

Second-Party Opinion Bank of Ireland Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Bank of Ireland Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, and Clean Transportation – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7, 9, and 11.



PROJECT EVALUATION / SELECTION Bank of Ireland's internal process in evaluating and selecting projects is managed by a multi-department Green Bond Working Group (the "Working Group"), which evaluates, assesses, and reviews eligible projects and assets on a quarterly basis. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS The Working Group will manage proceeds on a portfolio basis. The Issuer intends to allocate an amount equal to the net proceeds to the Green Eligible Assets Portfolio. Pending full allocation of proceeds, unallocated funds will be invested in the Issuer's treasury liquidity portfolio, in cash or other short-term and liquid instruments. This is in line with market practice.



REPORTING Bank of Ireland intends to report on allocation of proceeds in an External Report, which will be publicly available on its website, on an annual basis, until full allocation. Allocation reporting will include the proceeds per Use of Proceeds category, the share of financing and refinancing, and remaining unallocated proceeds, if any. In addition, relevant environmental impact metrics will be reported on, as defined in the Framework. Bank of Ireland may engage a technical consultant to estimate the environmental impact of the eligible assets. Sustainalytics considers Bank of Ireland's allocation and impact reporting as aligned with market practice.

Evaluation date March 1, 2021

Issuer Location Dublin, Ireland

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Introduction

Bank of Ireland (the “Bank” or the “Issuer”), headquartered in Dublin, is an Irish financial services group operating mostly in Ireland and the United Kingdom. Services include mortgages, business and corporate lending, term loans, leasing, foreign exchange, life assurance, and pension products, among others.

Bank of Ireland has developed the Bank of Ireland Green Bond Framework (the “Framework”) under which it intends to issue multiple green bonds and use the proceeds to finance and refinance, in whole or in part, existing and future loans that support the transition towards a low-carbon economy. The Framework defines eligibility criteria in three areas:

1. Green Buildings
2. Renewable Energy
3. Clean Transportation

Bank of Ireland engaged Sustainalytics to provide an updated second-party opinion review the Bank of Ireland Green Bond Framework, dated March 2021,¹ and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).² This Framework will be published in a separate document on the issuer’s website.³

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent⁴ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics’ assessed the following:

- The Framework’s alignment with the ICMA Green Bond Principles 2018
- The credibility and anticipated positive impacts of the use of proceeds
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.7.1, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Bank of Ireland’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Bank of Ireland representatives have confirmed (1) they understand it is the sole responsibility of Bank of Ireland to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Bank of Ireland.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

¹ Previous second-party opinion provided in August 2020.

² The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

³ The Green Bond Framework will be available on Bank of Ireland’s website at: <https://investorrelations.bankofireland.com/debt-investors/>

⁴ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Bank of Ireland has made available to Sustainalytics for the purpose of this SPO.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Green Bond Framework

Sustainalytics is of the opinion that the Green Bond Framework aligns with the four core components of the GBP 2018. Sustainalytics highlights the following elements of Bank of Ireland's Green Bond Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Renewable Energy, and Clean Transportation – are aligned with those recognized by the GBP 2018. Sustainalytics views positively investments into the projects and assets aimed at contributing towards Ireland's transition to a low-carbon, climate resilient economy.
 - For Green Buildings, Bank of Ireland may finance residential and commercial properties that meet one or more of the following criteria:
 - (i) within the top 15% of the buildings in Ireland and the UK (for commercial properties only) in terms of energy efficiency; or (ii) have been refurbished and where the refurbishment has led to a reduction in net primary energy demand of 30% or more; or (iii) where net primary energy demand of the new construction is at least 20% lower than the primary energy demand resulting from the relevant NZEB requirements⁵. Furthermore, the Bank will finance new or existing residential properties with a date of construction of 2015 or later, while year 2020 (and onwards) is established for commercial properties. Sustainalytics positively views these criteria, which are aligned with market practice.
 - In addition, the Issuer may finance the acquisition, development or construction commercial buildings that receive a BREEAM 'Outstanding' or 'Excellent' or LEED 'Platinum' or 'Gold' certification, which Sustainalytics considers to be robust building certification schemes and positively views the establishment of minimum certification levels. For Sustainalytics assessment of these schemes, please refer to Appendix 1.
 - For Renewable Energy, the Bank will finance and/or refinance new or existing projects aimed at increasing the renewable energy power generation capacity, particularly onshore and offshore wind, solar and geothermal energy. Sustainalytics considers investments in renewable energy projects as contributing to the mitigation of GHG emissions. Sustainalytics notes that geothermal projects will be financed in Ireland and UK only. Sustainalytics does not consider these regions to be associated with high emissions levels from geothermal. However, Sustainalytics notes that Bank of Ireland has not defined a criterion for its geothermal projects where a direct emissions threshold is not known. Sustainalytics encourages Bank of Ireland to favour financing of projects with lower carbon intensity and to report where possible on the intensity of such projects.⁶
 - For Clean Transportation, Bank of Ireland intends to finance the purchase, manufacture and operation of fully electric vehicles and public transport. The Bank also aims to allocate proceeds to finance the infrastructure that supports clean transportation. Sustainalytics positively views

⁵ This threshold is based on 'near-zero energy building' (NZEB) requirements, which are defined in national regulations implementing the Energy Performance of Buildings Directive, and are mandatory across EU Member States from 2021.

