



SME SUSTAINABILITY ROADMAP



At AIB, sustainability is a key pillar of our strategy. As a financial institution at the heart of the Irish economy, we recognise that the scale and impact of our business gives us a responsibility to the wider economy and society. We have committed to do more to help ensure a greener tomorrow.

Nationally, the Irish economy has a legally binding target to reduce its emissions by 50% by 2030. In order to meet these targets - and to limit the impact of climate change, the way we live and do business needs to fundamentally change.

As the backbone of the Irish economy - SME businesses will need to play a significant part in this transition. AIB has a duty to support and enable its SME customer base with their transition to more environmentally sustainable operating models.

In 2024, legislation known as the Corporate Sustainability Reporting Directive (CSRD) will come into force across Europe – which will impact many businesses including SMEs.

As a customer of AIB, the purpose of this guide is to outline how the CSRD may impact your business – while also providing you with tangible direction with which you can begin your sustainability journey.



CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)

The CSRD is EU legislation, which is to fundamentally change the landscape of sustainability for businesses across Europe. Some of the key changes will include.

- Increasing the numbers of businesses required to report on ESG factors such as their carbon emissions.
- Introducing the concept of 'Double Materiality' – which means that companies must disclose not only the risks they face from a changing climate and other ESG factors, but also the impacts they themselves may have on environment and society.
- Placing ESG reporting on an equal footing with financial reporting – with disclosures requiring assurance by a third party.

SCOPE

All companies that satisfy two of the following three criteria.

- >250 employees
- >€50m Turnover
- >€25m Balance Sheet

SME IMPACT

While most SMEs will not fall under the scope of the CSRD, there are significant potential implications for these businesses .

- **Emissions reporting:** Corporates in scope will need to report their carbon emissions, including those which are generated by their suppliers – who are often SMEs and will need to be in a position to provide this information.
- **Contract loss:** If SMEs cannot provide the CSRD data requested by their customers, or they are performing poorly relative to others in the market - there is an risk that they may lose key customers & contracts.
- **Competitive pressures:** As CSRD principals are adopted and comparisons between firms becomes more transparent - consumer and market sentiment will increasingly move towards more sustainable businesses.

Positively, there are significant opportunities presented for SMEs who promptly take action - including.

- **Reduced operating costs** – which can enhance profitability.
- **Competitive advantage** - by being recognised as a sustainable operator within a their sector.
- **Talent** – having sustainable credentials can improve a entities ability to attract and retain staff.

SME SUSTAINABILITY ROADMAP

01

UNDERSTAND

Educate yourself & staff. Sustainability may impact each business differently and each will face unique challenges & opportunities.



Greentech HQ



Sustainability Academy



SEAI Energy Academy

02

CONSULT

Avail of supports which can bring in external expertise to map out your businesses sustainability priorities.



Green for Business



Climate Action Voucher

03

BASELINE EMISSIONS

Establish your businesses current emission levels.



Climate Toolkit 4 Business



SEAI Energy Audit Voucher

04

SET STRATEGY, KPI'S & TARGETS

Agree the key metrics for your sustainability strategy and set appropriate and realistic targets.

05

EXECUTE

Implement strategy and invest where necessary. Establish systems to monitor progress.



SBCI Funding



06

REVIEW

Review your strategy on an annual basis and take corrective action where necessary.



OTHER SUPPORTS & FUNDING

For further information and support, please visit the AIB Green Living Website where you can find details of

- [Sector Sustainability Guides](#) – providing practical tips and information which can be used by businesses to transition their operations to a more sustainable footing.
- [AIB Customer Stories](#) – highlighting some of the businesses which are leading the way for sustainable business in Ireland.
- [Sustainability Grant supports](#) – available from Enterprise Ireland, Local Enterprise Offices & Sustainable Energy Authority of Ireland.
- [Finance Options](#) - if you need support to help finance investment in the sustainability of your business we have ways to help.



IMPORTANT/REGULATORY INFORMATION

The above content is expressed in broad terms and is limited to general information purposes only. Readers should always seek professional advice to address issues arising in specific contexts and not seek to rely on the above information which does not constitute any form of advice or recommendation by AIB.

Some of the links above bring you to external websites. Your use of an external website is subject to the terms of that site.

Lending criteria, terms and conditions apply. Credit facilities are subject to repayment capacity and financial status and are not available to persons under 18 years of age. Security may be required.

