



# Bank of Ireland Green Bond Framework

Impact Report 2022



Bank of  
Ireland



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# Introduction

Bank of Ireland launched its Green Bond Framework in September 2020<sup>1</sup> and, subject to the availability of data, outlined its intention to publish an Allocation Report and Impact Report annually.

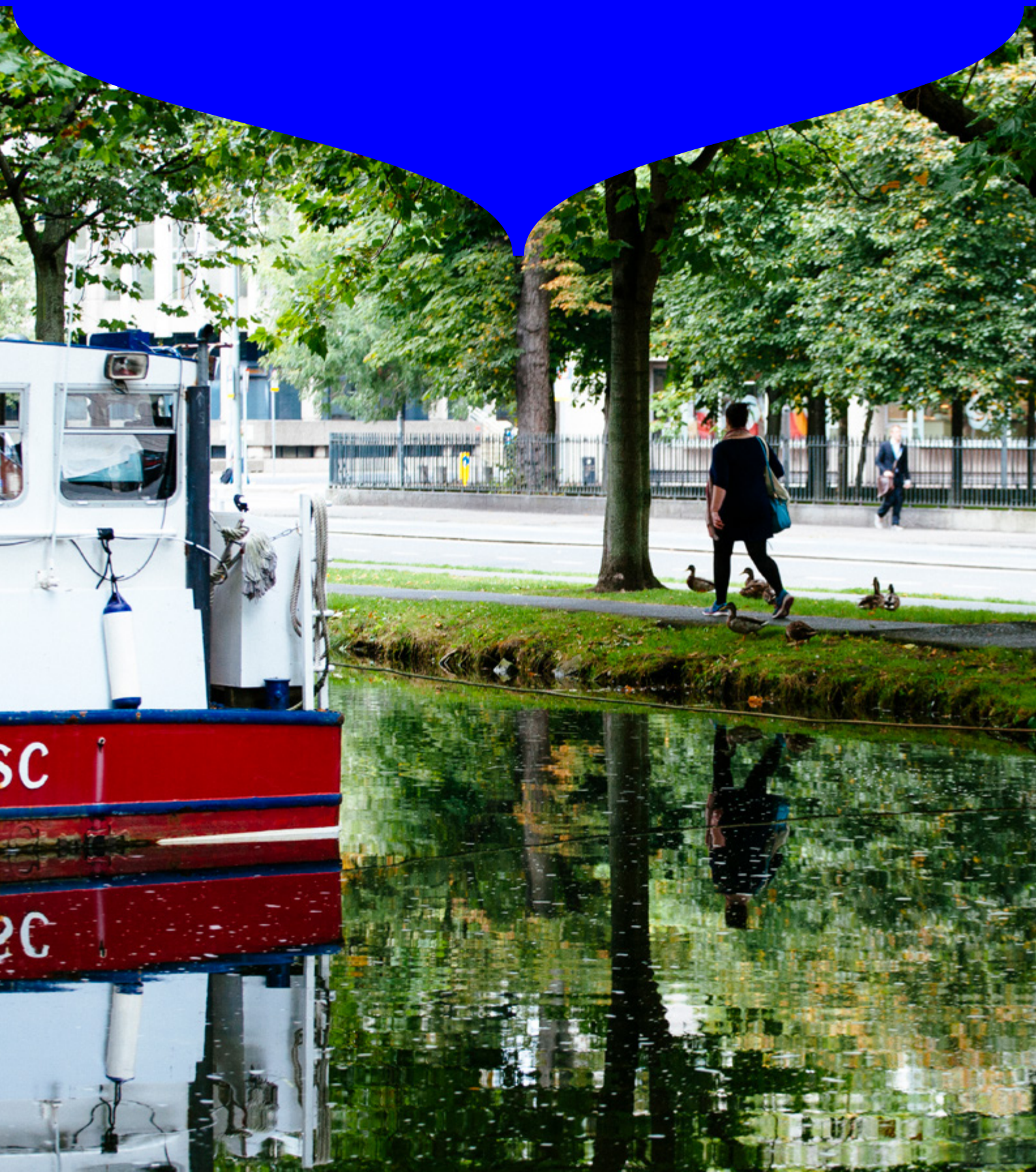
In accordance with this Framework, Bank of Ireland will allocate the proceeds of the Green Bonds issued on a portfolio basis. Sustainalytics has provided a Second Party Opinion<sup>2</sup> confirming the alignment of the Framework with the four core components of the ICMA Green Bond Principles.