⁶ Sustainalytics highlights that geothermal facilities have global weighted average (direct) emissions of 122 gCO₂/kWh. Although geothermal facilities in many regions, such as the U.S. and Ireland, have upper bound emissions of 180 gCO₂/kWh, it is still approximately 50% lower emissions over average gas-powered (CCGT) facilities. Nevertheless, it is important to regularly monitor and report on emissions from geothermal facilities which depends on the type of technology, local climate conditions / region, and geological setting that affect the release of naturally occurring non-condensable gases (NCGs) from the geothermal fluid during energy-extraction process.

- investments into fully electric vehicles and the development of infrastructure to further support clean modes of transportation.
- Sustainalytics notes that Bank of Ireland has established a 36-month lookback period for refinancing.
 - Project Evaluation and Selection:
 - The Green Bond Working Group (“Working Group”) will evaluate, select, and review eligible projects and assets on a quarterly basis. The Working Group is comprised of representatives from Markets & Treasury, Group Risk, Responsible and Sustainable Business team, and the business lines (Retail Ireland and Corporate Banking). The Working Group reports directly to the Chief Strategy Officer (CSO), as Group Executive Committee (GEC) sponsor for the Bank’s Responsible and Sustainable Business agenda and to the Group Treasurer. The GEC is a senior executive level group with overarching responsibility for Bank of Ireland’s framework and strategy. Bank of Ireland intends to allocate proceeds within 12 months of issuance.
 - Based on the existence of a multi-departmental Green Bond Working Group that regularly reviews the eligible projects portfolio, Sustainalytics considers this process to be in line with market practice.
 - Management of Proceeds:
 - The Working Group will manage net proceeds from Green bonds on a portfolio basis approach (Green Eligible Assets Portfolio). The Issuer intends to allocate an amount equal to the net proceeds to the Green Eligible Assets Portfolio. The unallocated net proceeds, if any, will be invested in the Bank’s treasury liquidity portfolio, in cash or other short-term and liquid instruments. Sustainalytics considers this process to be in line with market practice.
 - Reporting:
 - Bank of Ireland commits to provide allocation and impact reporting annually in an External Report, which will be publicly available, on its website, until full allocation. The allocation reporting will include the total allocation of proceeds to eligible projects per Use of Proceeds category outlined in its Framework; the share of financing and refinancing; and details of any unallocated proceeds. The impact reporting will include selected environmental impacts, such as tonnes of CO2 emissions avoided for relevant eligible assets; for a complete list of potential impact indicators please see Appendix 1. Bank of Ireland may engage a technical consultant to estimate the environmental impact of the eligible assets. Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Green Bond Framework aligns to the four core components of the GBP 2018. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of Bank of Ireland

Contribution of framework to the Bank of Ireland’s sustainability strategy

In 2020, the Bank of Ireland launched its Responsible and Sustainable Business (RSB) strategy,⁷ which included the results of a materiality assessment carried out in summer 2020. The results of assessment demonstrated stakeholders concern for environmental issues. In response, the Bank developed a formalized strategy for “Supporting the green transition”, which includes a number of concrete actions to help facilitate the transition to a low carbon economy including setting science-based targets aligned with the Paris agreement by the end of 2020; providing sustainable financing; decarbonizing the Bank’s own operation by 2030; managing climate-related risks; and transparently reporting. The Bank has identified specific initiatives and has outlined how it intends to measure success for each of these strategic pillars.

In addition to the above, as a signatory to The Low Carbon Pledge, Bank of Ireland committed to reducing Scope 1 and Scope 2 emissions intensity by 50% by 2030 (compared to a 2011 baseline) – the Bank had achieved this goal as of 2020.⁸ Additionally, in 2019, the Bank has created several green initiatives, including

⁷ Bank of Ireland, “Responsible Sustainable Business Strategy”, (2021), at: <https://personalbanking.bankofireland.com/app/uploads/Responsible-Sustainable-Business-Strategy-Documents-VER09.pdf>

⁸ Bank of Ireland, “Annual Report 2020”, (2021), at: <https://investorrelations.bankofireland.com/app/uploads/BOI-Annual-Report-2020.pdf>

EUR 1 billion Sustainable Finance Fund, through which it offers green loans at reduced rates, incentivizing energy-efficient homes, properties refurbishment, and SME and agriculture investment in energy efficiency.⁹ There has been an additional EUR 1 billion committed to this Fund in 2020.

