

# Delivering on our pledge to do more



**For the life  
you're after**

# Empowering people to build a sustainable future



#### Our wider reporting suite:

Links and where to find out more:

- [Detailed Sustainability Report 2022](#)
- [Detailed Sustainability Report 2021](#)
- [Detailed Sustainability Report 2020](#)

#### Annual Report 2023

This report supplements our 2023 Annual Financial Report

[AIB Corporate website](#)

Contains more detailed information  
on our approach to sustainability

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## 1. Introduction

# Welcome to Our Sustainability Report for 2023

**Progressing our sustainability agenda is a strategic priority for AIB and is a core tenet of our corporate strategy.**

We continue to play our part to ensure a greener tomorrow by backing those building it today. We have made ambitious commitments to play a central role in supporting our customers, colleagues, and many other stakeholders on this journey.

Open disclosure and accountability promote trust and confidence among stakeholders, and so we are committed to building our corporate sustainability disclosures year-on-year.

Our Sustainability Report for 2023 is divided into five sections, as follows:



Above - The Factory, Birr, County Offaly

## 1. Introduction

Details about our organisation, sustainability strategy, and who our stakeholders are.

Pages 03-13

## 2. Climate & Environmental Action

- The Journey to Net Zero
- Net Zero in Our Own Operations
- Protecting and Safeguarding Nature
- Climate-related Risk Management

Pages 14-32

## 3. Societal & Workforce Progress

- Societal & Economic Progress
- Supporting Customers
- Our Colleagues
- Sustainable Communities

Pages 33-54

## 4. Governance & Responsible Business

- Our Governance Structure
- Corporate Governance, Ethics and Accountability
- Culture and Reputation
- Cyber Security and Data Protection

Pages 55-71

## 5. Supporting Information

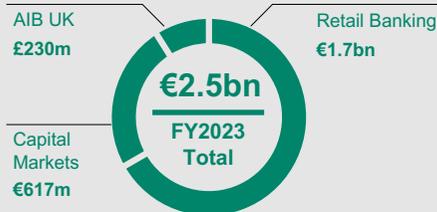
Tabular view of disclosures and ESG supporting information. Pages 72-110

## AIB Group at a glance

# Well Positioned in Key Sectors

In 2023, AIB Group operated three core segments, predominantly in Ireland and the UK, furthering our ambition of being at the heart of our customers' financial lives. From 2024, these will be complemented by a new Climate Capital segment, which is being created to increase the Bank's capability in funding significant sustainable infrastructure projects and to support the transition to a zero-carbon future. We look forward to reporting on our four core segments from 2024.

### Operating Contribution by Segment



Operating contribution is before exceptional items. Total includes Group segment loss of €54m. For further information see Segment Reporting on pages 42 to 46 in the Operating and Financial Review, Annual Financial Report 2023.

### Credit Ratings

Moody's	A3
S&P Global	BBB

### AIB's Sustainability Performance Assessed by Key Agencies

Our performance continues to be recognised by independent ESG ratings agencies where we hold leadership positions.

Sustainalytics	12.7
MSCI	AA
S&P Global	61
CDP	A-

AIB achieved the 2024 Industry Top rated with Sustainalytics, and is a member of the S&P Global CSA Sustainability Yearbook 2024. Information correct as at 06.03.2024. For more information see [www.aib.ie/sustainability/esg-ratings](http://www.aib.ie/sustainability/esg-ratings)

## Retail Banking

**3.02m Active Customers<sup>1</sup>**  
**€39.2bn Net Loans**

Retail Banking supports our personal and business customers with a comprehensive range of banking and financial services, delivered through our branch and digital channels with an expanded reach via EBS, Haven, Payzone, AIB life, AIB Merchant Services and Nifti.

## Capital Markets

**Relationship-driven Model**  
**€19.4bn Net Loans**

Capital Markets, which includes Goodbody, serves the Group's large and medium-sized business customers as well as our private banking customers, providing deep-sector expertise combined with our comprehensive product offering.

## AIB UK

**264k Active Customers<sup>1</sup>**  
**€6.0bn Net Loans**

AIB UK operates in two distinct markets of Great Britain and Northern Ireland. Across both regions, AIB supports our corporate customers with sector-specific expertise. In Northern Ireland, we offer full service retail banking.

1. Active customers defined as those meeting specific criteria under one or more of three categories: Activity, Balance and Policy.

### Our Brands



AIB is our principal brand across all our geographies. AIB provides a range of products and services to retail, business and corporate customers. AIB holds market-leading positions across key segments.



EBS is a predominantly mortgage-focused brand within AIB Group, helping thousands of customers buy their own homes in Ireland. It offers mortgage, personal banking, savings and investment products and services.



Haven is our mortgage broker channel, providing mortgages through intermediaries on behalf of AIB Group.



Goodbody offers wealth management, asset management and investment banking services with quality advice and exceptional client service at the core of its offering.



AIB life is a joint venture with Great-West Lifeco providing protection, pensions and investments to help customers on their path to financial security one step at a time.



Payzone, a subsidiary of AIB Group, provides comprehensive payment solutions to more than 7,500 retail stores, more than 100 clients and more than 500,000 app users across Ireland.



AIB Merchant Services is an associate of the Group, with the other shareholder being Fiserv, a global leader in fintech and payments. It is one of Ireland's largest payment solution providers and one of Europe's largest e-commerce acquirers, with a global customer base.



Nifti is an associate of the Group, with the other shareholder being Nissan Ireland Ltd. NiftiBusiness and Nifti Personal Leasing promote mobility solutions including more sustainable offerings. NiftiBusiness assists companies in achieving their fleet management goals; Nifti Personal Leasing offers personal car leasing to consumers via AIB's new Personal Contract.

## Value Creation

## Value Created for Our Stakeholders in 2023

Helping to deliver a more sustainable future for all is at the heart of AIB's agenda. As a recognised leader of sustainability, and through our Pledge to Do More, we are committed to building long-term resilience and sustainability for stakeholders.

## Key to Stakeholder Groups

- Our customers
- Our employees
- Our suppliers
- Our investors
- Regulators
- Society and community

2.19m

Digitally active customers



3.62m

Daily digital interactions



9,430

First-time buyers supported



15.8%

CET1 (Fully loaded)

€10.8m

Community investment



€4.0bn

New mortgage lending



€12.3bn

New lending

No. 1<sup>1,2</sup>

- SME business current account<sup>3</sup>
- Personal loans<sup>4</sup>
- Personal main account
- Personal credit cards

503

Social homes funded

10,551

Employees<sup>7</sup>

€912m

Employee salaries and benefits

2,527

Suppliers transacted with

€622m

Tax paid and collected<sup>5</sup>

59%

Freefloat<sup>6</sup>

€696m

Cash Dividend

9,300

Homes under development

1. Information as at 15 January 2024.
2. Customer Data Points source: Ipsos Personal Finance Market Pulse 2023.
3. SMEs Market Monitor 2023 (Ipsos B&A on behalf of AIB).
4. Personal lending (excl. car loans) among banks.
5. 'Tax paid' (€349m) refers to taxes borne by the Group, including corporate tax, bank levy, employer social insurance and irrecoverable VAT. 'Tax collected' (€273m) comprises taxes collected from employees, customers and shareholders.
6. Freefloat shares represent the number of AIB shares that aren't restricted and can be publicly traded.
7. AIB Group employees, including Goodbody & Payzone. Staff numbers are on a full time equivalent (FTE) basis.

# AIB Chief Executive Officer, Colin Hunt, Q&A



In conversation with CEO Colin Hunt on our progress from 2023 and our 2024 Group sustainability priorities.

“The threat of climate change to our entire planet has become a reality and so we must think globally.”

**Colin Hunt**  
Chief Executive Officer

## What were your sustainability highlights of 2023?

The highlight of my year was welcoming a record number of people – both online and in-person – to the 7th AIB Sustainability Conference, including the Rt. Hon. Dame Jacinda Ardern, who is an inspirational leader on the world stage. Every year, we lead a conversation with our stakeholders on the importance of sustainability at this event, so I was also very pleased to announce the increase of our Climate Action Fund to €30bn by the end of 2030, supporting the delivery of our ambition to have a net zero portfolio by 2040 and by 2050 including Agriculture.

And I always like to highlight AIB's leadership in ESG bond issuances. In 2023, we issued our fifth Green Bond and second Social Bond, each raising €750m, bringing the total AIB has raised from ESG bonds so far to €5.75bn since 2020. AIB remains the only Irish bank to have issued a Social Bond.

## What role does sustainability play in achieving AIB Group's strategic priorities?

Our purpose is empowering people to build a sustainable future, and sustainability remains at the heart of our Group strategy. Having developed a stronger core to the Group in the past number of years while also welcoming a large number of new customers due to the changing banking landscape in Ireland, we have laid the foundations for the next phase of strategic development. Over the next three years, we will continue to put our purpose into action.

## What will be the benefits for your customers?

To ensure real, transformative action, we are going to build a dedicated green financing division, creating a Climate Capital segment to complement our other segments – Retail Banking, Capital Markets and AIB UK. The threat of climate change to our entire planet has become a reality and so we must think globally. Our new Climate Capital segment will maintain this global outlook, focusing on established renewables technology in North America, the UK and Europe. We will also review and further develop our green products to ensure we are sufficiently supporting all of our customers – including businesses and organisations of all sizes as well as families and people of all ages – in the transition to a low-carbon economy.

## Can you speak to any challenges you've encountered?

As a financial institution, our role is very clear: we must support our customers on their own sustainability journeys, notwithstanding the challenges we will inevitably face along the way. We never anticipated that our own journey would be straightforward. The transition to low-carbon is a complex one, and emissions can be impacted by a great number of factors. It is rarely a linear process. But that is exactly why we have set stretching targets; they are challenging and simultaneously keep us in step with our customers, creating an urgency and momentum across the Group to align around this priority.

## Tell us about AIB's ongoing community support.

I am very proud of the support AIB Group, along with our customers, has provided to GOAL, an Irish organisation providing vital humanitarian relief to the most vulnerable people around the world. At the end of the year, our communities came out in droves to complete the annual GOAL Mile, raising a record €630,000 some of which was raised directly via new 'Donate' functionality on the AIB App, which had been used for the first time earlier in the year to support those affected by the devastating earthquake in Turkey-Syria.

Closer to home, our own AIB Community €1 Million Fund provided direct support to 80 charities primarily throughout Ireland and also in Great Britain. Recipients of the AIB Community €1 Million Fund are those charity organisations nominated by our customers, employees and the general public, and in 2023, such nominations nearly trebled. This engagement shows the important social role AIB and our customers play in our communities, both locally and globally.

## And, finally, what are your ambitions for the year ahead?

I have no doubt that 2024 will bring both challenges and opportunities. Throughout it all, much like in previous years, I am looking forward to continuing to support our customers as we pursue our ambition to be a driving force in the transition to a zero-carbon future.



“I was also very pleased to announce the increase of our Climate Action Fund to €30bn by the end of 2030, supporting the delivery of our ambition to have a net zero portfolio by 2040, and by 2050 including Agriculture.”

**Colin Hunt**  
Chief Executive Officer

# Chair of SBAC, Helen Normoyle, Q&A



**Helen Normoyle, SBAC Chair, discusses the highlights from the previous year and the role of the committee in the oversight of our strategy refresh and ambitions for 2024.**

“The Group continues to make progress and deliver on its sustainability and ESG ambitions”

**Helen Normoyle**

Chair of Sustainable Business Advisory Committee (SBAC)

## What were your sustainability highlights of 2023?

As Chair of SBAC, I am pleased to present our Sustainability Report 2023, which has been assured by Deloitte with reference to GRI. This is AIB Group's 8th annual detailed report, a measure of its ongoing commitment to developing the sustainability agenda and the determination to embed ESG across the organisation as part of its core business strategy. In bringing this report together, AIB can also take the opportunity to look back on another year of supporting our customers in the transition to a low-carbon economy.

Much like Colin, I was delighted to address a record number of attendees at the AIB Sustainability Conference in November. The announcement at that event of the increase of our Climate Action Fund to €30bn by the end of 2030 was the result of the continued outperformance of the Group's green and transition lending. At the end of 2023, AIB had issued a total of €11.6bn in green lending, since the fund's launch in 2019.

This was AIB's 7th Sustainability Conference. When we started this conversation in 2017, the sustainability agenda was very far from both business thinking and the customer narrative. In 7 years' time we will reach our first deadline of our 2030 targets – net zero in AIB's own operations and 70% of all our new lending to be green or transition. This is, very clearly, the half-way mark in our journey.

## Why did AIB Group choose to evolve its sustainability strategy in 2023?

It was the end of a three-year strategic cycle for the Group and, in line with the revision of the Group strategy, AIB took the opportunity to ensure our sustainability strategy is fit for purpose. In terms of frameworks, regulation, and even research and innovation, sustainability itself has evolved over just a short period of time. Financial institutions have an important role to play in climate and social action globally, providing vital funding for the developments that are required – at both large and small scale – to avoid the worst effects of climate change.

For 2024 and beyond, AIB Group's sustainability strategy is framed by three pillars: Climate &

Environmental Action; Societal & Workforce Progress; and Governance & Responsible Business. Indeed, this report is structured around these pillars, and so you can read more about the Group's activity within each pillar in the following pages.

## What was SBAC's role throughout 2023?

Governance of AIB's sustainability agenda is central to what we do at SBAC, and as Chair, I am joined on the Committee by three of my Non-Executive Director colleagues as well as the Chief Executive Officer, the Chief People Officer, the Chief Strategy & Sustainability Officer and the Head of Energy, Climate Action and Infrastructure. The sustainability strategy is implemented by the Group Sustainability Committee, a sub-committee of the Executive Committee. You can read more about these committees and others involved in ESG activity on page 58. The robust governance structure around this agenda demonstrates how serious and committed AIB is as an organisation to advancing its sustainability ambitions and plans.