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

<sup>2</sup> <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 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 its sustainability strategy 'Investing in Tomorrow'. Progress against Bank of Ireland's 5 point climate plan in 2022 is set out below:

1

#### Science based targets

- In December 2022, Bank of Ireland became the first Irish bank to set scientifically-validated greenhouse gas emission reduction targets;
- The targets were validated by SBTi and cover 76% of the loan book and all of the Group's own operations; and
- Include a target to reduce mortgage portfolio emissions in Ireland and UK by 48% (2020 baseline) by 2030.



2

#### Provide sustainable financing

- c.€8bn of sustainability related finance on balance sheet;
- The largest provider of green mortgages in Ireland (c.€3.8bn drawn down by borrowers);
- c.€1.4bn of sustainability linked loan commitments provided to corporate customers; and
- The largest provider of wholesale finance in the Irish market for electric chargeable vehicles. Launched a new green motor loan product to incentivise customers to switch to electric vehicles and plug in hybrid electric vehicles through reduced interest rates.



3

#### Decarbonise our own operations

- Ambition to make our own operations net zero by 2030; and
- Delivered a 41% reduction in absolute Scope 1 and 2 emissions since 2020.



4

#### Manage climate related risks

- Progress has continued by embedding climate related impacts into 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

- 2022 saw the publication of the Group's inaugural standalone Sustainability Report; and
- Obtained limited assurance from our Group auditors KPMG over selected KPIs; and
- The Group became a member of the Taskforce for Nature-related Financial Disclosures (TNFD) forum.



## 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

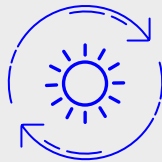
### Green Buildings & Energy Efficiency (Commercial)



- 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

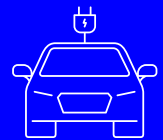
### Renewable Energy



- 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 Harmonised<sup>4</sup> Green Bond Impact Report (31 December 2022)



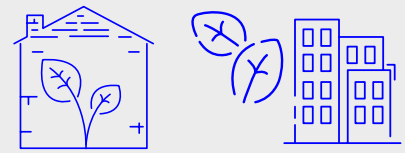
<sup>4</sup> <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Handbook-Harmonized-Framework-for-Impact-Reporting-December-2020-151220.pdf>



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:

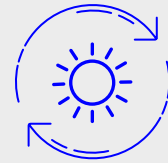
#### Green Buildings (Residential and Commercial):

- Estimated annual energy consumption and estimated annual avoided energy consumption (in MWh/year)
- Estimated annual emissions and estimated annual avoided emissions (in tonnes CO<sub>2</sub> equivalent/year)



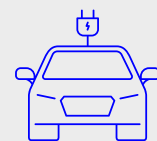
#### Renewable Energy:

- Total installed capacity (in MW)
- Estimated annual emissions and estimated annual avoided emissions (in tonnes CO<sub>2</sub> equivalent/year)