The Bank became signatory to the UN Principles for Responsible Banking and is a supporter of the Task Force on Climate-related Financial Disclosure (TCFD). These activities underline Bank of Ireland's commitment to align its strategy with goals set out in the UN Sustainable Development Goals (SDGs) as well as the 2015 Paris Climate Agreement.

Sustainalytics positively notes the Bank's robust RSB strategy, which includes quantitative, time-bound targets and concrete action items to further facilitate the green transition. Sustainalytics is of the opinion that the proceeds from the Green bonds will accelerate the Bank's RSB strategy and related initiatives, specifically its goal to support the green transition.

Addressing common environmental and social risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the bond issued under the Framework will be directed towards eligible projects that are recognized by the GBP to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects, could include, but are not limited to, pollution and impacts on biodiversity from construction, and impacts on local communities. Furthermore, by offering lending and financial services, banks are exposed to risks associated with financing controversial companies and/or projects, and activities that have negative social or environmental impacts. Sustainalytics is of the opinion that, despite the potential environmental and social risks associated with financing businesses and projects in the Eligible Categories, Bank of Ireland is well positioned to identify and manage those risks considering that:

- An impact assessment to identify activities and assets exposed to climate related risks and measure possible financial risk impacts was completed in 2020. This assessment prioritized key environmental, social and governance (ESG) topics that impact Bank of Ireland's business and stakeholders. This report was published in 2021.⁷
- The Bank is committed to comply with local laws and regulations, including those related to environmental and social requirements. Ireland is classified as a "Designated Country" by the Equator Principles¹⁰, implying the presence of robust environment and social governance systems, legislation and institutional capacity for protecting the environment and communities.
- As a new signatory of the Principles for Responsible Banking, the Bank of Ireland is currently developing additional environmental and social considerations to incorporate into their lending processes and further contribute to mitigation of potential risks.
- All potential Green loans/Eligible Assets will go through the standard credit process.

Section 3: Impact of Use of Proceeds

All three use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics discusses below where the impact is specifically relevant in the local context.

Contribution of Green Buildings, Renewable Energy and Clean Transportation to the achievement of regional and national GHGs emissions reduction targets

Climate change, resulting from human activities, presents a variety of risks to the global community from negative impacts on food and water supply to the increased likelihood of catastrophic events, such as floods and hurricanes. GHGs emissions, largely stemming from burning of fossil fuels, must be dramatically reduced across the world to mitigate climate change.¹¹ The UN Intergovernmental Panel on Climate Change (IPCC) is urging a swift and broad transition in land, energy, industry, buildings, transport use among other areas.¹² Ireland has ratified the Paris Agreement to pursue efforts, including GHGs reduction, to limit the temperature increase to 1.5 degrees Celsius.¹³

⁹ Bank of Ireland Strategic Report 2019; accessed April 2020, at: <https://www.bankofireland.com/app/uploads/assets/strategic-report-2019.pdf>

¹⁰ The Equator Principles, designated countries as of April 2020, available at: <https://equator-principles.com/designated-countries/>

¹¹ UN Climate Change, as of April 2020, available at: <https://www.un.org/en/sections/issues-depth/climate-change/>

¹² IPCC, Special Report "Global Warming of 1.5 °C", October 2018, available at: <https://www.ipcc.ch/sr15/>

¹³ UN Treaties, as of April 2020, available at: <https://treaties.un.org/>

The EU has several key goals for 2030 to mitigate climate change, among which are to reduce GHGs emissions by at least 40% (compared with 1990 levels), increase renewable energy share by 32%, and achieve at least 32.5% of energy efficiency improvements.¹⁴ It has further announced an ambition to become the first climate neutral bloc by 2050.¹⁵ Ireland has adopted a goal of an aggregate reduction in carbon dioxide (CO₂) emissions of at least 80% (compared to 1990 levels) by 2050 across the electricity generation, built environment and transport sectors.¹⁶

Sustainalytics is of the opinion that the eligible projects enumerated by the green bond framework will support the achievement of Ireland’s GHG reduction commitments.