Other key matters considered by SBAC during 2023 included ESG products and propositions, regulatory engagement and expectations, review of the 2023 stakeholder materiality assessment, and development of the social agenda including vulnerable customers. Please find more details in our AFR report on page 110.

## What were SBAC's considerations in approving the Group's evolved sustainability strategy?

We must always be cognisant of both local and international developments, especially when it comes to making medium- and long-term strategic plans for AIB Group. As such, frameworks such as the UN Sustainable Development Goals (SDGs) and the incoming Corporate Sustainability Reporting Directive (CSRD) provide a useful ongoing reference to ensure AIB continues to provide appropriate support as a financial institution and pillar of the domestic economy – not to mention reporting under these frameworks.

And the Group must constantly refer back to its stakeholders. As such, the double materiality exercise AIB undertook in 2023 revealed the topics that matter most to its stakeholders underpinned by that which has a material impact to the Group.

These topics framed the approach AIB took to developing its sustainability strategy, never losing sight of its stakeholders' own priorities in that regard. You can read about the issues that matter most to the Group's stakeholders on page 8, and AIB's response to those issues are detailed within this report as well.

## From a governance perspective, what will SBAC be focused on for 2024?

As 2024 will be the first year of CSRD implementation, for which AIB and especially SBAC have been in preparation over the last number of months. CSRD is designed to make corporate sustainability reporting more common, consistent, and standardised – in a similar vein to financial accounting and reporting. It places a welcome rigour and emphasis on non-financial reporting, and will be an important and helpful mechanism to increase transparency, prevent greenwashing and improve the sustainability of businesses across the EU and farther afield.

The clock is ticking at this halfway mark, and our progress to date has been built on successive steps, which we must continue to drive.

As the Group continues to make progress and deliver on its sustainability and ESG ambitions, I would like to thank my fellow Committee members, AIB CEO Colin Hunt and all his team, who remain resolutely focused on progressing the Group's purpose of empowering people to build a sustainable future.



Helen presenting at the AIB Sustainability Conference November 2023

# Engaging Our Customers on Their Sustainability Journey

As a champion of sustainability, we are keenly aware of our role in engaging and supporting our customers in the transition to a low-carbon economy. That's why we place such focus on getting out to talk, present and collaborate with partners.

Key highlights from 2023 include:

## January – March



### AIB Group Sustainability Report 2022

Our seventh such report, which was published on aib.ie in conjunction with our annual financial results and promoted widely across social media.

### Transport Sustainability Guide

Providing information for those operating within the transport sector, or with a transport aspect to their business, on how they can operate their business more sustainably.



### Hotel & Accommodation Sustainability Guide

Highlighting some key resource-intensive areas in the sector and providing ideas for business to enhance their sustainability performance.

## April – June

### GreenTechHQ partnership

GreenTechHQ is an entrepreneurial hub in Enniscorthy, Co. Wexford that supports start-ups and companies developing sustainable solutions.



### Manufacturing Sustainability Guide

Industry report launched by the Head of SME Sustainability at the Manufacturing Solutions Conference in Limerick.



### AIB Community €1 Million Fund

16,000 customers, employees and members of the public nominated the causes close to them, with 80 local charities receiving funding.

### Farm Zero C partnership

AIB became the exclusive finance partner to Farm Zero C, a project that is aiming to create an economically viable, climate neutral model for Irish dairy farming.

## July – September

### National Ploughing Championships

The popular AIB Shed Talks were back, hosting panel discussions with a focus on sustainability across the three days of this much-loved festival.



### Sustainability Champions Launch

Sustainability Champions have been appointed in each AIB Business Centre to lead out on the sustainability agenda in their local markets.

### Understanding ESG for Business Customers

A new course developed with the Institute of Bankers (IoB) offering an understanding of the challenges and opportunities facing our business customers.

### Nursing Homes Sector Sustainability Guide

Launched at the Nursing Homes Ireland event, the guide contains tools and information for reducing carbon and enhancing the social benefits of nursing homes across Ireland.

### Future Sparks 2023-24 Programme

Our skills-based, interdisciplinary programme for post-primary schools in Ireland returned for another academic year, with 659 schools registered to take part.



## October – December

### AIB Sustainability Conference – It's Time to Act

With 9,201 attendees, AIB customers were invited to take part in the conversation both online and in person, with keynote speakers Rt. Hon. Dame Jacinda Ardern and Trevor Noah.



### AIB GOAL Mile

In this second year of AIB's support of this national event, 39,700 registered to run or walk a mile and raise €630,000 for GOAL's humanitarian work around the world.



### Demystifying ESG for SMEs

In December, AIB hosted a live information webinar offering advice to our SME customers who want to take practical steps in making their business more sustainable.

### Regional Sustainability Events

Following our hugely successful Sustainability Conference, we held local events in Cork, Wexford, Galway and London to continue to engage our customers across sectors.

### Customer 1st Academy

Launched in October for colleagues in customer-facing roles, our Customer 1st Academy ensures consistent customer engagement and customer experience.

## Our Material Topics

# What Matters to Our Stakeholders

To serve our stakeholders' best interests, we at AIB Group continue to improve our reporting against the targets we have set across all elements of sustainability as part of our strategic growth.

Since 2016, we have engaged with our stakeholders to identify the issues that are material to them and have reported in line with those issues. In 2023, we carried out a 'double materiality' assessment in advance of the incoming Corporate Sustainability Reporting Directive (CSRD) assessing on 'Impact' and 'Financial' materiality.

A double materiality assessment is the starting point for sustainability reporting under the European Sustainability Reporting Standards (ESRS). AIB will report to these standards from the financial year 2024, and this assessment is considered a key element of a CSRD reporting strategy.

This year, we will continue to report material topics identified by our stakeholders from an impact perspective, and next year our CSRD disclosures will also reflect in detail upon financially material topics.

In consideration of next year's sustainability reporting, our CSRD disclosures will be presented in the Annual Financial Report for the financial year 2024 onwards.

### Our Materiality Assessment Process

- 1 Context**  
Understanding AIB's context, value chain and stakeholders
- 2 Preliminary Topics**  
Developing preliminary list of material sustainability matters (topics)
- 3 Impact Materiality**  
Identifying and assessing materiality of impacts across sustainability topics through stakeholder engagement
- 4 Financial Materiality**  
Identifying and assessing materiality of risks and opportunities across sustainability topics through stakeholder engagement
- 5 Validation**  
Validation of material topics and sign-off

The 2023 materiality assessment was conducted by engaging with many different representatives from across our stakeholder groups including customers, employees, suppliers, investors, regulators, community and

trade associations, and also the general public. From a comprehensive list of topics, we asked all stakeholder groups to identify the topics where AIB can have a material impact. Stakeholders assessed these topics over short-, medium- and long-term time horizons. Responses were captured through a mix of online surveys, workshops and insight sessions.

We then identified the impacts, risks and opportunities for each topic. We validated the results and determined a materiality threshold in order to identify the topics of most materiality to AIB.

The final results of the stakeholder materiality assessment process fed into our consideration of material topics. The material topics were then brought through – and challenged by – appropriate governance, culminating in review by the Sustainable Business Advisory Board (SBAC).

The number of 'Impact' material topics has reduced from 13 in 2022 to 7 in 2023, this is not unexpected given the change in the materiality assessment approach where we have moved from a GRI approach in 2021 to a CSRD approach in 2023. CSRD is underpinned by broader definitions of material topics and as outlined above the assessment process itself is also broader. The material topics are presented on this page and are discussed in more detail throughout the report.

## Our Material Topics

The following topics are highlighted throughout the rest of this report with a 'Material Topic' identifier.

### Environmental



#### Responsible Lending and Investment

As a financial institution, and a pillar bank in Ireland, AIB can support all of our customers with their transition to a low-carbon economy with the appropriate products and services.



#### Climate Change Adaptation

The Group must adjust our own operations and business model to best meet the challenges of climate change – leading by example in this regard.

### Social



#### Customer Banking Experience

AIB must ensure a truly positive customer experience, managing our various channels to cater for all of our customers' needs.



#### Financial Inclusion and Wellbeing

We want everyone to understand, have access to, and effectively manage their own money for the life they're after, and we take extra care of the most vulnerable in our society.



#### Housing

Given our central role in the housing lifecycle, we can continue to improve the urgent availability and affordability of housing in Ireland.

### Governance



#### Cyber Security and Data Protection

In an increasingly threatening environment, we must continue to safeguard and protect our systems against cyberattacks, theft and exploitation of our data.



#### Corporate Governance, Ethics and Accountability

We are compliant with best practice in good corporate governance, including ESG governance, operating with clear purpose and a long-term vision for the Group.

# Stakeholder Engagement

## Our Stakeholder Groups

Our purpose is empowering people to build a sustainable future, so effective and systematic stakeholder engagement is a key focus of our approach to sustainability and our strategic growth. Our stakeholder management and engagement is a continuous process overseen by our Executive Committee.

**Our customers** engage with the Group every time they interact with any of our services, and we have been using the Net Promoter Score (NPS) framework to measure and monitor our progress in terms of customer service. More information on AIB's 'Voice of the Customer' programme can be found on page 37.

As **colleagues** engagement is inherent in our workday be it team meetings, 1:1s, emails or instant messaging. We also ensure colleagues are engaged collectively, particularly when it comes to communicating strategic developments. To that end, each business area hosts multiple Townhall events throughout the year, while the entire workforce is invited to join (in person/remotely) at least twice a year for live All-Employee Updates.

We have a Group-wide Third Party Management (TPM) programme, aimed at ensuring our **suppliers** are managed appropriately and effectively. Our Procurement function maintains oversight and face-to-face interaction with suppliers where required and the Responsible Supplier Code sets out our expectations of suppliers. We go into more detail about our engagement with suppliers on page 62.

We run a structured annual engagement programme with **investors** and potential investors, involving appropriate senior management and usually scheduled around the annual and half-yearly results announcements and quarterly trading updates. Our Annual General Meeting (AGM) provides an opportunity for investors to hear from the Board on the Group's performance and, likewise, for investors to give feedback to the Board.



Above: Enda Buckley (centre), Director of Sustainability at Carbery Group with PhD Student Mary Kate Doherty and Gavin Hunt, former Farm Zero C Project Manager

We maintain appropriate ongoing engagement with our **regulators**, engaging both proactively and reactively in response to their requests and/or regulatory examinations, stress tests, and information requests.

And, finally, AIB Group, as a group of financial services companies, is deeply rooted in the **economies and communities** of the jurisdictions in which we operate, with a market-leading franchise across Ireland in particular. We are alive to our role in providing access to banking facilities, financial wellbeing and community support, along with our aim to support the transition to a low-carbon economy.

Find more details on our stakeholder engagement per group throughout 2023 on page 10.

## Responsible Engagement

To serve our stakeholders best interests we engage directly and indirectly with them in a responsible manner.

As well as engaging directly with our stakeholders, we also engage through representative industry groups. We are members of and actively participate in the:

- Banking & Payments Federation Ireland
- European Banking Federation
- Financial Services Union
- IBEC
- Irish Paper Clearing Company\*
- Irish Payments Council\*
- Institute of Bankers (IoB)\*
- Cyber Defence Alliance\*
- United Nations Environment Programme Finance Initiative.

In the UK, we actively participate in UK Finance. These memberships support and are aligned with our strategy; however, we do not provide funding beyond membership. We are also members of and active participants in other sector-agnostic groups, including the 30% Club and Open Doors.

Lobbying activity in Ireland is recorded on the lobbying register. AIB is registered as a lobbyist, albeit we do not actively lobby ([www.lobbying.ie/organisation/803/aib-group](http://www.lobbying.ie/organisation/803/aib-group)). Our approach to lobbying is covered in our Conflicts of Interest policy and Financial Crime policy (which are publicly available), and our internal Lobbying policy. In addition, political donations are prohibited under our Conflicts of Interest policy.

