

Bank of Ireland Green Bond Impact Report

as at 31 December 2021



Bank of
Ireland



Contents

Introduction	3
1. Supporting the Green transition	4
2. Green Eligible Asset Portfolio (4 categories)	6
a. Green Buildings & Energy Efficiency (Residential)	
b. Green Buildings & Energy Efficiency (Commercial)	
c. Renewable Energy	
d. Clean Transportation	
3. ICMA Harmonised Green Bond Impact Report (31 December 2021)	8
Green Bond Impact Table	10

Introduction

Bank of Ireland launched its Green Bond Framework in September 2020¹ and, subject to the availability of data, outlined its intention to publish an Allocation Report and Impact Report within one year of issuing a Green Bond².

In accordance with this Framework, Bank of Ireland will allocate the proceeds of the Green Bonds issued on a portfolio basis. Sustainalytics has provided a Second Party Opinion³ confirming the alignment of the Framework with the four core components of the ICMA Green Bond Principles.

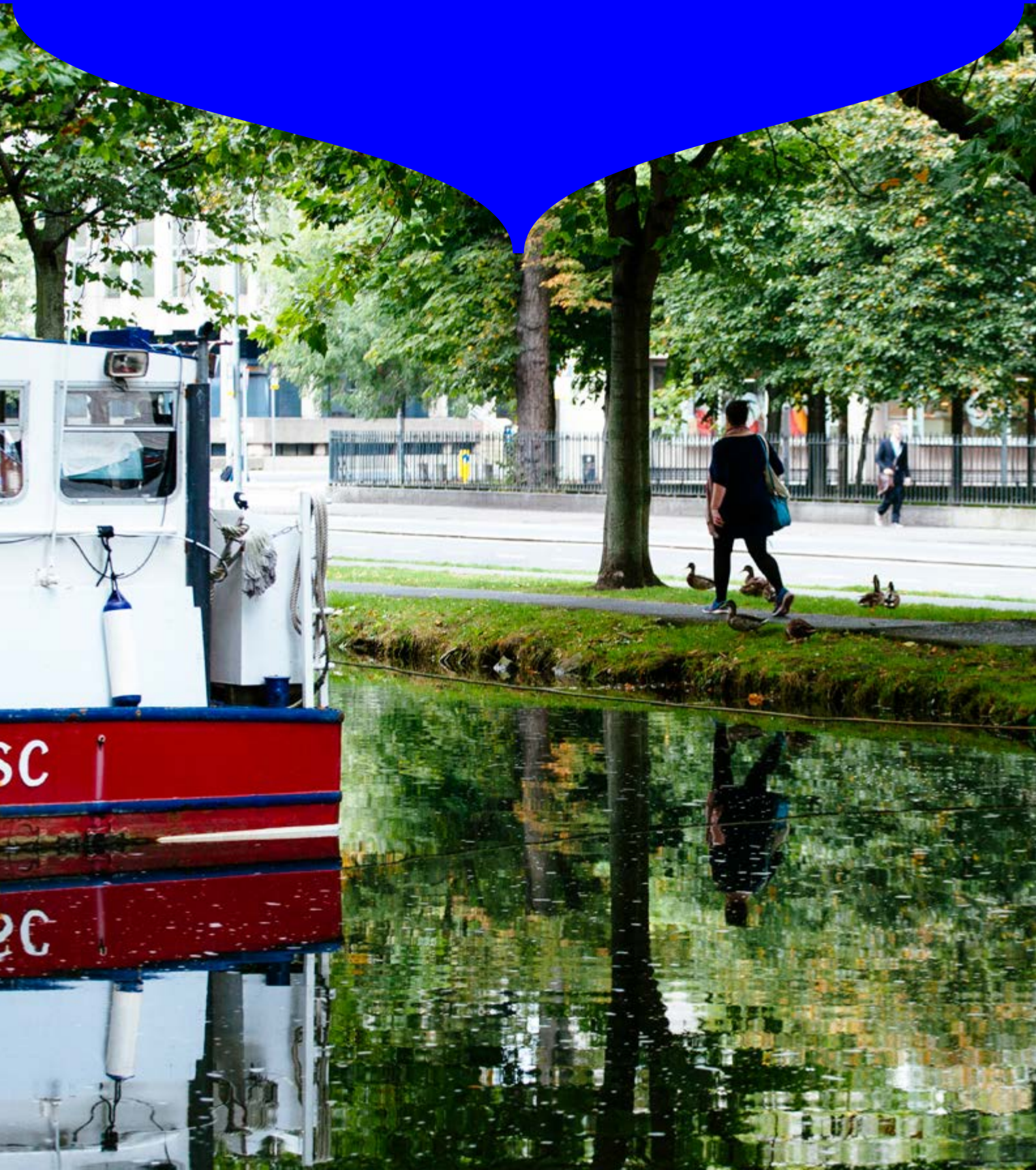


¹ Updated in March 2021
<https://investorrelations.bankofireland.com/app/uploads/Green-Bond-Framework-March-2021.pdf>