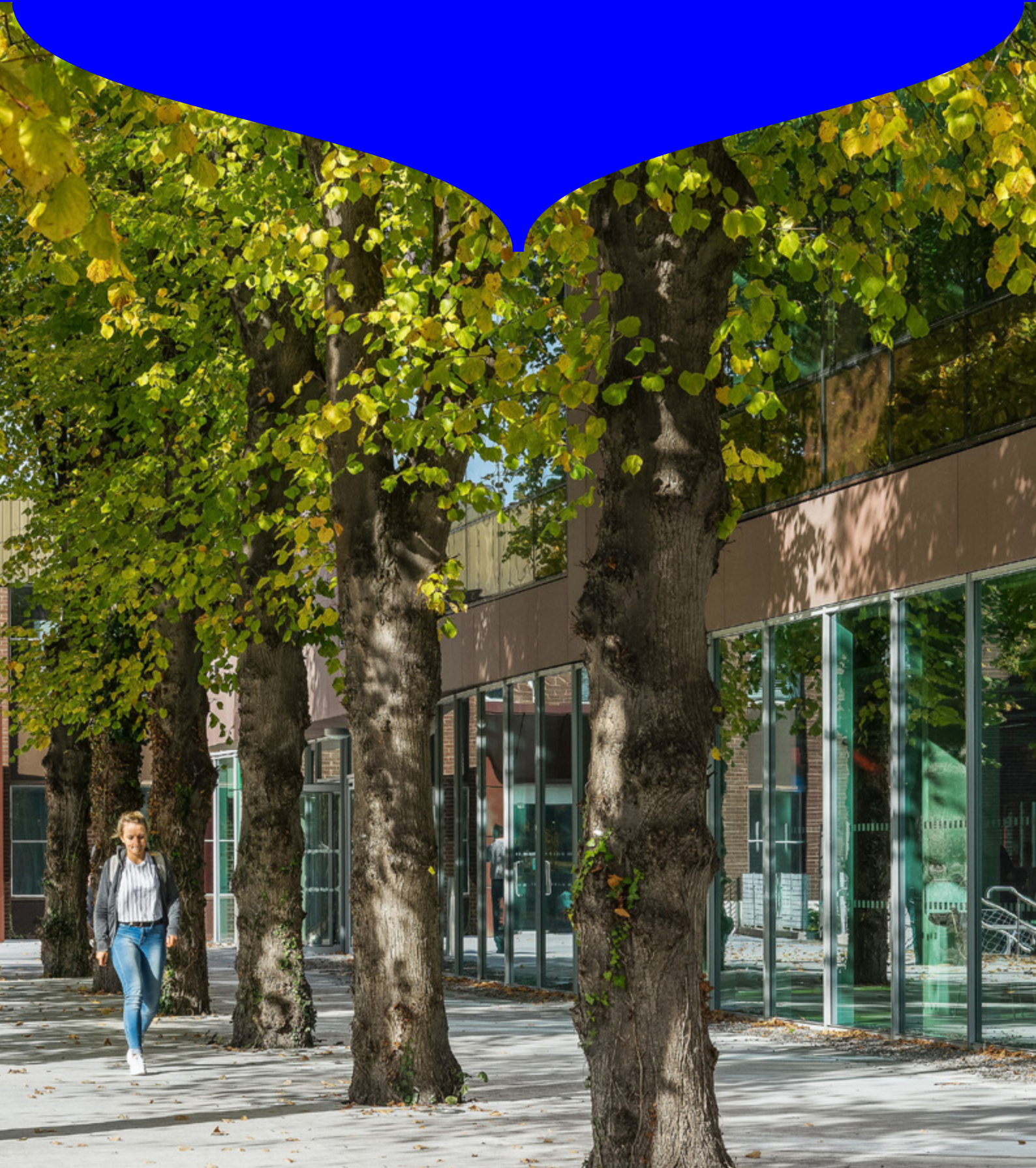


#### Electric Vehicles:

- Estimated annual emissions and estimated annual avoided emissions (in tonnes CO<sub>2</sub> equivalent/year)



# Green Bond Impact Table



## Operational Projects / Buildings

	Eligible category (operational projects / buildings)	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 <sub>2</sub> e per annum)	Estimated attributed avoided carbon emissions (tCO <sub>2</sub> e per annum)	Total installed capacity (MW)
	f)	g)	h)	i)	j)	k)	l)	m)
a)	Green Buildings (Residential)	15,369	4,891,181,065	79,763	195,568	16,624	48,333	-
b), c)	Green Buildings (Commercial)	11	364,870,942	18,196	24,605	3,807	5,599	-
d)	Renewable Energy	8 <sup>1</sup>	186,053,349	-	-	287	70,054	327
e)	Clean Transportation	2,878	68,261,507	-	-	869	2,060	-
	<b>Total</b>	<b>18,266</b>	<b>5,510,366,864</b>	<b>97,959</b>	<b>220,173</b>	<b>21,588</b>	<b>126,046</b>	<b>327</b>

