and Sustainable Business (RSB) strategy (2021-2024) in March 2021, setting out our key environmental, social and governance priorities, which are mapped to relevant Sustainable Development Goals. Our 2021 Annual Report sets out our achievements under our RSB strategic pillars to date and details our priorities for 2022 as we further embed the strategy throughout our business.



**Bank of
Ireland**