

CORPORATE SOCIAL RESPONSIBILITY STATEMENT 2010

Bank of Ireland continues to focus on Corporate Responsibility and it is an important driver of reputation and business sustainability. Through our ongoing interactions with shareholders, customers, employees and the wider community we work to understand their different needs and strive to balance these with the need of the organisation to act commercially.

This report provides a summary of the activity taking place across the Group during 2010, demonstrating our current approach and commitment to Corporate Responsibility.

PLAYING OUR PART IN THE MARKETPLACE

Bank of Ireland's participation in the Irish market, particularly in the Small and Medium Sized Enterprise (SME) and Mortgage markets, remains critical to our future and we continue to be firmly committed to supporting our current and future customers through these challenging times.

Bank of Ireland is fully committed to achieving the Irish Government's target of making at least €3bn in new lending available to SMEs over 2010 and 2011. There are no lending capacity constraints regarding the provision of first time buyer (FTB) mortgages or SME lending, subject to demand and viability.

We continue to promote the availability of both advice and credit through a broad range of promotional activity, re-enforcing to customers and potential customers the message that Bank of Ireland is committed to supporting consumers and SMEs through challenging times and remains 'open for business'. These communications, with a strong emphasis on both support and availability, are supported by our branch network, internal communications / training and participation in nationwide events.

We continue to report on a quarterly basis to the Department of Finance and Financial Regulator on our obligations arising under the terms of the Government's recapitalisation in March 2009. The following progress was made on the provision of credit to the SME and mortgage markets during 2010.

Bank of Ireland National Enterprise Week

Following the success of our Enterprise Week in 2009, we hosted two more successful Enterprise Weeks in May and November 2010. Throughout the weeks we highlighted our support for SMEs through facilitating networking, providing new business opportunities and bringing new business ideas to customers.

The event s involved two key elements:

- *Show Your Business:* Show Your Business is a key element of National Enterprise Week where local businesses are invited to sell and demonstrate their products and services in their local Branch.
- *Local Events:* A wide range of events were hosted throughout the country, giving SMEs the opportunity to gather free advice and support and network with other local businesses. Details of our events will be available on our website shortly.

To make it easier for customers to get involved in National Enterprise Week, we have developed a number of additional supports. Formal customer packs and invitations were made available in all of our branches. Customers could also apply online to take part at www.bankofireland.ie and we also set up a dedicated email support –nationalenterpriseprogramme@boimail.com.

Supporting Mortgage Customers

At Bank of Ireland, we have a five step process to help customers whose home mortgage is in arrears or is at risk of going into arrears. This is our Home Mortgage Arrears Resolution Process, part of our [Guide to dealing with mortgage repayment difficulties](#). This Guide is also available as a leaflet from any Bank of Ireland branch, by

calling our dedicated Mortgage line on 01 611 3305 or downloading it from the personal banking section of our website.

We have qualified Mortgage Advisers in every Bank of Ireland branch who are available to discuss any concerns customers may have with meeting their mortgage repayments.

In addition to supporting customers in arrears, Bank of Ireland also supports customers whose mortgages are currently up to date but who have difficulty in meeting their current repayments.

Throughout 2010, Bank of Ireland continued to offer highly competitive mortgage products for all segments. To meet a current consumer need, Bank of Ireland developed a new Mortgage Green Equity Release product in partnership with the Sustainable Energy Authority Ireland (SEAI). This product was launched in November 2010 and, together with the Green Loan and ESB HALO loan, demonstrates Bank of Ireland's commitment to customers implementing environmental home improvements.

Establishment of Bol UK

On 1 November Bank of Ireland completed the transfer of its main UK banking businesses into a new, wholly owned UK subsidiary of the Group, Bank of Ireland UK. This demonstrates Bank of Ireland's commitment to growing its business in the UK. It also ensures that retail deposits with the Post Office and Bank of Ireland in the UK are protected under the UK's Financial Services Compensation Scheme. The UK Government has recently endorsed Bank of Ireland's relationship with the Post Office for the provision of financial products and services, which was strengthened by the creation of the new UK subsidiary.

PLAYING OUR PART IN THE COMMUNITY

We continue to support employee volunteering and fundraising through Give Together, our community investment initiative. At the core of Give Together is a desire to create an environment where volunteering is actively encouraged. To this end, every Bank of Ireland employee is given a day each year to volunteer for the cause of their choice. As well as facilitating employee volunteering, employees can supplement their fundraising efforts by applying for matched funding when they are involved in fundraising for a community or charitable organisation. There is also funding available for team volunteering projects to buy materials and equipment to enable their volunteering project.