² Inaugural Green Bond : €750m BOIG Senior Unsecured (0.375%, 6NC5, settling 10th March 2021)

³ <https://investorrelations.bankofireland.com/app/uploads/Bank-of-Ireland-Green-Bond-Framework-Second-Party-Opinion-March-2021.pdf>

1. 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 carbon emissions country by 2050, in line with the Irish and UK governments' ambitions and targets. In 2021, Bank of Ireland launched our updated Responsible and Sustainable Business strategy 'Investing in Tomorrow'. Bank of Ireland's 5 point climate action plan is as follows:

1

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.



2

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.



3

Decarbonise our own operations

Make our own operations Net Zero by 2030.



4

Manage climate related risks

Build 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.



5

Transparently report on our progress

Commit to transparently report on the progress we are making towards our ambitions, and reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures.



2. Green Eligible Asset Portfolio (4 categories)



a

Green Buildings & Energy Efficiency (Residential)



- Top 15% of residential properties in energy efficiency terms equivalent to a Building Energy Rating (BER) of B3 or better, and/or;
- Residential properties built in 2015 or later, and/or;
- New residential properties where the net primary energy demand is at least 20% lower than the primary energy demand resulting from the relevant NEZB requirements, and/or;
- Renovated residential property achieving a reduction of at least 30% in energy demand.

b

Green Buildings & Energy Efficiency (Commercial)



- Commercial property in the Republic of Ireland, UK and US holding a BREEAM13 'Outstanding' or 'Excellent' or LEED14 'Platinum' or 'Gold' Certification, and/or;
- Commercial properties belonging to the top 15% in Ireland and UK, and/or;
- New commercial property where the net primary energy demand is at least 20% lower than the primary energy demand resulting from the relevant NZEB requirements, and/or;
- Renovated commercial property achieving a reduction of at least 30% in energy demand.

c

Renewable Energy



- Renewable energy generation facilities including onshore and offshore wind, solar and geothermal.

d

Clean Transportation



- Operation of Battery Electric Vehicles and electrically-powered public transport systems, and the infrastructure that supports clean transportation.

3. ICMA Harmonised⁴ Green Bond Impact Report (31 December 2021)



⁴ <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Handbook-Harmonized-Framework-for-Impact-Reporting-December-2020-151220.pdf>

Environmental Resources Management Limited (ERM) have been appointed to calculate the positive climate impacts of Bank of Ireland's Green Eligible Asset Portfolio. The Green Eligible Asset Portfolio has been assessed on the following basis:

Green Buildings (Residential and Commercial):

- Estimated annual energy consumption and estimated annual avoided energy consumption (in MWh/year)
- Estimated annual emissions and estimated annual avoided emissions (in tonnes CO² equivalent/year)



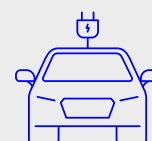
Renewable Energy:

- Total installed capacity (in MW)
- Estimated annual emissions and estimated annual avoided emissions (in tonnes CO² equivalent/year)



Electric Vehicles:

- Estimated annual emissions and estimated annual avoided emissions (in tonnes CO² equivalent/year)



Green Bond Impact Table



Operational Projects / Buildings

	Eligible category (operational projects / buildings)	Number of eligible projects / buildings	Eligible portfolio financing (EUR)	Share of total eligible portfolio financing	Estimated attributed energy consumption (MWh per annum)	Estimated attributed avoided energy consumption (MWh per annum)	Estimated attributed carbon emissions (tCO ₂ e per annum)	Estimated attributed avoided carbon emissions (tCO ₂ e per annum)	Total installed capacity (MW)
	e)		f)	g)	h)	i)	j)	k)	l)
a)	Green Buildings (Residential)	9,448	2,906,796,696	93%	57,956	123,860	11,589	30,356	-
b)	Green Buildings (Commercial)	3	106,111,346	3%	1,838	8,216	354	1,935	-
c)	Renewable Energy	6 ¹	81,596,795	3%	-	-	161	21,374	186
d)	Clean Transportation	1,475	30,974,010	1%	-	-	547	1,166	-
	Total	10,932	3,125,478,846	100%	59,794	132,076	12,651	54,832	186