\*AIB holds a governance position with these groups

# Stakeholder Engagement continued

Stakeholder group	Key areas of interest	How and when we engaged	Key outcomes	Measuring our progress
<b>Our customers</b> 	<ul style="list-style-type: none"> <li>Access to banking facilities</li> <li>Cost of living</li> <li>Responsible lending</li> <li>Climate action supports</li> <li>Customer banking experience</li> <li>Data and cyber security</li> </ul>	<ul style="list-style-type: none"> <li>48 Easy Banking Workshops</li> <li>c. 43k average branch footfall per day</li> <li>3.62m digital interactions per day</li> <li>c. 70k Voice of the Customer surveys</li> </ul>	<ul style="list-style-type: none"> <li>A renewed focus on customer engagement</li> <li>Customer Charter</li> <li>Increased digital capability</li> <li>AIB Business App</li> <li>Enhanced fraud support and awareness</li> <li>SME lending schemes</li> </ul>	<ul style="list-style-type: none"> <li>Customer transactional NPS in ROI: +45<sup>1</sup></li> <li>Customer engagement with everyday supports, including in person, via our Mobile Banking Apps, online or over the phone</li> <li>30% growth in green lending<sup>2</sup></li> <li>€11.6bn green lending since 2019; €10bn Climate Action Fund exceeded</li> </ul>
<b>Our colleagues</b> 	<ul style="list-style-type: none"> <li>Employee engagement</li> <li>Learning &amp; development</li> <li>Wellbeing</li> <li>Recognition and reward</li> <li>Net zero targets</li> </ul>	<ul style="list-style-type: none"> <li>2 'Check-in' employee surveys</li> <li>2 All-Employee Update live events</li> <li>5 Employee resource groups</li> <li>LEAD training for 3,000 employees</li> <li>Aspire performance review process</li> <li>Speak-up and Grievance processes</li> <li>Industrial Relations partner engagement</li> <li>Net zero awareness campaigns</li> </ul>	<ul style="list-style-type: none"> <li>Progressive Leave policies, including Carers' Leave and Significant Life Events Leave</li> <li>Provision of employee healthcare benefits from January 2024</li> <li>Introduction of a Variable Remuneration scheme from January 2024</li> <li>Once-off Cost of Living support to all employees</li> </ul>	<ul style="list-style-type: none"> <li>81% satisfaction rate with AIB as an employer<sup>3</sup></li> <li>Gender balanced Board, Executive Committee (ExCo) and all management</li> </ul>
<b>Our suppliers</b> 	<ul style="list-style-type: none"> <li>Responsible Supplier Code</li> <li>Supply chain support</li> <li>Geopolitical impacts</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing face-to-face interactions</li> <li>Third Party Management process</li> <li>Annual attestation for larger suppliers</li> <li>Information requests and direct approaches and campaigns</li> </ul>	<ul style="list-style-type: none"> <li>57 Key supplier attestations</li> <li>Response to information requests, direct approaches and campaigns</li> <li>Engagement of CDP programme to support suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing supplier engagement</li> <li>Increase in suppliers reporting under CDP</li> </ul>
<b>Our investors</b> 	<ul style="list-style-type: none"> <li>Balance sheet resilience</li> <li>Operating environment</li> <li>Inorganic initiatives and opportunities</li> <li>Closing out legacy items</li> <li>Sustainability integration into business strategy and processes</li> <li>Revenue trajectory</li> <li>Capital distribution plans</li> </ul>	<ul style="list-style-type: none"> <li>Annual structured investor engagement programme with executive management</li> <li>Financial and non-financial reporting</li> <li>Dedicated market updates</li> <li><a href="http://aib.ie/investorrelations">aib.ie/investorrelations</a></li> </ul>	<ul style="list-style-type: none"> <li>Strengthened relationships and mutual understanding of progress</li> <li>Access to sustainability-focused capital and wider investor base</li> <li>Enhanced sustainability briefings</li> <li>Normalisation of the share register</li> <li>Return the state's investment in AIB</li> </ul>	<ul style="list-style-type: none"> <li>Stable share register, quality institutions, well spread geographically.</li> <li>Green and Social Bond issuances totalling €1.5bn in 2023</li> <li>Credit rating agency and ESG leadership ratings</li> <li>C. €14bn returned to the state</li> <li>Enhanced liquidity with c. 59% free float</li> <li>NPEs 2.96% of Gross Loans; Exceeded NPE target c. 3%</li> <li>€11.6bn green lending since 2019; €10bn Climate Action Fund exceeded</li> </ul>
<b>Regulators</b> 	<ul style="list-style-type: none"> <li>Consumer support</li> <li>Strategy execution and business model</li> <li>Impact of economic uncertainty</li> <li>Integration of acquisitions</li> <li>Climate risk management</li> </ul>	<ul style="list-style-type: none"> <li>Regular and structured annual engagement</li> <li>Regulatory meetings with Board and management</li> <li>Onsite inspections</li> </ul>	<ul style="list-style-type: none"> <li>Constructive engagements</li> <li>Alignment on key areas of focus and risks</li> <li>Discussion on strategic opportunities and execution</li> </ul>	<ul style="list-style-type: none"> <li>Annual supervisory assessment process (SREP)</li> <li>Information request response rate</li> </ul>
<b>Society and community</b> 	<ul style="list-style-type: none"> <li>Access to banking facilities</li> <li>Financial literacy and wellbeing</li> <li>Environmental transition leadership</li> <li>Community support</li> </ul>	<ul style="list-style-type: none"> <li>Vulnerable customer support</li> <li>Future Sparks Programme</li> <li>Financial planning consultations</li> <li>Annual AIB Sustainability Conference</li> <li>Community partnerships and support</li> <li>Employee volunteering</li> <li>Representation on community and industry groups</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced supports for customers in vulnerable circumstances</li> <li>"It's Time to Act" AIB Sustainability Conference message</li> <li>Media engagement and thought leadership</li> <li>80 local charities supported by AIB Community €1 Million Fund</li> </ul>	<ul style="list-style-type: none"> <li>c. 5,000 additional customers in vulnerable circumstances supported<sup>4</sup></li> <li>550k financial literacy supports provided</li> <li>c. 9,000 AIB Sustainability Conference attendees</li> <li>€10.8m total community investment</li> </ul>

1. Transactional NPS is an aggregation of 20 Homes, Personal, SME, Digital, Retail, Direct and Day-to-Day Banking journeys in ROI.

2. Percentage represents total new green lending / all new green lending (see Sustainable Finance data on page 100).

3. Satisfaction rate is based on respondents from AIB engagement survey for the third quarter of 2023.

4. An Additional Support Flag system allows our staff record support needs to ensure the customer receives consistent support. During 2023, an additional c.5,000 customers were flagged for additional support. C 16,000 customers are flagged for additional support in the organisation since the inception of the support flag in 2020.

# Sustainability Strategy 2020-2023

**As a recognised leader of sustainability, and through our Pledge to do More, we are committed to building long-term resilience and sustainability for our business, economy and society. As we close-out our previous sustainability strategy cycle, we have reshaped AIB Group and are well positioned for the future.**

Sustainable Communities is one of AIB's five strategic pillars. We have placed sustainability at the heart of our business, embedding it into our everyday, including our engagement with our customers. To ensure our performance, we set and have been working towards short-, medium- and long-term targets and ambitions as part of our previous strategic cycle.

Given that the investment required to finance the transition to a low-carbon economy can be counted in the trillions of dollars globally, banks have a crucial role to play in financing investment in climate and energy infrastructure. Since undertaking our first materiality exercise in 2016, we have endeavoured to measure, track and continually challenge our performance by way of Key Performance Indicators (KPIs) across the topics that matter most to our stakeholders. Our approach continues to evolve in line with sustainability reporting frameworks, which may result in variations in methodologies and reported outcomes over time.

We launched our **Climate Action Fund** in 2019, aiming to lend an initial €5bn in green and transition support in five years, which just two years into the fund's activity was doubled to €10bn due to strong demand (and has since been increased again to €30bn by 2030). For more information on our Climate Action Fund, see page 25.

From this initiative, further targets were set, including:

- In 2020, AIB became the first Irish bank to make net zero commitments, including our commitment to be **net zero in our own operations by 2030**, and to reach **net zero in our financed emissions by 2040 (2050 including our Agriculture portfolio)**. We remain steadfast in our ambition to meet these targets. For information on our performance against these targets during 2023, see pages 16 to 24.
- Finance for **social housing**, a sector where AIB has a key role to play in funding vital additional capacity. We launched our €800m fund in 2021, which is due to close at the end of 2024. For more information on this fund and our performance against our target in 2023, see page 35.
- **Financial literacy** and ongoing community support, given the important role the Group holds in society as well as amongst our local communities in Ireland. More information on our community activity in 2023 and our progress against our annual target to support 500k customers in their financial literacy can be found on page 42.
- Our **customer engagement**, including our Transactional Net Promoter Score (NPS), which measures customer interactions for key touch points, and digitally active customer growth, which is an important service delivery channel for our customers. Read more about AIB Group's customer supports in 2023 on pages 37 to 43.
- And, finally, maintaining a **gender balanced** Board of Directors has been an important objective for the Group, and plays a key role in our overall good governance approach. For more information on Corporate Governance, Ethics and Accountability, see pages 59 to 62.

Impact area	Targets	Performance to the end of 2023
<b>Environment &amp; Climate</b> 	<b>2023: €10bn Climate Action Fund</b> in new green & transitional lending (€2bn per year)	<b>€11.6bn in Green lending since 2019<sup>1</sup></b> €3.7bn Green lending in 2023
	<b>2030: Net zero in our operations</b>	<b>17% Reduction in operational emissions<sup>2</sup> in 2023</b> 49% Reduction since 2019
	<b>2040: Net zero ambition financed emissions</b> Customer portfolio lending (Agriculture by 2050)	<b>Financed emissions targets set for 75% of loan book</b>

Impact area	Targets	Performance to the end of 2023
<b>Economic &amp; Social Inclusion</b> 	<b>2024: €800m Finance for social housing</b>	<b>€548m allocated since 2021</b> €91m finance for social housing in 2023
	<b>2023: 500k Customers supported in financial literacy</b>	<b>550k Customers supported in financial literacy</b>
	<b>Ongoing: AIB in our community</b> Ongoing strategic focus	<b>€10.8m Supporting community causes</b>

Impact area	Targets	Performance to the end of 2023
<b>Future Proof Business</b> 	<b>2023: +53 Transactional NPS<sup>3</sup></b>	<b>+45 Transactional NPS</b>
	<b>2023: &gt;2.25m Digitally active customers</b>	<b>2.19m Digitally active customers</b>
	<b>Ongoing: Gender balanced<sup>4</sup> Management</b> On Group Board	<b>Gender balance maintained</b>

1. In H2 2023, our new green lending definition was expanded to include new mortgage lending to energy efficient homes (BER A1-B2 / EPC A-B), aligned to our Sustainable Lending Framework (SLF). Our green mortgage products may include lending to homes with a B3 BER rating. The SLF is an internal AIB Framework that outlines the key parameters on which a transaction can be classified as green. This expanded definition has been applied to all relevant lending activity for the full year.

2. Absolute Scope 1 & 2 GHG emissions.

3. Transactional Net Promoter Score (NPS) is an aggregation of 20 customer journeys across Homes, Personal, SME, Digital, Retail, Direct and Day-to-Day Banking in ROI. Customer First is a core pillar of AIB's strategy and we know that we have more to do. We have taken on board our customers' feedback and recorded strong gains in 2023 and we remain committed to enhancing customer experiences in 2024 and beyond.

4. The Equileap annual Gender Equality Global Report & Ranking equates gender balanced with between 40% and 60% women.

**In 2020, we set out our longer-term ambitions in relation to achieving Net Zero in our own operations and in our customer lending portfolio. As we embark on our next three-year strategic cycle, sustainability is proudly part of our everyday.**

**Please see details of our Sustainability Strategy for 2024-2026 overleaf.**

## Sustainable Communities

# Our Sustainability Strategy 2024-2026

We have reviewed and evolved our sustainability strategy in line with Group strategic ambition as well as material topics identified through a stakeholder materiality assessment.

For further details, see our Annual Financial Report, pages 22 to 24.

Our Group strategy has the following interconnected priorities:

**Customer First:** Developing more enduring relationships with our customers;

**Greening the Loan Book:** Leveraging transformative growth opportunities;

**Operational Efficiency:** Enabling each other to deliver for our customers by investing in capabilities and capacity.

Our ESG principles can be broadly summarised using three pillars as follows:

**E** Climate & Environmental Action

We will provide responsible green finance, investments and advice to drive structural change and to support the transition to a low-carbon future

**S** Societal & Workforce Progress

We will strive to make a positive economic contribution and to be a positive influence on society, improving the lives of people and their communities and helping to build a brighter and fairer future

**G** Governance & Responsible Business

We will pride ourselves on acting responsibly, with integrity and transparency, while embedding ESG capabilities and measures at the heart of our business



Our evolved sustainability strategy sharpens our focus across the Environmental, Social and Governance pillars and aligns strongly with our wider business strategy.

# Our Sustainability Strategy 2024-2026 continued

With a new segment dedicated to Climate Capital from 2024, sustainability remains at the very core of AIB Group's strategy. Our Climate Capital segment, alongside our other segments, will increase our capability, support business growth, and demonstrate our position as a driving force in the transition to a zero-carbon future.

Our purpose	<b>Empowering people to build a sustainable future</b>		
ESG strategic pillars	 <b>Climate &amp; Environmental Action</b>	 <b>Societal &amp; Workforce Progress</b>	 <b>Governance &amp; Responsible Business</b>
Areas of focus	<ul style="list-style-type: none"> <li>• Lend responsibly and steer our portfolios towards net zero by 2040 (Agriculture by 2050).</li> <li>• Reach net zero in own operations by 2030.</li> <li>• Increase consideration and management of climate- and environmental- related risks.</li> <li>• Contribute to protecting nature and safeguarding natural ecosystems/habitats.</li> </ul>	<ul style="list-style-type: none"> <li>• Put our customers first, always treating them fairly and with respect.</li> <li>• Continue to proactively contribute to a robust and sustainable future economy and society.</li> <li>• Empower own workforce and foster a safe, inclusive and supportive work environment.</li> <li>• Positively support Sustainable Communities and local initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate a culture that promotes our values and fosters engagement.</li> <li>• Board and management to work to the highest standards to deliver long-term value.</li> <li>• Operate responsibly at all levels, while managing cyber security, data security and operational resilience risks.</li> </ul>
Alignment with UN SDGs*	   	  	
Some key measures of how we bring our ESG Strategy to life	<ul style="list-style-type: none"> <li>• We have increased our existing Climate Action Fund from €10bn (by end 2023) to a cumulative €30bn by 2030.</li> <li>• We aim to have 70% of new lending to be green or transition by 2030.</li> </ul>	<ul style="list-style-type: none"> <li>• We will build a brighter and fairer future for our customers by lending more than €6bn to first-time buyers by 2026.</li> <li>• We will continue to support Sustainable Communities and local initiatives through AIB's community fund and charity donations.</li> </ul>	<ul style="list-style-type: none"> <li>• We will act responsibly and build an inclusive workforce that reflects our culture and promotes our values.</li> <li>• We will further improve our efforts to manage cyber security, data security and operational resilience risks, protecting customers and bank.</li> </ul>

\*While AIB supports all 17 United Nations Sustainable Development Goals, we believe we can make a most sustained and scalable impact in those listed above.