The role of financial institutions in supporting a transition to a low-carbon economy

While not significant emitters on their own, financial institutions are well positioned to enable relevant solutions to mitigate climate related risks.¹⁷ According to the International Renewable Energy Agency (IRENA), to meet the Paris Agreement commitments in pursuit of keeping global temperature increase under 1.5 degrees Celsius, the cumulative green investments in energy efficiency, renewables, electrification and infrastructure in the period 2016-2050 need to reach USD 90 trillion.¹⁸ The United Nations Environment Programme Finance Initiative (UNEP FI) states that “bank loans are the most important source of external finance for companies and will play a crucial role in steering businesses towards lower emission activities”.¹⁹ Notably, Irish sovereign has issued several green bonds since 2018 aiming to advance its national strategy towards a low-carbon, climate-resilient and environmentally sustainable economy, while also contributing to broader EU climate goals.²⁰ By issuing green bonds, Ireland is demonstrating its commitment to directing capital towards investments in sustainable growth and advancing the green finance industry.

The proceeds of the green bond will be directed towards loans and investments in several thematic areas, including renewable energy projects, energy efficiency improvements, clean transportation, and green buildings. Sustainalytics is of the opinion that the use of proceeds will be allocated to projects that enable a transition towards a low-carbon economy.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport,

¹⁴ European Commission, as of April 2020, available at https://ec.europa.eu/clima/policies/strategies/2030_en

¹⁵ European Commission, as of April 2020, available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_335

¹⁶ Irish Department of Communications, Climate Action and Environment, National Mitigation Plan 2017, available at:

<https://www.dccae.gov.ie/documents/National%20Mitigation%20Plan%202017.pdf>

¹⁷ United Nations Environment Programme Finance Initiative, Report “Financial Institutions Taking Action on Climate Change”, September 2014, available at: <https://www.unepfi.org/publications/climate-change-publications/technical-advice-for-policy-makers-publications/financial-institutions-taking-action-on-climate-change/>

¹⁸ International Renewable Energy Agency, as of April 2020, available at <https://www.irena.org/financeinvestment/Investment-Needs>

¹⁹ UNEPFI, Report “Financial institutions taking action on climate change”, available at:

<https://www.unepfi.org/fileadmin/documents/FinancialInstitutionsTakingActionOnClimateChange.pdf>

²⁰ Reuters News, “Ireland sells 2 billion euros of green bonds at low yield”, October 2019, available at: <https://www.reuters.com/article/us-ireland-bonds/ireland-sells-2-billion-euros-of-green-bonds-at-low-yield-idUSKBN1WP1WN>

		with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
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Conclusion

Bank of Ireland has developed the Bank of Ireland Green Bond Framework under which it will issue green bonds and use the proceeds to finance green buildings, renewable energy and clean transportation in Ireland and UK. Sustainalytics considers that the projects funded by the green bond proceeds will provide positive environmental impact.

The Bank of Ireland Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Bank of Ireland Green Bond Framework is aligned with the overall sustainability strategy of the Bank and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7, 9, and 11. Additionally, Sustainalytics is of the opinion that the Bank of Ireland has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Bank of Ireland is well-positioned to issue green bonds and that the Bank of Ireland Green Bond Framework is robust, transparent, and in alignment with the core components of the Green Bond Principles 2018.

Appendices

Appendix 1: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Bank of Ireland
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	March 1, 2021
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarize the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds, Green Buildings, Renewable Energy, and Clean Transportation, are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7, 9, and 11.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Bank of Ireland's internal process in evaluating and selecting projects is managed by a multi-department Green Bond Working Group (the "Working Group"), which evaluates, assesses, and reviews eligible projects and assets on a quarterly basis. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
|---|---|

- | | |
|--|--|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

The Working Group will manage proceeds on a portfolio basis. The Issuer intends to allocate an amount equal to the net proceeds to the Green Eligible Assets Portfolio. Pending full allocation of proceeds, unallocated funds will be invested in the Issuer's treasury liquidity portfolio, in cash or other short-term and liquid instruments. This is in line with market practice.

Tracking of proceeds:

- | |
|--|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (*if applicable*):

Bank of Ireland intends to report allocation proceeds in an External Report, which will be publicly available on its website, on an annual basis, until full allocation. Allocation reporting will include the proceeds per Use of Proceeds category, the share of financing and refinancing, and remaining unallocated proceeds, if any. In addition, relevant environmental impact metrics will be reported on, as defined in the Framework. Sustainalytics considers Bank of Ireland's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input type="checkbox"/> Other ESG indicators (<i>please specify</i>): |

Means of Disclosure

- | | |
|---|--|
| <input type="checkbox"/> Information published in financial report | <input checked="" type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input type="checkbox"/> Other (<i>please specify</i>): |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://www.bankofireland.com/about-bank-of-ireland/responsible-business/>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognized external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialized research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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