



# Green Bond Framework

Impact Report 2023





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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.



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





# Supporting the Green transition





# Supporting the Green transition

In November 2023, our Davy Decarbonisation unit's white paper 'Investing in Tomorrow: Shaping a Net-Zero Future' showed c.€129 billion of expenditure was required by 2030 across key sectors in order to meet Ireland's Climate Action Plan targets. By providing the right finance to the right place at the right time, Bank of Ireland can drive innovation and growth, and support an orderly and timely transition to a greener global economy.

We recognise our position at the centre of a sustainability support system for the green transition. We aim to support our customers to enable them to transition aligned with Ireland's Climate Action Plan 2024. This is an opportunity and informs our approach to sustainable finance. Providing Sustainable Finance is a key pillar in Bank of Ireland's Five Point Climate Action Plan and emission reduction targets verified by the SBTi. Delivering new sustainable products to market is at the heart of our commitment to the UN Principles for Responsible Banking.

Our innovative portfolio of sustainable finance products is designed to support customers to take practical actions that move the dial. For example, green mortgages, green motor loans, green business loans for SMEs and farmers, renewables, capex and sustainability-linked lending.

To support our corporate customers carbon reduction and environmental strategies, we have been providing loans which incorporate sustainability-linked pricing mechanisms since 2019.

We aim to drive innovation and scale action by providing the right finance where the incremental investment is needed – across energy, transport, buildings, agriculture and industry.

## Science based targets (SBT)

Set our portfolios and lending practices on a pathway aligned with the decarbonisation goals of the Paris Agreement.

# 01

# 02

## Provide sustainable financing

Support the delivery of national climate plans in Ireland and the UK through our core financing and advisory capabilities to enable our customers to transition to Net Zero and develop and deploy low carbon technologies.

## Decarbonise our own operations

Deliver our products and services in a sustainable manner and make our own operations Net Zero by 2030.

# 03

# 04

## 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.

## Transparently report on our progress

Commit to transparently report on progress in supporting the green transition to our stakeholders.

# 05



# Green Eligible Asset Portfolio





# Green Eligible Asset Portfolio



## 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.



## 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.



## Renewable Energy

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



## Clean Transportation

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





# ICMA Harmonised<sup>3</sup> Green Bond Impact Report

31 December 2023

<sup>3</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf>

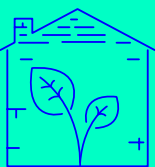




# ICMA Harmonised Green Bond Impact Report

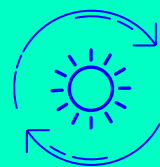
31 December 2023

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:



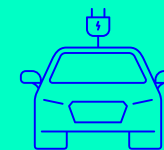
## Green Buildings Residential and Commercial

- 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)	22,616	7,299,563,342	157,758	288,720	32,312	71,433	-
b), c)	Green Buildings (Commercial)	16	477,010,601	16,598	28,560	3,507	6,539	-
d)	Renewable Energy	9	188,590,882	-	-	790	98,843	362
e)	Clean Transportation	4,831	108,231,967	-	-	1,523	3,381	-
	<b>Total</b>	<b>27,472</b>	<b>8,073,396,792</b>	<b>174,357</b>	<b>317,280</b>	<b>38,132</b>	<b>180,196</b>	<b>362</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 floor area combined with average energy and emissions intensity values related to relevant Building Energy Ratings grades (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 Building Energy Ratings 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 floor area combined with average Republic of Ireland energy and emissions intensity values related to the relevant Building Energy Ratings and building type. Building type property performance is obtained from the SEAI Non-Domestic Building Energy Ratings database 2022 and compared to Republic of Ireland averages obtained from Non-Domestic Building Energy Ratings 2022 issued by Central Statistics Office Ireland.
- c) 4 residential (including 1 under construction) and 1 commercial property in our portfolio are located in the United Kingdom, representing circa €157m 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 (version 3.2), 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 in the absence of new 'Transport Trends' releases for 2022 or 2023. The car emissions and 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. These emission factors are sourced from the UK Department for Environment Food and Rural Affairs (DEFRA).
- 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-2023.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 all asset classes. The amendments to eligible financing 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).

**Projects/Buildings Under Construction in 2023**

	Other projects	Number of eligible projects/Buildings	Eligible portfolio (EUR)	Estimated projected attributed energy consumption (MWh per annum)	Estimated projected attributed avoided energy consumption (MWh per annum)	Estimated projected attributed carbon emissions (tCO <sub>2</sub> e per annum)	Estimated projected attributed avoided carbon emissions (tCO <sub>2</sub> e per annum)	Total capacity under construction (MW)
		q)	r)	s)	t)	u)	v)	w)
n)	Green Buildings (Residential) under construction	10	336,961,042	3,301	6,209	671	1,524	-
o)	Green Buildings (Commercial) under construction	1	71,014,199	493	1,854	103	427	-
p)	Renewable Energy under construction	2	61,011,767	-	-	30	3,739	1,310
	<b>Total</b>	<b>13</b>	<b>468,987,008</b>	<b>3,795</b>	<b>8,063</b>	<b>804</b>	<b>5,690</b>	<b>1,310</b>

**Table footnotes**

- n) Relating to Residential buildings not operational in 2023. Subject to PCAF Standard attribution and avoided energy consumption and emissions calculation guidance. Energy consumption and emissions rely on floor area combined with average energy and emissions intensity values related to relevant Building Energy Ratings grades (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 Building Energy Ratings 2022 issued by Central Statistics Office Ireland). This is the projected performance once the buildings become operational.
- o) Relating to Commercial buildings not operational in 2023. Subject to PCAF Standard attribution and avoided energy consumption and emissions calculation guidance. Energy consumption and emissions for Office buildings rely on floor area combined with average Republic of Ireland energy and emissions intensity values related to the relevant Building Energy Ratings and building type. Building type property performance is obtained from the SEAI Non-Domestic Building Energy Ratings database 2022 and compared to Republic of Ireland averages obtained from Non-Domestic Building Energy Ratings 2022 issued by Central Statistics Office Ireland. This is the projected performance once the buildings become operational.
- p) Relating to Renewable Energy projects under construction and not operational in 2023. Subject to guidance from the IFl (GHG Accounting for Grid Connected Renewable Energy Projects 2019 (version 3.2)) and PCAF Standard attribution and avoided emissions calculation guidance. This is the projected performance once projects become operational.
- q) 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-2023.pdf>
- r) Amount legally committed by the issuer to the portfolio or portfolio components eligible for Green Bond Financing on projects not operational during 2023.
- s) t) u) v) 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.
- w) Impact Indicator Total Capacity under construction (MW).





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