Over the next three years, we are going to put our Purpose into action. Our strategy is centred on our customers' needs and anchored in a progressive ESG agenda.

# 2. Climate & Environmental Action



# 2. Climate & Environmental Action

We provide responsible green finance, investments and advice to drive structural change and support the transition to a low-carbon future.

The following section contains details of AIB's Climate & Environmental Action Pillar. It will commence with details of our journey to net zero, and describe the efforts we are making in relation to our own carbon footprint and supporting our customers in their transition.



## This section contains the following chapters:

The Journey to Net Zero	16
Net Zero in Our Own Operations	19
Financed Emissions	22
Net Zero Lending Portfolio	24
Responsible Lending and Investment	25
How Green Finance Works	28
Protecting and Safeguarding Nature	30
Climate and Environmental Risk Management	31

## Our awards:

### IoB Future of Finance Award

Category: ESG

### Chambers Ireland Sustainable Business Impact Awards

Category: Communication – Large Indigenous Company

### GlobalCapital Bond Awards

Category: Most Impressive Financial Institution ESG Bond Issuer

## ESG Measures:

### €30bn

2030  
€30bn for Climate Action Fund - 70% new lending to be green or transition

### Net Zero

2030  
In our own operations (includes Scope 1 & 2 emissions)

### Net Zero Ambition

2040  
Customer portfolio lending (Agriculture by 2050)

## Climate &amp; Environmental Action

## The Journey to Net Zero

## Introduction

The threat of climate change has become a reality. In 2023, the planet experienced its hottest day on record, as heatwaves, flooding, wildfires and storms affected livelihoods and industries, ravaging towns and countrysides around the world. Ireland experienced its hottest June, its wettest July, and its warmest year on record overall. For the first time ever, Ireland's average temperature for 2023 was above 11°C<sup>1</sup>, while the temperatures in our waters reached dangerously warm and unprecedented levels.

Scientific evidence shows that time is rapidly running out to prevent the worst effects of human-caused climate change. The IPCC Synthesis Report, published in July – the final instalment of its Sixth Assessment Report – gave a stark warning: the earth is 1.1°C warmer now than before the industrial revolution and we are on track to surpass the Paris Agreement target of a 1.5°C warming limit during the 21st century. Indeed, the report found that, without deep, rapid and sustained reduction in greenhouse gas emissions, we will likely breach a 2°C increase, resulting in an environment that would wipe out a large number of species and significantly affect one-third of earth's human population.<sup>2</sup>

## It is time for decisive action

Finance is an enabler of this decisive action, and is required to provide necessary funding for the accelerated climate action that is now vital. It is estimated that required capital spending on physical assets for energy and land-use systems in the net zero transition between 2021 and 2050 will amount to c. \$275tn, or \$9.2tn per year on average, representing an annual increase of as much as \$3.5tn from January 2022<sup>3</sup>. More locally, the Government's own White Paper on Ireland's Transition to a Low Carbon Economy 2015-2030 notes that the costs required for the energy transition will "primarily be funded by commercial

and household investment and charges on energy use"<sup>4</sup>. In this way, financial institutions are critical catalysts for action: funding the required broad infrastructural change as well as providing both the finance and incentive – by way of attractive propositions and/or pricing – for households and businesses to make lower-carbon choices. AIB will continue to be a leader in this endeavour.

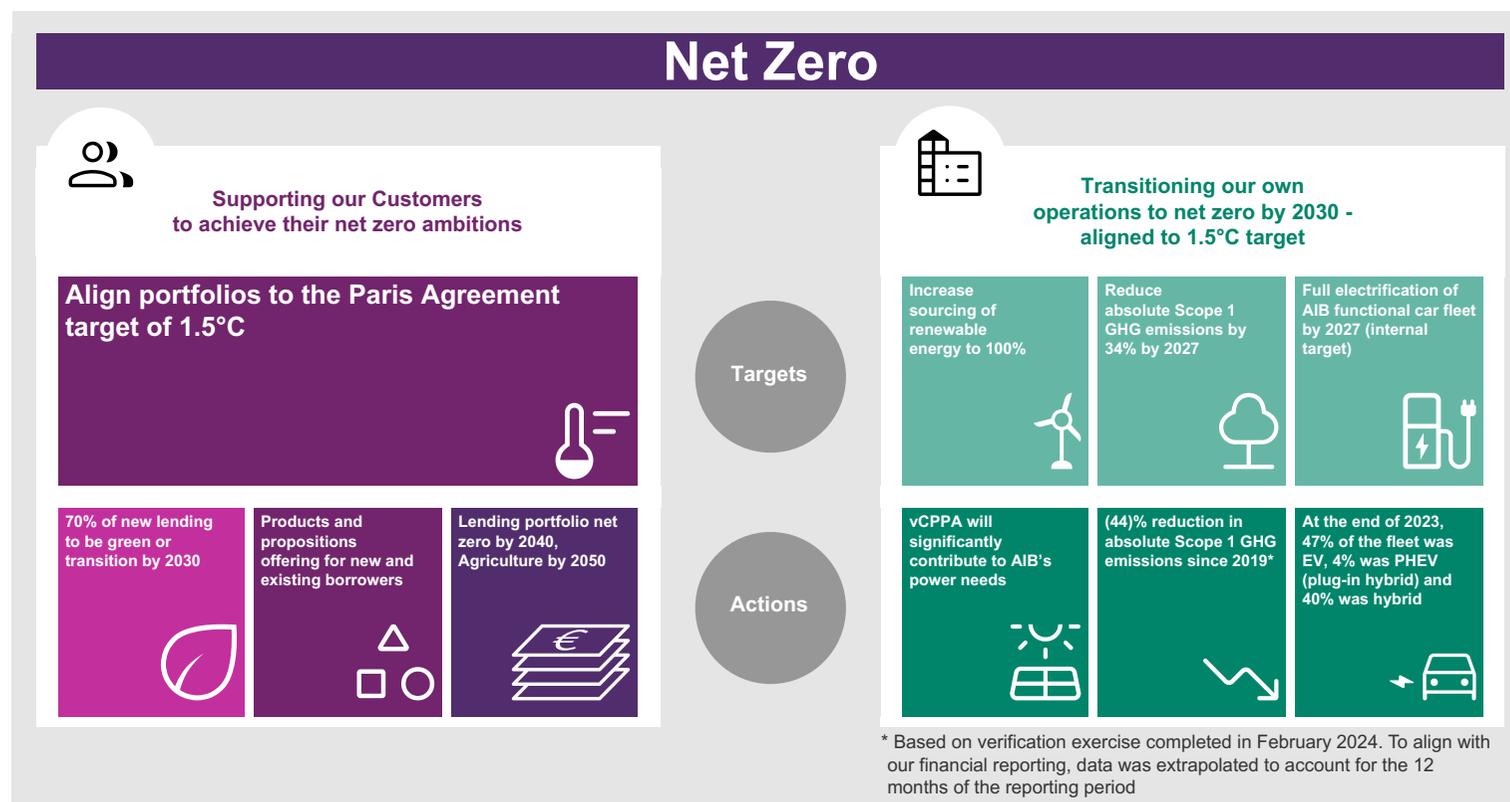
In 2020, AIB became the first Irish bank to pledge to operate as carbon neutral by 2030, using a net zero approach. Recognising that the majority of our carbon footprint comes from lending to support our customers; we also set an ambition that green and transition lending should account for 70% of our new customer lending by 2030, and that our entire lending portfolio should be net zero by 2040

(excluding Agriculture, where we strive to meet net zero by 2050 in line with the Irish Government's target for that sector). These targets are aligned with the Irish Government's plans as well as the EU's Green Deal.

Our sustainability strategy since 2020 has focused primarily on financing activities that will help decarbonise the economy and support our customers to transition to a low-emissions society. And thus began a review of our propositions, products and services, leading AIB Group to offer sustainable finance including Green Mortgages across our AIB, EBS and Haven brands. We also offer green loans for personal customers, and sustainability linked and green loans for corporates, regular issuances of Green and

Social Bonds for responsible investors, a deeper community connection and advisory services as our people developed their expertise in sustainable finance. All while continuously reducing emissions from our own activities, including the strategic step of entering into a virtual Corporate Power Purchase Agreement (vCPPA) with NTR plc in 2021. This resulted in the construction of two solar farms, helping AIB meet its target of delivering on its commitment to ensure 100% of its estimated electrical needs come from certified renewable energy sources by 2030.

As AIB Group embarks on our next three-year strategic cycle, sustainability is proudly part of our everyday, and delivering on our purpose is empowering people to build a sustainable future.



1. Met Éireann report 28 December 2023 on [www.gov.ie](http://www.gov.ie)
2. IPCC Synthesis Report.
3. The net-zero transition: Its costs and benefits, McKinsey & Company, 2022.
4. White Paper on Ireland's Transition to a Low Carbon Economy 2015-2030.

## Climate &amp; Environmental Action

# The Journey to Net Zero

AIB is a founding signatory to the United Nations Environment Programme Finance Initiative (UNEPFI).

We began reducing emissions for our own operations in 2016 and, in 2020, AIB became the first Irish bank to make net zero commitments, including our commitment to be net zero in our own operations by 2030, and to reach net zero in our financed emissions by 2040 (2050 including our Agriculture portfolio).

We launched our Green Mortgage product in 2019 followed by our green personal loan in 2021.

We were the first bank in the world to get SBTi approved maintenance targets for electricity generation in April 2023 and have set SBTi approved financed emissions targets for 75% of the AIB loan book.

To support our customers, in 2019 we launched our Climate Action Fund with an ambition to lend €5bn over a five-year period. Due to exceptional demand, this doubled to €10bn in 2021 with an increase to €30bn by 2030.

In 2019, AIB was the first Irish Bank to publish a Green Bond Framework and, in 2020, AIB was the first Irish Bank to issue a Green Bond for €1bn.

Over the last four years, AIB has raised a combined €4bn from the issuance of Green Bonds.



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

2022

## During 2022

- Issued 2 Green Bonds totalling €1.5bn.
- Successful launch of SBCI Energy Efficient Loan Scheme



Signed the virtual Corporate Power Purchase Agreement to support AIB energy needs.

**€3.3bn** in green  
lending in 2022



Pictured on site at the solar farm in Gorey, Co. Wexford, are NTR CEO Rosheen McGuckian with AIB CEO Colin Hunt

2023



**75%**

**SBTi validated targets for Residential Mortgages, Commercial Real Estate, and Electricity Generation, which cover 75%\* of loan book.**

\* As at baseline of 2021

Timeline continued  
on next page

Climate & Environmental Action

# The Journey to Net Zero continued

Timeline continued from previous page



Acquired Clearstream (Ireland's leading corporate climate and sustainability services provider) to enable us to further support our customers in their transition



## During 2023

**€3.7bn** in green lending in 2023  
30% of new lending 2023

**€11.6bn** in green lending since 2019

2023

**€30bn** Climate Action Fund 

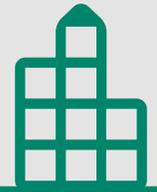
Increased our Climate Action Fund to €30bn

### Bonds



**€4bn**  
AIB has raised €750m during 2023 from the issuance of its fifth Green Bond, the proceeds of which will contribute to the financing of projects with clear environmental and climate action benefits, while further strengthening the Bank's capital position. Since 2020, AIB has issued five Green Bonds, totalling €4bn.

### Own operations



Net zero in our own operations by 2030

### Lending



70% of new lending to be green and transition by 2030



# Net Zero

AIB is committed to achieving net zero emissions by 2040 (2050, including Agriculture)

2030

2040

## Climate &amp; Environmental Action

## Net Zero in Our Own Operations

While we are supporting our customers in the transition to a low-carbon economy, AIB Group is ever mindful of our own carbon footprint, with a clear ambition to reach net zero in our own operations by 2030.

This demands that we accept responsibility for the direct impact of our own operations on the environment. While we have been on a journey for years to reduce our Scope 1 & 2 emissions and use our resources responsibly, the establishment of this ambition has put a sharp focus on all of our efforts – across our buildings, our partners and our colleagues.

Through our environmental and energy policies, we specify how we will meet our responsibility to protect the environment, increase our energy efficiency and tackle our operational emissions. And although the nature of the Group's activity is not harmful to the environment, we ensure we take environmental protection into account in accordance with ISO international standards.

In 2014, we achieved our first certification to ISO 14001 and 50001 for our previous company headquarters in Bankcentre, Dublin. A Group-wide certification was then achieved in 2018, and in 2023, re-certified for another three years.

This approach has enabled us to manage our estate in a sustainable manner by proactively implementing best-in-class environmental and energy practices, with homogeneous processes and indicators for rigorous monitoring.

### Emissions Targets

The emissions targets we have set and validated for our own operations are (using 2019 as our baseline):

- Reduce our absolute Scope 1 GHG emissions by 34% by 2027<sup>1</sup>; and
- Increase our annual sourcing of renewable electricity to 100% by 2030.

And, since 2019, we have:

- Reduced our absolute Scope 1 GHG emissions by (44)%; and
- Reduced our overall Scope 1 & 2 emissions by (49)%<sup>2</sup>.