Since introducing the Give Together Initiative, more than 3,000 volunteer days have been given and employees have been involved in raising more than €14.5 million for the benefit of over 1,300 different causes. The Give Together funds will be further supplemented with proceeds from the sale of the Bank of Ireland Art Collection to enable employees raise even more funds for local art events in their communities.

Sale of Bank of Ireland Art Collection

Following a decision by Bank of Ireland in May 2010 to dispose of its art collection, the Bank held an initial sale of 145 artworks on 24th November 2010 by public auction through Adam's. In advance of the sale, a selection of the artworks was exhibited in Dublin, Cork and Belfast to provide an opportunity to members of the public, as well as interested buyers, to view some of the best pieces from the Bank's collection. The Bank is committed to ensuring a responsible approach to the disposal of the collection and will only release pieces on a phased basis over a period of several years to prevent any over supply coming onto the market.

The result from the first Art auction exceeded expectations and demonstrated the strong demand and quality of the pieces that were sold. The proceeds from the sale of the collection will be used to support the outreach programmes of arts organisations and artists working in the community throughout the country. In effect, the Bank's investment in art down through the years will be used to further benefit the arts, in a way that can be accessed by communities across Ireland. Examples of these projects could include; arts used therapeutically for people with disabilities; art programmes for schools; arts for older people, arts & peace cross-border projects;

youth-based arts programmes (youth orchestras, youth choirs, youth drama etc); arts based festival and events across the country etc.

The application process and eligibility criteria for community based art projects to apply for the funds are in development as this report is being written. We are very pleased to be working with two independent external partners to ensure that the final process will result in a successful and lasting support for the arts. We expect to announce details of the scheme in the coming months and hope that the funds generated through this process will have the potential to become a force for good in the wider arts community in Ireland over the coming years.

Interactive Business Impact Map

As a founding member of Business in the Community Ireland, BITCI, Bank of Ireland was delighted to be a member of the steering group to develop an interactive map showing the impact that member companies have had in investing in their local communities over the last year. The interactive map depicts the impact in 2009 of 30 large companies engaging in pro-active corporate responsibility under the guidance of Business in the Community Ireland. The map displays national statistics as well as information at county and company level, showing support to communities all around Ireland. It is designed to show the impact businesses can have on societal issues such as health, education, homelessness, social inclusion, disability and addiction and it is planned to inspire the development of further community and business partnerships. Given its reach in communities across the country, Bank of Ireland's Give Together Initiative is prominently featured throughout the map.

Financial Education

- **Money Skills For Life**

Bank of Ireland is participating in a working group established by The National Consumer Agency (NCA) in April 2010 to progress one of the commitments made in the report of the National Steering Group on Financial Education i.e. to provide volunteers from industry and other stakeholders to support the delivery of personal finance education in the workplace and in the community. The Working Group is co-ordinated and chaired by the NCA and is tasked with developing a workplace financial education programme called "Money skills for life". The principle of this programme is to provide financial education to a targeted group of employees at a location and time that is convenient to them during their working day. It will involve a one hour presentation in the workplace accompanied by a free booklet. As well as participating in the working group, Bank of Ireland will also provide volunteers for the initial pilot of the programme, which is running from February to May 2011. A full rollout of the programme is expected to begin in September 2011.

- **Learn to Earn**

Bank of Ireland developed a co-branded financial education programme entitled "Learn to Earn" in conjunction with Junior Achievement Ireland which was rolled out to 2nd level schools in 2009/10. Following the success of the programme and overall positive feedback from students, teachers and volunteers alike, the Bank has agreed to expand the availability of the programme to 60 schools for 2010/11. The "Learn to Earn" programme is designed to help transition year students develop the ability to analyse their motivations about the uses of money and establish good financial habits which will carry over into their adult lives. Volunteers from Bank of Ireland deliver the education programme to the students in participating schools.

ISO 2600 Development

The National Standards Authority of Ireland, NSAI, together with Geneva based ISO (International Standards Organisation) launched the world's first standard on Social Responsibility in November 2010. The standard, **ISO 26000:2010, Guidance on Social Responsibility**, was developed by representatives from more than 80 countries worldwide, including Ireland, and it will assist organisations in their efforts to operate in the socially responsible manner that society increasingly demands. Bank of Ireland was one of the Irish participant companies involved in developing and reviewing the standard.