Footnotes:

a) Domestic Properties (Mortgages) are subject to emissions calculation and attribution guidance, hereon known as 'PCAF Guidance', stated by PCAF (2020). The Global GHG Accounting and Reporting Standard for the Financial Industry, First edition. Energy consumption and emissions rely on Building Energy Ratings and floor area compared to average Republic of Ireland domestic property performance (as sourced from the Sustainable Energy Authority Ireland (SEAI), October 2021).

b) Commercial Properties consist of residential or office buildings and are subject to PCAF Standard attribution and avoided energy consumption and emissions calculation guidance. Energy consumption and emissions rely on Building Energy Ratings and floor area compared to average Republic of Ireland domestic property or office performance. Domestic property performance obtained from SEAI (see footnote a)). Office property performance obtained from Non-Domestic Building Energy Ratings 2021 issued by Central Statistics Office Ireland.

c) Renewable Energy consists of windfarms and are subject to guidance from the International Financial Institutions Technical Working Group on Greenhouse Gas Accounting (IFI), namely GHG Accounting for Grid Connected Renewable Energy Projects 2019, and PCAF Standard attribution and avoided emissions calculation guidance.

d) Electric Vehicles consist of Battery Electric Vehicles and are subject to PCAF Standard calculation guidance with vehicles travelling average annual distances identified by the Irish Government Economic and Evaluation Service report Transport Trends 2020 An Overview of Ireland's Transport Sector February 2021. The baseline emissions for comparison are calculated using vehicle type emissions factors of Internal Combustion Engine vehicles of equivalent vehicle type to the Battery Electric Vehicles travelling an equal distance,

e) Eligible Category with reference to Bank of Ireland Green Bond Framework (March 2021) at:
<https://investorrelations.bankofireland.com/app/uploads/Green-Bond-Framework-March-2021.pdf>

f) Amount legally committed by Bank of Ireland to the portfolio or portfolio components eligible for Green Bond financing

g) Share of total value of the portfolio financed by Bank of Ireland per Eligible Category

h) i) j) k) Impact indicators involving attribution of energy, avoided energy, carbon emissions and avoided carbon emissions based on PCAF Standard methodology, taking in to account the value of Bank of Ireland's financing compared to the overall debt/equity value of the projects / buildings.

l) Impact indicator Total Installed Capacity (MW)

¹ Ireland only



Projects / Buildings Under Construction in 2021

	Eligible category (under construction)	Number of eligible projects / buildings	Eligible portfolio financing (EUR)	Estimated attributed energy consumption (MWh per annum)	Estimated attributed avoided energy consumption (MWh per annum)	Estimated attributed carbon emissions (tCO ₂ e per annum)	Estimated attributed avoided carbon emissions (tCO ₂ e per annum)	Total capacity under construction (MW)
			p)	q)	r)	s)	t)	u)
m)	Green Buildings (Residential) under construction	18	438,339,993	17,482	10,001	3,574	2,466	-
n)	Green Buildings (Commercial) under construction	6	508,820,000	3,505	18,379	700	4,283	-
o)	Renewable Energy Under Construction	1 ¹	54,826,544	-	-	107	14,255	76
	Total	25	1,001,986,537	20,987	28,380	4,381	21,004	76

Footnotes:

m) Relating to Residential buildings not operational in 2021. Subject to PCAF Standard attribution and avoided energy consumption and emissions calculation guidance. Energy consumption and emissions rely on Building Energy Ratings and floor area compared to average Republic of Ireland domestic property performance (as sourced from the Sustainable Energy Authority Ireland (SEAI), October 2021). Social housing projects attributed based on Bank of Ireland's share of total financing.

n) Relating to Commercial buildings not operational in 2021. Subject to PCAF Standard attribution and avoided energy consumption and emissions calculation guidance. Energy consumption and emissions rely on Building Energy Ratings and floor area compared to average Irish office property performance obtained from Non-Domestic Building Energy Ratings 2021 issued by Central Statistics Office Ireland.

o) Relating to Windfarms not operational in 2021 and are subject to IFI and PCAF Standard attribution and avoided emissions calculation guidance

p) Amount legally committed by Bank of Ireland to the portfolio or portfolio components eligible for Green Bond Financing on projects not operational during 2021.

q) r) s) t) Impact indicators involving attribution of energy, avoided energy, carbon emissions and avoided carbon emissions based on PCAF Standard methodology, taking in to account the value of Bank of Ireland's financing compared to the overall debt/equity value of the projects / buildings.

u) Impact Indicator Total Capacity under Construction (MW).