Absolute GHG Emissions (tCO <sub>2</sub> e) <sup>a</sup>		2023	2022	2021	Baseline Emissions	Baseline Year
Scope 1:	Direct emissions	2,670	3,200	3,978	4,784	2019
Scope 2 <sup>b</sup> :	Indirect emissions	4,909	5,963	5,945	10,025	2019
<b>Total Absolute Scope 1 &amp; 2 GHG emissions</b>		<b>7,579</b>	<b>9,163</b>	<b>9,923</b>	<b>14,808</b>	<b>2019</b>
Scope 3 <sup>c</sup> :	Category 1 - Purchased goods & service		2,584	2,319	488	2019
	Category 2 - Capital goods		1,045	926	129	2019
	Category 3 - Fuel & energy-related activities		3,342	3,906	5,512	2019
	Category 5 - Waste generated in operations		35	39	199	2019
	Category 7 - Business travel		1,556	342	3,845	2019
	Category 8 - Employee commuting		5,346	2,008	4,287	2019
	Category 15 - Investments (Financed Emissions) <sup>d</sup>		2,200,000	2,570,000	2,570,000	2021

a. For more details on our GHG emissions, see Supporting Information on page 100.

b. Scope 2 emissions are location-based.

c. Scope 3 emissions are reported one year in arrears - 2022 data is the most recent information available.

d. For more information on our Category 15 Financed Emissions, see pages 22-23.

While to date we have been purchasing electricity on green tariffs, our vCPPA with NTR plc is a clear sign of intent. We took action in 2022 to create two new solar farms in Co. Wexford, to be owned by NTR plc. Construction began swiftly, and the first solar farm commenced energisation in February 2024.

They will deliver certified renewable energy to the Group along with supplying the national grid with 21.4 Gigawatt-hour (GWh) of new renewable energy. These solar projects will produce enough clean energy to power over 5,000 Irish homes<sup>3</sup> annually.

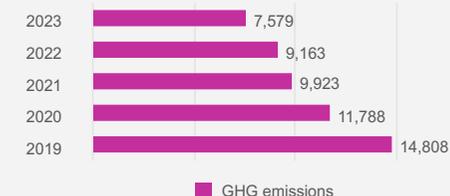
This agreement will contribute to the delivery of the Irish Government's Climate Action Plan, which has set a target of 15% of all electricity demand being met by renewable generators contracted under Corporate Power Purchase Agreements by 2030. The agreement also ensures the Group has a sustainable and secure energy supply at a fixed price for 15 years.

1. In line with SBTi criteria, the target boundary includes CO<sub>2</sub> emissions from the combustion, processing and distribution phase of bioenergy – as well as the land use emissions and removals associated with bioenergy feedstocks.
2. Emissions data based on verification exercise conducted in February 2024.
3. Based on the P50 (expected annual average level of generation) and the Commission for Regulation of Utilities (CRU) figures for annual average consumption of Irish households.



### Operational emissions progress

Scope 1 & 2 GHG emissions tCO<sub>2</sub>e



AIB's carbon footprint, as verified in February 2024, showed a significant 49% reduction in Scope 1 & 2 emissions from 2019 to 2023. This includes a year-on-year reduction of 17% in operational emissions across the estate. Fleet emissions reduced by 14%. In addition, electricity, gas and oil consumption showed 18%, 20% and 19% reductions respectively, helped by changes made to the estate under our Net Zero Property Strategy. Additionally, COVID-19 had an impact on our Scope 1&2 emissions reduction, as staff moved to remote working and buildings were closed or had reduced operational capacity. Working from home emissions are currently excluded from our Scope 3 reporting. AIB is evaluating how to report these emissions in future years.

[For more detail on our GHG emissions, see Supporting Information on page 100.](#)

[We also report on the energy we consume in our business, the water we use and the waste we generate \(see page 101\).](#)

## Climate &amp; Environmental Action

# Net Zero in Our Own Operations continued

As a bank, our building network spans Ireland, as well as having a presence in the UK and the USA. While we are not operating in an emissions-intensive sector, we recognise our property portfolio nonetheless could have a significant footprint if not actively managed. Since 2018, we have embarked on a strategic review of our operations starting with those based in older, inefficient buildings – and any new buildings we intend to occupy must have high energy efficiency and limited environmental impact.

The Group has considered energy efficiency and energy saving as key elements in reducing CO<sub>2</sub> emissions. Key initiatives to meet these targets are incorporated in our property and fleet strategies, our energy purchasing decisions (such as our vCPPA), and actions taken to continuously increase our energy efficiency (e.g. increasing our real-time energy monitoring capabilities).

In relation to our property, we are continuously improving our existing branch and office building estate to reduce its energy consumption, carbon footprint and reliance on fossil fuels.

Lighting across our estate is set to be more efficient through a multi-year LED upgrade programme. Installations on a broad spectrum of lighting infrastructure will bring energy and cost reduction – typically, LEDs provide an energy reduction of 40-60% – in addition to a better operating environment for staff and customers, and a lower maintenance requirement. In 2023, we extended our LED programme to 73 locations, including 71 branches.

As committed to in Ireland's Programme for Government and set out in the Climate Act 2021, the Climate Action Plan sets out 2030 targets in both energy efficiency and carbon reduction, both of which the LED programme will deliver on. In addition, this programme aligns with the continual improvement of energy efficiency as per the ISO 50001 International Standard and fully supports our Net Zero Operational ambition by reducing Scope 2 GHG emissions.

To date, an investment of c. €2.4m has been allocated to this programme in order to enhance

the working environment of the upgraded locations, and reduce operational costs, energy consumption and related carbon emissions.

In 2023, two Galway city centre properties, Lynch's Castle and Eyre Square, underwent extensive sustainability refurbishments. All fossil fuel-based systems were replaced with more energy-efficient, carbon-free alternative technologies. Lynch's Castle's status as a national monument, and its unique and historical features, were to the forefront of designs and were fully preserved for future generations. As a result, AIB's operations in Galway city centre are free of fossil fuel emissions. You can read more about the Eyre Square property, which is presented as a case study on page 21.

We also extended our metering and monitoring infrastructure. Submetering is being installed across the estate, with the consumption data available to view in real time. Access to this data will help us to track and identify trends and patterns in consumption, allowing for the identification of areas of inefficiency. In particular, gas metering will allow us the opportunity to recognise CO<sub>2</sub> reduction possibilities on the metered buildings by reducing fossil fuel consumption through improved management of heating and hot water requirements.

Real-time energy metering can optimise energy use by up to 10% and has a key role towards achieving our net zero 2030 target. In 2023, we committed to increase the number of properties with this type of infrastructure by 25%, by allocating additional investment funds to support this initiative.

We are also conscious of the impact our fleet of vehicles has on the environment. To that end, we are continuing our phased approach to transitioning our 138-vehicle corporate fleet, which is on track for full electrification by 2027. In 2023, we switched a further 44 vehicles to EVs. As such, at the end of 2023, 47% of the fleet was EV, 4% was PHEV (plug-in hybrid) and 40% was hybrid, with the remaining 9% being petrol- or diesel-fuelled.

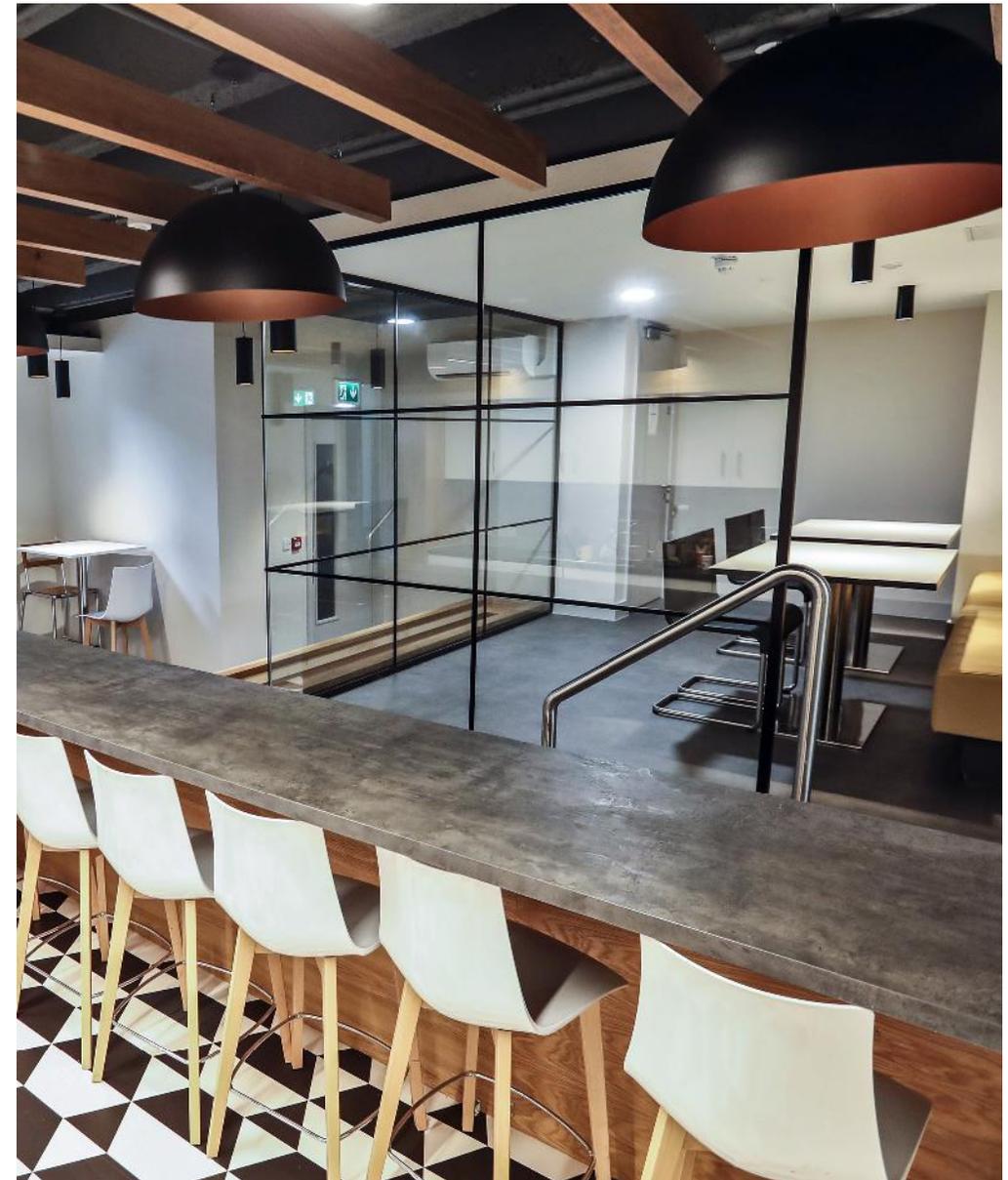


Image above is of our Eyre Square retrofitted building in Co. Galway

## Climate &amp; Environmental Action

## Net Zero in Our Own Operations Case Study

## Case study:



## The Transformation of Our Regional Office in Galway's Eyre Square

Taking place over two phases in 2022 and 2023, the refurbishment of our building on Eyre Square in Co. Galway has resulted in AIB's first large net zero<sup>1</sup> building that has benefits across sustainability, connectivity, employee wellbeing and community engagement.

The refurbished building had to satisfy an energy-efficiency requirement while also increasing capacity to accommodate an amalgamation with another location close by.

The refurbishment of our 1,300 sq. m., four-storey-over-basement office building in Eyre Square, which was originally constructed some 50 years ago, took place over two phases in 2022 and 2023.

Internally, the building was stripped back to a 'grey box', and all services and internal finishes were replaced. The upper floors of the building were in use as office spaces, while the ground floor and basement – forming the former retail bank space – had been closed and unused for approximately two years.

Externally, the walls were insulated, the windows were replaced, and the roof finish was replaced, insulated and reinstalled to improve the carbon footprint of the building. The legacy oil boiler heating system was replaced with a more energy-efficient heating and cooling system. The lighting system was upgraded to an LED installation, with improved controls, including motion sensors.

Accommodating staff from a nearby location that was being amalgamated, the redesigned interior provided 116 workstations and collaboration spaces on the upper floors and 20 'hot desks'.

The basement was repurposed to become a staff canteen with additional facilities such as showers and a drying room for staff who prefer to walk, run or cycle to work. Visually the internal appearance was greatly improved with the installation of open plan layouts and ceiling rafts (exposing the concrete structure).

The project involved a significant proportion of recycled or locally sourced materials, focusing on principles of the circular economy, recovering and integrating existing equipment into the new design.

There was also a focus on social impacts. Accessibility was improved, a new Local Working Hub (LWH) provides employees with an alternative working option, and parking facilities were forgone in favour of facilities encouraging active transportation.



Image above with AIB colleagues taken in our Eyre Square retrofitted building

Investment in the Eyre Square building upon completion of the project covered construction works, life cycle investment and sustainability items while, overall, the refurbishment will reduce its energy consumption compared to the pre-refurbishment period. Indeed, the energy and carbon savings achieved (including the building amalgamation) at the end of 2023 were: 95,228 kWh of electricity and 65,762 kWh of fossil fuel energy, saving a total 40 tCO<sub>2</sub>e annually.

1. Net Zero will be confirmed once operation of the virtual Corporate PPA solar farm commences and AIB can benefit from the Guarantees of Origin (GoOs) to demonstrate full traceability of renewable energy purchase.

## Climate & Environmental Action

# Financed Emissions

AIB has publicly communicated ambitions to achieve net zero and increase our proportion of sustainable lending in our customer lending portfolio. In 2022, we set financed emissions targets for three sectors using a Sector Decarbonisation Approach (SDA) – i) Residential Mortgages; ii) Commercial Real Estate; and iii) Electricity Generation, and a fourth Corporate Portfolio Coverage Target all of which have been validated by SBTi.