### Table footnotes

- a) Domestic properties (mortgages and residential properties in the commercial real estate portfolio) are subject to emissions calculation and attribution guidance, hereon known as 'PCAF Guidance', stated by PCAF (2022): The Global GHG Accounting and Reporting Standard for the Financial Industry, Second edition. Energy consumption and emissions rely on BERs and floor area (as sourced from the Sustainable Energy Authority Ireland (SEAI), February 2023) compared to average Republic of Ireland domestic property performance (as sourced from the Domestic BERs 2022 issued by Central Statistics Office Ireland).
- b) Commercial properties consist of office, industrial, nursing, and education buildings and are subject to PCAF Standard attribution and avoided energy consumption and emissions calculation guidance. Energy consumption and emissions rely on BERs and floor area compared to average Republic of Ireland building performance for the respective building type. Building type property performance is obtained from the SEAI Non-Domestic BERs database 2022 and compared to Republic of Ireland averages obtained from Non-Domestic BERs 2022 issued by Central Statistics Office Ireland.
- c) 5 residential (including 1 under construction) and 2 commercial properties in our portfolio are located in the United Kingdom, representing c.€200m of eligible portfolio financing. In line with our approach for Irish buildings, we have used the same data sources (SEAI and CSO) to assess the impact for these UK-based buildings given our limited exposure.
- d) 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.
- e) 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 series 'Transport Trends - An Overview of Ireland's Transport Sector'. The average used is based on 2018-2020 numbers to account for the impact of the COVID-19 pandemic. 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.
- f) 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>.
- g) Number of eligible projects and eligible portfolio financing are in line with the Allocation report. Please note that in this Impact table operational and under construction is split out into two tables, whereas the Allocation report reports both as a sum. The Allocation report is available here: <https://investorrelations.bankofireland.com/app/uploads/BOI-Green-Bond-Allocation-Report-2022.pdf>
- h) Amount legally committed by the issuer to the portfolio or portfolio components eligible for Green Bond financing. Please note that capitalised interest has been removed from the eligible financing for clean transportation. For Renewable Energy, the eligible financing is adjusted before attribution calculations to include term loans only. The amendments to eligible financing for Clean Transportation and Renewable Energy are in line with PCAF guidance on project finance.
- i) j) k) l) 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 the Issuer's financing compared to the overall debt/equity value of the projects / buildings.
- m) Impact indicator Total Installed Capacity (MW).

<sup>1</sup> Ireland only

## Projects / Buildings Under Construction in 2022

	Other projects	Number of eligible projects / Buildings	Eligible portfolio (EUR)	Estimated attributed energy consumption (MWh per annum)	Estimated attributed avoided energy consumption (MWh per annum)	Estimated attributed carbon emissions (tCO <sub>2</sub> e per annum)	Estimated attributed avoided carbon emissions (tCO <sub>2</sub> e per annum)	Total capacity under construction (MW)
		p)	q)	r)	s)	t)	u)	v)
n)	Green Buildings (Residential) under construction	20	511,655,492	7,250	18,881	1,428	4,602	-
o)	Green Buildings (Commercial) under construction	5	302,814,652	5,199	14,640	1,111	3,381	-
	<b>Total</b>	<b>25</b>	<b>814,470,144</b>	<b>12,449</b>	<b>33,521</b>	<b>2,539</b>	<b>7,983</b>	<b>-</b>

### Table footnotes

- n) Relating to Residential buildings not operational in 2022. Subject to PCAF Standard attribution and avoided energy consumption and emissions calculation guidance. Energy consumption and emissions rely on BERs and floor area (as sourced from the SEAI, February 2023) compared to average Republic of Ireland domestic property performance (as sourced from the Domestic BERs 2022 issued by Central Statistics Office Ireland).
- o) Relating to Commercial buildings not operational in 2022. Subject to PCAF Standard attribution and avoided energy consumption and emissions calculation guidance. Office and industrial property energy and emissions performance is obtained from the SEAI Non-Domestic BERs database 2022 and compared to averages obtained from Non-Domestic BERs 2022 issued by Central Statistics Office Ireland.
- p) Number of eligible projects and Eligible portfolio financing are in line with the Allocation report. Please note that in this Impact table operational and under construction is split out into two tables, whereas the Allocation report reports both as a sum. The Allocation report is available here: <https://investorrelations.bankofireland.com/app/uploads/BOI-Green-Bond-Allocation-Report-2022.pdf>
- q) Amount legally committed by the issuer to the portfolio or portfolio components eligible for Green Bond Financing on projects not operational during 2022.
- r) s) t) u) 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 the Issuers financing compared to the overall debt/equity value of the projects / buildings.
- v) Impact Indicator Total Capacity under Construction (MW).

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