¹ Ireland only

Disclaimer

This document is intended to provide non-exhaustive, general information. This document may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Bank of Ireland Group plc and its subsidiaries (Bank of Ireland) and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Bank of Ireland as to the fairness, accuracy, reasonableness or completeness of such information.

This document may contain statements about future events and expectations that are forward looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. The information contained in this document is provided as at the date of this document and is subject to change without notice. Bank of Ireland has no obligation and undertakes no obligation to update, modify or amend this document or the statements contained herein to reflect actual changes in assumptions or changes in factors affecting these statements or to otherwise notify any addressee if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate.

This document is not intended to be and should not be construed as providing legal or financial advice. It does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe for or purchase or a recommendation regarding any securities. Nothing contained herein shall form the basis of any contract or commitment whatsoever and it has not been approved by any security regulatory authority.

The distribution of this document and of the information it contains may be subject to legal restrictions in some countries. Persons who might come into possession of it must inquire as to the existence of such restrictions and comply with them.

The addressee is solely liable for any use of the information contained herein and Bank of Ireland shall not be held responsible for any damages, direct, indirect or otherwise, arising from the use of this document by the addressee.

The Bank of Ireland Green Bond Framework represents Bank of Ireland policy and intent, is subject to change and is not intended nor can be relied on, to create legal relations, rights or obligations.

Any decision to purchase any Bank of Ireland Green Bonds should be made solely on the basis of the information to be contained in any offering document or prospectus produced in connection with the offering of such bonds. Prospective investors are required to make their own independent investment decisions and seek their own professional advice. No representation is made as to the suitability of any Bank of Ireland Green Bonds to fulfil environmental and sustainability criteria required by prospective investors. Each potential purchaser of Bank of Ireland Green Bonds should determine for itself the relevance of the information contained or referred to in this document, the Bank of Ireland Green Bond Framework or the relevant bond documentation for such Bank of Ireland Green Bonds regarding the use of proceeds and its purchase of Bank of Ireland Green Bonds should be based upon such investigation as it deems necessary.

Bank of Ireland has set out its intended policy and actions in the Bank of Ireland Green Bond Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and investor reporting, in connection with Bank of Ireland Green Bonds. However, it will not be an event of default or breach of contractual obligation under the terms and conditions of any Bank of Ireland Green Bonds if Bank of Ireland fails to adhere to the Bank of Ireland Green Bond Framework, whether by failing to fund or complete eligible green projects or otherwise.

In addition, it should be noted that all of the expected benefits of the projects as described in this document and / or the Bank of Ireland Green Bond Framework may not be achieved. Factors including (but not limited to) market, political and economic conditions, changes in government policy, changes in laws, rules or regulations, the lack of available suitable projects being initiated, failure to complete or implement projects and other challenges, could limit the ability to achieve some or all of the anticipated benefits of these initiatives, including the funding and completion of eligible green projects. In addition, each environmentally focused potential purchaser of Bank of Ireland Green Bonds should be aware that eligible green projects may not deliver the environmental or sustainability benefits anticipated, and may result in adverse impacts. On this basis, all and any liability, whether arising in tort, contract or otherwise which any purchaser of Bank of Ireland Green Bonds or any other person might otherwise have in respect of this document, the Bank of Ireland Green Bond Framework or any Bank of Ireland Green Bonds as a result of any failure to adhere to or comply with the Bank of Ireland Green Bond Framework is hereby disclaimed to the fullest extent permitted by law. Bank of Ireland Group plc is a public limited company incorporated in Ireland, with its registered office at 40 Mespil Road, Dublin 4 and registered number 593672. Bank of Ireland Group plc is the holding company of Bank of Ireland.

The Governor and Company of the Bank of Ireland is regulated by the Central Bank of Ireland. In the UK, The Governor and Company of the Bank of Ireland is authorised by the Prudential Regulation Authority and with deemed variation of permission. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. The nature and extent of consumer protections may differ from those for firms based in the UK. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period whilst seeking full authorisation are available on the Financial Conduct Authority's website. The Governor and Company of the Bank of Ireland is incorporated in Ireland with limited liability. Registered Office - 40 Mespil Road, Dublin 4, Ireland. Registered Number - C-1.