A significant proportion of the Decarbonisation Scenarios are outside of AIB's direct control, and, as such, we rely on regulation, policy, technology adoption, market trends and consumer behaviours.

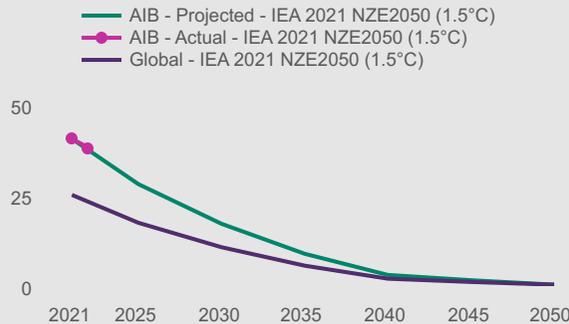
Targets and baselines were set using Partnership for Carbon Accounting Financials (PCAF) Greenhouse Gas (GHG) guidance in relation to data.

Given the data availability challenges for financed emissions calculations, there is an acknowledgement that proxies are required when direct customer emissions data is not available. We are continuing to put measures and actions in place enhance our data across our lending portfolio.

Progress towards the achievement of our targets will help us mitigate Climate & Environmental risks and achieve our ambition of net zero and increase our sustainable lending. We measure, monitor and report the targets and associated business actions whilst acknowledging that progress may not be linear on a year-on-year basis given the reliance on external developments.

As we move into 2024, we will validate our Science Based Targets as a result of the growth in inorganic loans during 2023 following the Ulster Bank acquisition.

### Group Residential Mortgages Book



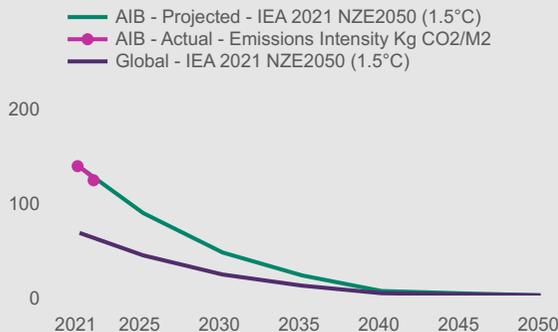
## Residential Mortgages

**In 2021, we set a baseline emissions intensity/target coverage of 40 kgCO<sub>2</sub>e/m<sup>2</sup> and used the International Energy Agency (IEA) 2021 NZE2050 1.5°C SDA Scenario to form the basis for the physical emissions intensity reduction of 58% required by 2030.**

Our Residential Mortgages portfolio comprised 50% of total lending at €29.4bn in 2021. In 2022, the portfolio remained at 50% and total lending increased to €30.3bn. Between 2021 and 2022, there has been a 5% reduction in emissions intensity, now standing at 38 kgCO<sub>2</sub>e/m<sup>2</sup>.

AIB will continue to invest in residential mortgage product and propositions to support the achievement of our targets.

### Group Commercial Real Estate Book



## Commercial Real Estate

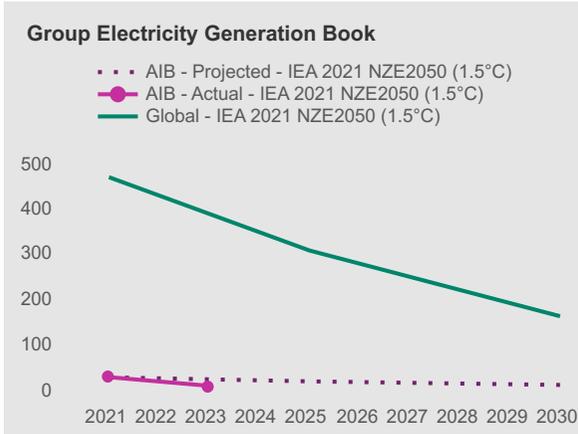
**In 2021, we set a baseline emissions intensity/target coverage of 135 kgCO<sub>2</sub>e/m<sup>2</sup> and used the International Energy Agency (IEA) 2021 NZE2050 1.5°C SDA Scenario to form the basis for the physical emissions intensity reduction of 67% required by 2030.**

Our Corporate Real Estate portfolio comprised 10% of total lending at €5.6bn in 2021. In 2022, the portfolio comprised 12% and total lending increased to €7.5bn. Between 2021 and 2022, there has been a 9.6% reduction in emissions intensity, now standing at 122 kgCO<sub>2</sub>e/m<sup>2</sup>.

We are competitive in the Commercial Real Estate sector in our home market and our focus on sustainability in this sector is a key differentiator. Commercial Real Estate is also an important sector to us because of the social impact of our business. We work with developers and housing schemes and through the provision of finance, we have a positive social impact by increasing the housing supply in Ireland.

# Climate & Environmental Action

## Financed Emissions continued



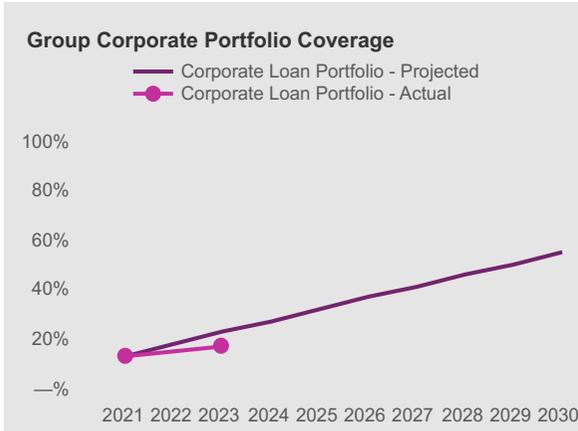
## Electricity Generation

**In 2021, we set a baseline maintenance target of 21 gCO<sub>2</sub>e/kWh, vs Global 2023 463.7 gCO<sub>2</sub>e/kWh.**

Our Electricity Generation portfolio comprised 3% of total lending at €1.6bn in 2021. In 2023, the portfolio increased to 4% and total lending increased to €2.6bn.

AIB's Electricity Generation portfolio has a very low emissions intensity relative to the global average for power, given the high share of renewable energy assets such as offshore wind. As such, our Electricity Generation portfolio is already aligned to International Energy Agency (IEA) Decarbonisation pathways that deliver a 1.5°C outcome. Our commitment is to maintain the existing intensity levels of 21g CO<sub>2</sub>e/kWh of our Electricity Generation portfolio through 2030 by keeping the portfolio focused on renewable electricity generation projects.

We intend to grow AIB's business in renewable energy infrastructure to support the broader transition to net zero.



## Corporate Portfolio Coverage

**In 2021, we set a target to increase Corporate Portfolio loan volumes covered by emission targets from 12% to 54% by 2030.**

Our Corporate Portfolio Coverage comprised 12% of total lending at €6.9bn in 2021. As of 2023, we have increased our Portfolio Coverage to 16% representing an increase of c.4% from 2021. This metric includes corporate counterparties with > 500 Employees in line with the Non-Financial Reporting Directive (NFRD) definition by loan value that have SBTi validated targets.

The proportion of customers with SBTi validated science based targets set is expected to steadily increase in the coming years as new rules around transition plan disclosures come into force. Key sectors will decarbonise in line with the Government's Climate Action Plan 2023 and corporate counterparties with >500 Employees will set their own emissions targets in the medium term.

<h1>75%</h1> <p>SBTi validated targets for Residential, Commercial Real Estate, and Electricity Generation which cover 75% of loan book.</p>	<h2>Corporate Portfolio Coverage 54%</h2> <p>Increase loan volume covered by emissions targets from 12% to 54% by 2030*</p>	<h2>Residential Mortgages (58)%</h2> <p>Reduction in emissions intensity required by 2030*</p>	<h2>CRE (67)%</h2> <p>Reduction in emissions intensity required by 2030*</p>	<h2>Electricity Generation Maintain</h2>
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\* From a baseline of 2021

## Climate &amp; Environmental Action

## Net Zero Lending Portfolio

## Informing Agri Sector

We know the challenges facing farmers in Ireland can feel daunting. We have set a target for our Agri portfolio to be net zero by 2050, which is in line with the Irish Government's own ambition. While our target may be many years away, we are acting and supporting farmers and the food industry now, working with the Government, Agri partners and through initiatives around the country to collectively meet Ireland's low-carbon ambitions for this vital sector. From "farm-gate" to industry operating at global scale in the agriculture and food supply chain, our teams engagement with stakeholders affords unique insight into sustainable farming, nutrition and food production developments. When it comes to this support in particular, we know that information is key.

Our specialist Agri team comprises 15 people based around the country, including a Head of Sustainability for Agriculture, Food & Fishing, who was appointed in May 2023. This team has the experience, understanding and track record of supporting the sector so it can continue to develop and thrive sustainably. It provides strong, objective farm financial and technical analysis on individual farm cases as needed.

AIB produces a biannual ezine for our customers interested in the latest developments and news from Ireland's agriculture sector. Delivered straight to the mailboxes of 25,000 customers and Agri industry personnel, Agri Matters is intended to bolster our support of this sector, offering tailored economic and investment information, while profiling customers with interesting success stories. We also share information from our partners, including Teagasc, which is currently running a regular feature on its Signpost programme, an advisory programme supporting climate and sustainability actions on farms.

In 2023, we partnered with Ipsos, conducting fieldwork with a nationally representative sample of more than 1,000 farmers, to compile the AIB Agri Tracker assessing farmers' outlook for the future. This survey found that optimism is on the rise, with 38% of respondents very or fairly optimistic, up from 31% the previous year. The survey also found confidence in

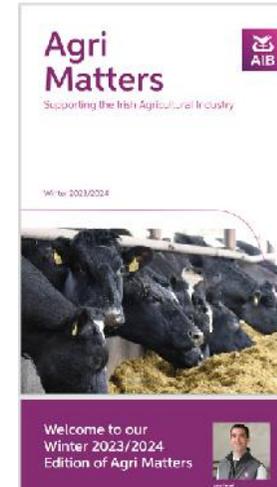
the move towards sustainability; 60% of respondents agreed that improving the environmental sustainability of their farm would have a positive economic impact on their income, with 16% saying it would have a very positive impact, 44% saying it would have a quite positive impact, and 16% unsure. 20% of those farmers surveyed felt that improving environmental sustainability would have a quite negative impact on farm income and just 4% said it would have a very negative impact.

## A Focus on Agri Collaboration

Given our ambition for our Agriculture portfolio to be net zero by 2050, aligned to the Irish Government's target, along with our deep appreciation for the recognised leadership and heritage of the farming community in Ireland, AIB is particularly keen to partner with like-minded organisations in this area for the benefit of our customers and communities in this industry.

In July, AIB became the exclusive financial institution partner with the Farm Zero C project, based in Shinagh, outside Bandon, West Cork. Farm Zero C, a joint project with Carbery, the West Cork-based international food ingredients company, and BiOrbic, Ireland's National Bioeconomy Research Centre, aims to create an economically viable, climate neutral model for Irish dairy farming. Agriculture has been at the heart of the Irish economy for centuries and, at AIB, we see the dedication to sustainability that Irish farmers demonstrate every day from dawn to dusk. This project brings together a group of research and industry experts in a world-first attempt to come up with a farm-level solution for a global problem, and we will support it every step of the way.

AIB has had a long-standing partnership with Teagasc, the state agency providing research, advisory and education in agriculture, horticulture, food and rural development in Ireland. While profiling Teagasc's Signpost programme, AIB also sponsors Teagasc's Grass10 initiative, which focuses on increasing grass utilisation across livestock production systems, thereby improving economic, social and environmental agricultural sustainability. Every year, Grass10 names an



[Read the latest edition of our Agri Matters ezine here.](#)

overall 'Grassland Farmer of the Year', recognising a farmer who is achieving high levels of grass utilisation in a sustainable manner, along with five other categories of sustainable and innovative farming. In May, the accolade went to Diarmaid Fitzgerald, a dairy farmer from Cratloe, Co. Clare. AIB also sponsored the Teagasc National Dairy Open Day in July, with a theme of 'Securing a Sustainable Future'.

In January, the AgTechUCD Innovation Centre announced its winners of University College Dublin's (UCD) second annual accelerator programme dedicated to early-stage AgTech and Agri-food start-ups with global potential. Following a final pitching event, held at UCD Lyons Farm, in front of a judging panel, MyGug was named the AIB and Yield Lab AgTech Start-up 2023. Based in Clonakilty, Co. Cork, MyGug developed a micro-scale anaerobic digester that turns food waste into a green renewable energy source, suitable for homes, schools and small food businesses.

Meanwhile, AIB's dedicated Agri Advisors engage farmers throughout the year, supporting agricultural shows and related events up and down the country. One such event was the National

Ploughing Championships in September, a key festival on any farmer's calendar. We held AIB Shed Talks across the three days, with panels made up of key industry personnel including the presidents of the Irish Farmers' Association, the Irish Creamery Milk Suppliers Association and Macra na Feirme, along with representatives from Teagasc, the Department of Agriculture, Food and the Marine, Bord Bia and Farm Zero C.

## Agri Matters Audience

# 25,000

customers and Agri industry personnel receive our Agri Matters ezine twice a year.

## Climate &amp; Environmental Action

# Responsible Lending and Investment

**Material Topic: Responsible Lending and Investment**

We have set a new, increased Climate Action Fund, aiming to provide a total of €30bn to aid national and global efforts to realise a necessary lower-carbon economy by the end of 2030. To ensure real, transformative action, our dedicated green financing division, Climate Capital, will complement our other segments – Retail Banking, Capital Markets and AIB UK – and focus on establishing renewables technology in North America, UK and Europe.