The new standard is the world's first on social responsibility. It provides organisations of all sizes and types with best practice guidance in social responsibility, taking into account societal, environmental, legal, cultural, and political and organisation diversity, as well as differences in economic considerations. ISO 26000 will explain what Social Responsibility (SR) means, what issues an organisation needs to address in order to operate in a socially responsible manner, and what is best practice in implementing SR.

PLAYING OUR PART IN THE ENVIRONMENT

Power of One @ BoI was launched in June 2010. Its focus is to optimise the energy consumption driven by our operations and ensure that all future works, for example new branches, major refurbishments etc., incorporate a strong emphasis on energy saving in their design. To increase awareness of how we can all make small changes to save energy both at home and in the office, a series of Energy Awareness Days was run for the administration buildings across the Republic of Ireland. At these sessions employees learned how small changes can make a big difference to how we consume energy across our buildings and most of the learning can be brought home to help employees reduce their energy consumption at home too.

Some of the energy saving initiatives resulting from the programme included the installation of Boiler Optimising Controls on all gas boilers in our Operations Centre and Baggot Street and benchmarking of electricity and gas consumption per m² in all large admin buildings against SEAI best practice consumption figures. In our branch network we are conducting a pilot of an intelligent utility meter in four locations. The 'black box' as it is called will be programmed to monitor consumption of all key utilities; electricity, gas, oil and water. It will send messages back to a central point to confirm that consumption is in accordance with agreed parameters, and will alert us to any deviations which we would not expect for that location. For example, oil consumption at the weekend when the branch is closed could be an indication of a leak. At the end of the pilot programme, our Group Facilities Management will review the effectiveness of the technology and if proven will roll out to all Bank of Ireland buildings in 2011.

Building on the success of the Environmental Management System ISO 14001 that was introduced in the Operations centre, Cabinteely in 2005, the Bank has also successfully reached the EN 16001 standard for the Energy Management Systems for the IT & Operations Centres in Cabinteely. EN 16001 is the European Standard for best practice in Energy Management, and the Bank is the first financial institution in the world to receive this certification, joining about 20 other Irish companies who have already attained certification.

As part of a newly developed Group Energy Policy, the Bank acknowledged the importance of energy efficiency, and committed to implementing the EN 16001 standard across our main administration buildings – with primary focus on the IT and Operations Centres in Cabinteely, which represent 10% of the Bank's total annual energy consumption. This is a significant step forward for the Bank in terms of establishing its credentials as a responsible and forward-thinking organisation in the area of energy consumption and environmental awareness.

In recognition of the work on managing our energy and reducing our CO₂ emissions, Bank of Ireland was awarded both the Green Financial Institute Award and the Overall Green Business Award in April 2011.

Group Cycle to Work Scheme

Following up on the success and popularity of the 2009 scheme, Cycle to Work for ROI & UK was launched to run twice annually and operated May and September of 2010. Overall, a total of 893 employees participated in the 2010 scheme across ROI & UK. This equates to an increase of approximately 4% uptake from the previous year. While supporting a Government environmental initiative, the scheme also provides an appealing benefit to employees as well as promoting employee fitness and well being. The scheme also supports the Group's Corporate Social Responsibility agenda through encouraging a cleaner greener environment and reducing the number of cars on the roads.

PLAYING OUR PART IN THE WORKPLACE

Through our learningzone service the BOI Group is committed to the ongoing development of all employees and we support their development with a significant investment in learning each year. We see Continuing

Professional Development and Life Long Learning as the norm and provide our employees with access to appropriate learning interventions in line with the requirements of their current and future role and also the business requirements of the Group. With the rapid rate of change in the competitive, regulatory and economic environment, the continuous advancement in technology and the changing nature of our industry, keeping the skills and capability of our staff up to date is vital in order to keep pace with the changes around us.

Group Pensions review

A Review of the Group's Defined Benefit pension arrangements was announced in January 2010. The Group's aim is to continue to provide sustainable, competitive pension benefits for BSPF scheme beneficiaries. To address the Pensions Deficit of €1.6 billion, the Pensions Review sought to find a shared solution between the Group and pension scheme members which would enable the Group to continue to offer sustainable, competitive pension benefits. Following a detailed and thorough evaluation of a number of possible solutions, and having listened to feedback from all stakeholders, including pension scheme members, Pension Trustees, external advisers and staff representatives, the broad principles of final proposals were communicated in April 2010. As at December 2010, more than 98% of the employee members of the schemes that have been communicated with have accepted the changes which will provide greater security for their pension benefits. The Group has made a commitment to make available additional funding of c. €750m, subject to the proposals being agreed by all stakeholders.

We welcome your views and comments on this report. Our email address is: corporate.responsibility@boi.com.