We recognise we have a long-term role to play in providing the finance for Ireland's transition to a low-carbon economy. This fund is realised through the Group's various green and transition products for personal, SME and corporate customers in Ireland, the UK and further afield, and focuses on energy, climate and infrastructure projects.

**Supporting Our Customers in the Transition to a Low-Carbon Economy**

We want to encourage our customers to go green. As we aim to reach net zero across our customer portfolio, we can do this by providing a range of products and services that will enable our customers to reduce their own carbon emissions.

Our stakeholders have informed us through the latest materiality assessment that ensuring the Bank considers ESG issues when making lending and investment decisions, and supports customers who want to transition to the low-carbon economy, is as important as ever.

Climate and Environmental Risk became a material risk for AIB in 2023. Integration of ESG considerations into our risk management and right across our business is critical for the success of our sustainability strategy and the future of our business. As part of this, we ensure that customer considerations are at the heart of business decision-making.

For example, the Group's ESG Questionnaire is currently incorporated into credit applications for customers in high-risk transition sectors where new lending is over €1300k.

Our excluded activities list sets out a range of business activities that are considered to be incongruent with Group strategy. The excluded activities include exploration, extraction and upgrading of oil sands projects; nuclear power generation; nuclear waste transportation, and decommissioning and/or final disposal of high-level nuclear waste. The policy rule prohibits providing new money for any term lending facilities to businesses, or any of their subsidiaries, involved in the excluded business activities. This rule currently applies to all new business customers with a Gross Connected Exposure of >€1300k in high transition risk sectors and that are relationship managed.

For more details on excluded activities, please visit [www.aib.ie/corporate/excluded-activities](http://www.aib.ie/corporate/excluded-activities)

Lending linked to fossil fuel-related activities (including coal, oil and gas-related activities) represents <1% of our lending activities, and is therefore considered immaterial for our business.

**Products That Enable Greener Homes**

At AIB Group, we offer Green Mortgages across AIB, EBS and Haven, which means our lowest mortgage interest rates are available for energy-efficient homes. All three entities provide Green Mortgages to homes with a BER rating of between A1 and B3, (or an *Energy Performance Certificate (EPC) rating of A+ (non-domestic only), A or B in the UK*) to new, switching and existing mortgage customers.

As for customers looking to retrofit their homes, AIB ROI offers a preferred finance partnership with Electric Ireland Superhomes, Ireland's leading retrofit one-stop-shop, as well as a green loan (see below – Products That Enable Greener Lifestyles). AIB also maintains representation on the Steering Committee for Enabling Commercial Retrofit (ENACT), the national initiative supported by the Sustainable Energy Authority of Ireland (SEAI), which is focused on exploring the challenges customers face with commercial retrofitting.

In terms of large-scale housing development, we offer discounted loans to residential developers who adhere to an Irish Green Building Council (IGBC) benchmark that sets higher green building

standards than are required under current building regulations. The IGBC's Home Performance Index (HPI) sets a standard that takes account not only of the energy efficiency of a home but also of factors including air quality, water efficiency and the sustainability of the location in the context of factors such as transport links and community facilities. While aligned to Irish regulations, the HPI is also internationally recognised in line with the Global Rating ESG Benchmark for Real Assets (GRESB).

**Products That Enable Greener Lifestyles**

Through AIB, we offer green loans to personal customers, who are looking to make a lifestyle change in their home or transport options. Customers can borrow between €3,000 and €30,000 – or between €3,000 and €60,000 for joint applications – at a lower annual percentage rate (APR) rate for up to 10 years, with no penalties on extra or early repayments. Available conveniently through the AIB Mobile App, customers can also set their own repayment schedule: weekly, fortnightly or monthly.

In order to qualify for the green loan, customers must spend 50% or more of the money on a green initiative, including buying an electric or plug-in hybrid vehicle or upgrading a home, including insulation, solar panels, boilers and water systems.

Meanwhile Nifti, our joint venture with Nissan Ireland Ltd for both business and personal customers, offers an alternative to owning a car, with new car leasing options including electric and hybrid vehicles. Indeed plug-in hybrid and full battery electric vehicles now account for 23% of the Nifti fleet, up from 12% in 2022. To support our personal customers, AIB successfully launched a new Personal Leasing product in May: Personal Contract Hire, which is distributed through Nifti and supports our customers' transitions to more sustainable mobility solutions.

**Products That Enable Greener Businesses**

We are committed to supporting businesses of all sizes. Through AIB's continued partnership with the Strategic Banking Corporation of Ireland (SBCI), we offered the Energy Efficiency Loan Scheme (EELS) up until the end of 2023. The scheme was

aimed at reducing carbon emissions and cutting bills by investing in energy-saving measures.

In 2024, we will continue our partnership with the SBCI to offer the new Growth and Sustainability Loan Scheme (GSLs). GSLs offers lower-cost financing over a longer contractual maturity term to encourage the growth and resilience of enterprises and/or to invest in climate action and environmental sustainability measures designed to improve performance.

The NiftiBusiness offering is a dedicated fleet management service, which includes mapping customer fleet carbon emissions, planning for and supporting the transition to hybrid and electric vehicles, and installing office and home charger infrastructure.

For our larger corporate customers, our sustainable finance supports customers to achieve their own sustainability ambitions.

**Products That Enable a Greener Tomorrow**

Our Socially Responsible Investment (SRI) Bond portfolio funds domestic and international projects aimed at global sustainability, carbon emissions reduction and social improvement, all under the over-arching themes of Environmental, Social, and Governance (ESG). AIB promotes and supports the transition to a more sustainable global economy and contributes to positive environmental and social change via investment in green, social and sustainable bonds. The SRI Bond portfolio reached c. €2.0bn at year-end 2023.

In 2019, AIB was the first Irish bank to publish a Green Bond Framework and, in 2020, AIB was the first Irish bank to issue a Green Bond, raising €1bn. We have since issued another four Green Bonds, bringing the total raised to €4bn, of which €750m was issued in 2023. This supports the Group's Capital and Minimum Requirements for own Funds and Eligible Liabilities (MREL).

Green Bond proceeds are used exclusively to finance projects that have a positive environmental impact – renewable energy generation, transmission and storage projects, green commercial and residential buildings, and clean transportation.

## Climate &amp; Environmental Action

# Responsible Lending and Investment continued

In 2021, AIB became the first Irish bank to publish a Social Bond Framework. In 2022, we became the first Irish bank to issue a Social Bond and have since issued another in January 2023, raising a total of €1.75bn. Social Bond proceeds are allocated to financing projects with clear social benefits, such as social and affordable housing and healthcare infrastructure.

Since 2020, AIB has raised a total of €5.75bn in Green and Social Bonds, funding projects in Ireland and abroad that support public and private activities in the transition to a lower-carbon society.

In June, AIB was recognised at the GlobalCapital Bond Awards, winning the 'Most Impressive Financial Institution ESG Bond Issuer' award.

## Supporting Infrastructure Development

Given the growing importance and complexity of infrastructure and energy requirements in the transition to a low-carbon economy, AIB established our specialised Energy, Climate Action and Infrastructure (ECAI) team within the Capital Markets function in 2017 and this is now one of the largest such teams in Ireland, with extensive experience in non-recourse project finance and broader infrastructure finance. Similarly, we have the Energy & Infrastructure team operating in the UK. ECAI and the UK Energy and Infrastructure team have one of the fastest-growing balance sheets in the Bank, with a strong focus on renewable energy assets that displace fossil fuel-fired generating assets, which lead to carbon emissions. It is now planned that both ECAI and the UK Energy and Infrastructure team will become part of the new Climate Capital segment in 2024.

AIB now funds renewable energy assets either on a bilateral or co-funding basis. These assets are located across Ireland, the UK, the EU and North America, and include technologies such as onshore and offshore wind and solar generation. Financing to renewable energy projects that qualify under our Green Bond Framework increased from €1.98bn in 2022 to €2.41bn in 2023. As per our latest Green Bond Impact Report (December 2023), AIB's lending to Green Bond eligible renewable energy generation, storage and transmission projects displaced 1.56 million tonnes of CO<sub>2</sub> in 2023.

## ESG Advisory Support Services

We know that sustainability is complex and everyone is just trying to make better choices when faced with lots of challenges, including the cost of living. That's why, at AIB, we're learning all the time and sharing our knowledge with our customers, while also ensuring we have the right credit and lending products in place.

Every year, employees must undertake the 'Sustainability and AIB' online course, which gives both context and colour to our sustainability strategy, with a completion rate of 97% in 2023. In 2023, we launched a new course developed with the Institute of Bankers (IoB<sup>1</sup>): 'Understanding ESG for Business Customers', offering an overview of the particular challenges and opportunities facing businesses across five modules: Introduction; Environment; Governance; Social; and Reporting and Disclosures.

In 2023, we continued our partnership with the Northern Ireland Chamber of Commerce by delivering the Successful Sustainability with AIB programme. The programme supported the upskilling of more than 70 local businesses on topics such as sustainability in the supply chain and the circular economy.

## Advisors

For direct, specialist advice, there are many advisors on our team across AIB Group who work with our customers on their own journey to sustainability, including:

- Mortgage Advisors across our network to talk about mortgage options for energy-efficient homes;
- Sector Specialists for our business customers, including dedicated Sustainability Specialists for SME and the Agricultural sector;
- ESG advisory consultancy services provided by Goodbody;
- Financial Advisors for investments and pensions, who can advise on sustainable fund options; and
- Goodbody Asset Management became a signatory to the UN Principles for Responsible Investment (UNPRI) in 2020. Goodbody has worked to embed ESG into business as usual whilst also continuously enhancing our advisory and product propositions.

1. IOB course details are available to AIB colleagues through their learning & development plan.

## Clearstream Solutions

Clearstream Solutions, part of Goodbody, is one of Ireland's leading corporate climate, ESG and sustainability services solution providers with a blue-chip client base and deep practical domain knowledge and expertise. Clearstream assists organisations to measure, implement and report best-in-class sustainable practices in their businesses, products and supply chains.

A team of expert advisors guide our clients across four key services:

- Responsible business strategy and sustainability projects
- Climate change and carbon management: in organisations, products and supply chains
- ESG and sustainability reporting and disclosure
- Learning and development in sustainability, climate change, circular economy, ESG reporting and engagement.

## Green Living

In 2022, we created the AIB Green Living website, housing information and advice on how to save energy and become more sustainable at home and in the office. Divided into three sections – Your Home, Your Lifestyle and Your Business – the website aims to provide information on both the big and small changes we can all make and the credit options available. It also offers the Going Green quiz as a starting point to guide readers on where they can start making a difference in their lives. [Visit the website at aib.ie/green-living/going-green](https://www.aib.ie/green-living/going-green)

## Sustainability Guides

We carry out research both independently and partner with appropriate organisations to generate insights and tangible instructions specific to certain sectors and industries, which we can share with our customers to help them reduce their carbon emissions and wider environmental impact.

In addition to our first sector-specific Sustainability Guide, which was aimed at the Hospitality sector and launched at the end of 2022, in 2023, we published the following Sustainability Guides:

- Manufacturing
- Transport
- Hotel & Accommodation
- Nursing Homes

These guides were developed in conjunction with leading environment consultancy firm Mabbett & Associates and shared with customers and Key Business Influencers (KBIs).

## Total ESG bonds issued

# €5.75bn

raised from Green and Social Bond issuances since 2020.



Nicholas Reynolds, Head of ESG, O'Brien Fine Foods and John O'Brien, Managing Director, O'Brien Fine Foods

## Climate &amp; Environmental Action

# Responsible Lending and Investment continued

## Research and Thought Leadership

There is much about climate change that is still uncertain. At AIB, we want to further the necessary research and analysis required to understand its potential implications and impacts along with, importantly, the mitigating actions we can take – and support our customers to take – today.

In 2023, we established an ESG Research team, to further AIB's thought leadership in sustainability and support the Group's activities across key operational areas and sectors. Research will be produced for a variety of audiences with the intention of supporting customers and wider stakeholders as part of the transition to net zero.

We partnered with Amárach again in 2023 to conduct two surveys of 1,000 adults on general sustainability topics, complementing similar surveys conducted in 2019-2021. The results of this AIB Sustainability Index in July showed that cost-of-living challenges and the energy crisis were impacting consumers' appetite for taking greater sustainable action in their personal lives. More recently, in January 2024, the results of our second survey, conducted at the end of 2023, showed some improvement on this sentiment, with 45% of respondents stating that they are being personally affected by climate change. We will continue to monitor our communities' attitude to sustainability.

In July, University College Cork announced the appointment of Professor Valeria Andreoni as the AIB Professor in Sustainable Business, a new position in the university – and the first of its kind in Ireland – that will play a pivotal role in advancing research, education and engagement initiatives that focus on promoting sustainability within the business sector.

This initiative joins the many connections AIB maintains across the universities of Ireland.

## Industry Collaboration

The necessary transition to a low-carbon economy requires leadership, partnership and innovation from all sides. While providing direct support to our customers, AIB is also building relationships with industry and innovative organisations to achieve our common goal.

In 2023, we continued our partnership with TASC, the Think-tank for Action on Social Change, to deliver "The People's Transition". Based on the principles of community-led local development, community ownership and community wealth-building, The People's Transition seeks to support the co-creation of solutions that have a local, tangible benefit, addressing a challenge that has been identified by community members, and that has a wider environmental benefit. In the summer of 2023, TASC launched reports from the first two communities it has been working with: Enniscorthy in Co. Wexford and Mountbellew in Co. Galway.

In June, AIB announced a new partnership with GreenTechHQ, an entrepreneurial hub in Enniscorthy, Co. Wexford, to support start-ups, scale-ups and companies that aim to develop sustainable solutions through technology, brands and services. The partnership will help GreenTechHQ support hundreds of businesses with collaborative workspaces, events, programmes, investment, mentoring and support services in thought leadership, communication, innovation, training, incubation and pilot projects. We look forward to witnessing the innovative initiatives that will be nurtured through this process. We can also use our brand recognition to promote sustainability across all sectors in Ireland, by way of proactive and intentional sponsorships. Some examples include:

- AIB sponsored the Sustainability / Leading Green Hotel Award at the Virgin Media Business Gold Medal Awards in January.
- In June, we brought our 'Pledge Tree' to the UCD Festival 'A Day of Discovery', inviting attendees to make their own pledges to be more sustainable.
- That same month, we brought our AIB Green Living Challenge to Kaleidoscope, Ireland's annual family-focused festival, offering hints and tips for more sustainable living.
- AIB continued our industry engagement in conjunction with University College Cork (UCC) supporting the Sustainable Food and Beverage Finance Summit for second year running.



- In July, we sponsored the Mary Robinson Climate Conference in Ballina, Co. Mayo, working with the organisers to invite TASC to speak at the event.
- AIB sponsored the Irish Tourism Industry Confederation Conference in September entitled 'Big Impact, Small Footprint' focused on how Irish tourism can deliver its ambitious future while delivering on its sustainability obligations.
- In November, AIB, along with our joint venture partner Nifti, sponsored the EV Summit.
- AIB participated in the Irish Banking Culture Board (IBCB) working group, aimed at increasing financial awareness among Agri customers. The outputs included the creation of a video series for social media, a podcast and media articles in the *Irish Farmers Journal*. The topics included financial products for the agriculture sector, applying for bank finance, building a relationship with your bank, and banking support for this growing but changing sector.

## AIB Sustainability Conference – Join the Conversation!

The seventh AIB Sustainability Conference, entitled *It's Time to Act*, opened Climate Finance Week Ireland in November 2023. With +9,200 attendees, it was the largest event to date, hosting impactful conversations with global figures Trevor Noah and the Rt. Hon. Dame Jacinda Ardern. AIB customer panel discussions also provided an opportunity for our customers and other attendees to understand how they can take action, regardless of size or industry, and be part of the solution.

## AIB Sustainability Conference

# +9,200

Attendees at the AIB Sustainability Conference in 2023

## Climate &amp; Environmental Action

# How Green Finance Works

By setting a new target for our Climate Action Fund aiming to provide a total of €30bn in funding by 2030, we are continuing to support our customers in the transition to a low-carbon economy.

## 1. Funding

AIB has a long-term role to play in providing the finance for Ireland's transition to a low-carbon economy. In 2019, we commenced our first Climate Action Fund.

AIB's Climate Action Fund

# €30bn

To achieve our net zero ambitions, AIB's €30bn Climate Action Fund supports lending through a range of green and transition products and propositions, enabling customers to reduce their own carbon emissions.

Certain sectors will have higher transition risks and costs and we recognise that our support will be particularly important to help finance their transition.

Part of this is funded through the issuance of Green Bonds

### Green Bonds

Since 2020, AIB has issued 5 Green Bonds, totalling

# €4bn



[See page 25 on Climate Action Fund](#)

[See Green Bond Framework, Green Financing | AIB Investor Relations for more detail on AIB's Green Bond Framework](#)

## 2. Loan/Project Evaluation

### Sustainable Lending Framework

Our Sustainable Lending Framework (SLF) enables the classification of customer loans as green, transition or social, based on an agreed set of eligibility criteria.



### AIBs Green Bond Framework

Our Green Bond Programme aligns our funding strategy with the Group's sustainability strategy. AIB issues Green Bonds to fund eligible projects or assets that mitigate climate change by reducing emissions, protecting ecosystems, or having a positive environmental impact.

- Renewable Energy
- Green Buildings
- Clean Transportation



## 3. Green Lending

Renewable Energy



Clean Transportation



Green Commercial Buildings



Green Residential Buildings



Waste & Water Management



Manufacturing



Forestry



Information & Communications Technology



## 4. Positive impact

Since 2020, our sustainability strategy has focused on green financing activities that help decarbonise the economy and support our customers to transition to a low-emissions and fairer society.



Chris Kelly, CEO of EasyGo

## Climate &amp; Environmental Action

# Green Bond Case Study

## Case Study:



## Our Green Bond Framework

**In 2019, AIB was the first Irish bank to establish a Green Bond Framework (GBF). Since then, we have completed four annual reviews of the framework, allocating proceeds to over €5.41bn of eligible lending and supporting the journey to net zero.**

Our Green Bond proceeds are used to finance lending that mitigates climate change by reducing emissions, protecting ecosystems, and/or having a positive environmental impact.

The GBF is prepared by a cross-functional working group, and updated annually, taking into account best market practice and new regulation to the greatest extent possible. It is verified by second party opinion (SPO) provider Sustainalytics, who assesses alignment with the International Capital Markets Association (ICMA) Green Bond Principles, as well as carrying out an EU Taxonomy alignment exercise.

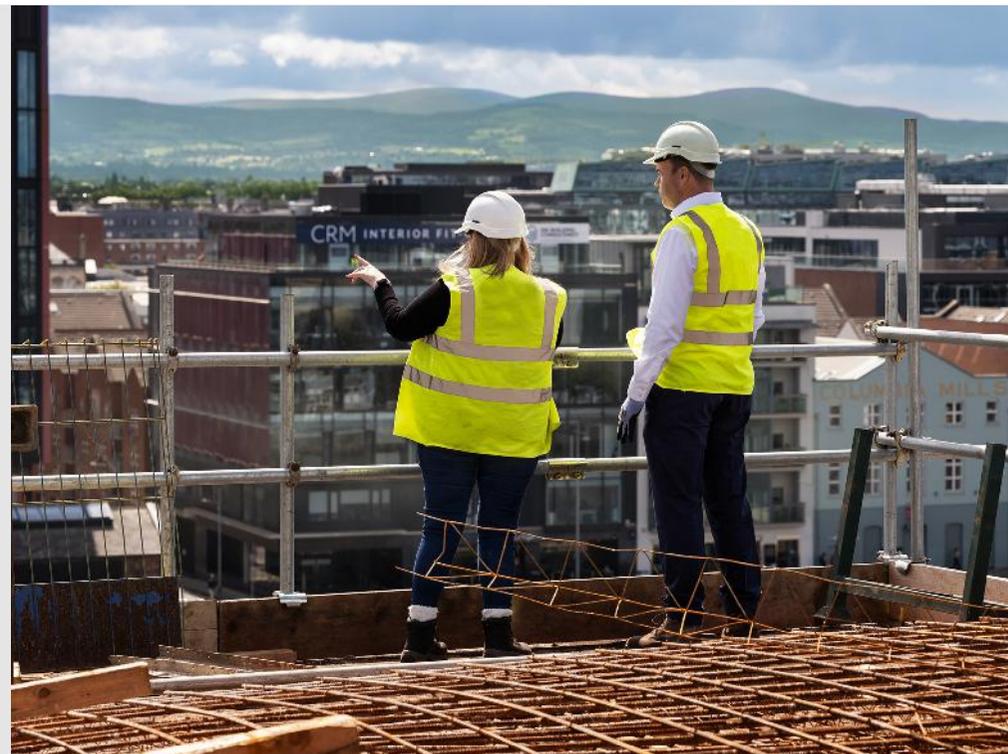
AIB works with expert consultant Carbon Trust to produce detailed impact methodologies for each of our Green Bond eligible loan categories, which are published on AIB's debt investor website. We also work with Carbon Trust to publish impact reports, on an annual basis, with a focus on carbon avoidance, energy avoidance, renewable installation capacity, energy generation, and the number of battery electric vehicles (BEVs) financed.

### The Impact

Our Green Bond Programme has heightened AIB's ability to attract ESG-focused investors and enhanced the quality of investor participation. In 2023, AIB won the GlobalCapital Award for 'Most Impressive Financial Institution ESG Bond Issuer'.

In 2023, our fifth Green Bond raised €750m, bringing the total issued since 2020 to €4bn. Green Bond proceeds have been allocated to a portfolio of €5.4bn eligible loans across Ireland, the UK, the USA, and the EEA, including Green Commercial and Residential Buildings (55%); Renewable Energy Generation, Transmission and Storage Projects (44%); and Clean Transportation (1%).

Eligible projects contribute to the achievement of EU Environmental Objective 1: Climate Change Mitigation and are aligned with UN Sustainable Development Goal (SDG) 7: Affordable and Clean Energy, SDG 9: Industry, Innovation and Infrastructure, and SDG 13: Climate Action.



Journalist Dearbhail McDonald and Shane Caldwell, Head of Sustainability at IPUT Real Estate

In 2023, eligible lending resulted in c. 1.6 million tonnes of CO<sub>2</sub>e avoided and 137,900 MWh of energy consumption avoided.

### What's Next

AIB's Green and Social Bonds emphasise our steadfast commitment to the equitable transition to net zero, delivering sustainable economic, social and environmental development. We anticipate a continued presence in the Green and Social Bond markets in 2024 and beyond.

### Green Bond

# €750m

total raised in 2023

## Climate &amp; Environmental Action

## Protecting and Safeguarding Nature

Invasive species, changes in land and sea use, climate change, pollution and direct exploitation of natural resources are the five direct drivers of biodiversity loss and ecosystem change. The prosperity and resilience of our society, economies and financial systems depend on taking combined action on climate- and nature-related issues to drive towards a net zero and equitable global economy.

Although at the early stages of a fast-evolving and complex biodiversity journey, the financial sector has a key role to play in providing responsible finance and investment to support nature-positive funding, while reducing the financial flows that harm nature and complying with nature-related standards and disclosure requirements. Protecting and safeguarding nature also requires a 'whole of society' approach underpinned by long-term and sustained Government commitment and leadership.

At AIB, we want to tackle nature alongside climate by actively engaging with the companies we support to better understand and increase our knowledge of nature-related issues, and further develop the ways in which we operate not only in relation to climate, but also to nature and biodiversity. AIB has deep relationships with customers, suppliers and partners across a broad range of sectors and regions, who face risks to their supply chains, operations and markets from the continued degradation of ecosystem services (which are defined as the direct and indirect contributions natural capital provides for human wellbeing and quality of life). Contributing to the preservation of nature is fully in line with our efforts to promote the environmental transition and achieve our net zero ambition.

### Our Approach

When we set out our net zero ambition, we noted that our overall approach, target-setting and data-collection processes were still evolving, subject to change overtime and dependent on government policies needed to support the investment decisions in the transition to a lower-carbon economy. The same will be true when developing, agreeing and implementing our action on nature. We recognise that this is a fast-moving area and we will endeavour to regularly improve and evolve our strategy, which will mirror that for climate and

be underpinned by our ESG principles and overall purpose of empowering people to build a sustainable future.

Nature loss is a complex topic and the first step on our journey is to understand more clearly how our financing activities interact with nature and the ecosystem services it provides. We will continue to explore existing science and emerging frameworks to identify the most meaningful, comparable and robust strategy to report and measure our environmental impacts, dependencies, risk management of nature/biodiversity in our lending portfolio and corresponding opportunities.

AIB Group became the first Irish bank to adopt the Equator Principles in 2021. All transactions falling within scope are subject to a minimum standard for due diligence and monitoring to support responsible risk decision-making. We also have a list of Excluded Activities, which identifies those activities that we will not provide financial services to, including those that threaten nature and biodiversity.

As with our net zero strategy, we intend to take an holistic approach to nature and work with current and future partners to achieve our necessary and collective goal. We can engage credible organisations in a number of ways – from research and development to education and awareness. Through this, we can play an important role in shining a light on this issue, while also ensuring we operate in line with best practices for the benefit of all our stakeholders. For example, AIB with members across the Irish and global financial services sector participated in 'The Nature of Finance', Ireland's first study on nature-related risks and opportunities to the financial sector', which was supported by Skillnet Ireland and the International Sustainable Finance Centre of Excellence.

### Waste and Resource Management

With circular economy principles in mind, our approach to waste management prioritises prevention and reduction, in line with the waste hierarchy, while increasing the quality of our segregated materials. We have made great strides in reducing single-use plastics, in particular, operating reusable take-away containers, including

coffee cups and food containers. Our paper use has also reduced significantly over the years, through the introduction of automated systems such as DocuSign for many of our internal and external process. In 2023, we printed 47 million fewer pages than in 2019 (our baseline), a 63% reduction.

Through our Environmental policy, we commit to preventing pollution activities and to reducing our environmental impact. As such, we're working to responsibly manage and reduce our water use. Our actions under our water management programme include optimising water use by installing water-saving infrastructure to improve the efficiency of our water consumption across selected buildings. In our newer buildings, we established grey water systems to reuse water for landscaping and cleaning external surfaces. And we monitor consumption trends to identify possible leaks, preventing excessive use.

Other examples of responsible resource management include the material used in our uniforms, which is a more eco-friendly polyester fibre produced from recycled PET bottles, and the installation of Tersano systems in our head offices, which is a sustainable alternative to traditional cleaning products that contains no toxic chemicals, prevents pollution and reduces plastic waste and supply chain emissions.

## 63%

fewer pages were printed in 2023 (compared to 2019 baseline)

## c. 50,000

small actions were logged by colleagues to help reduce emissions.



### Engagement

A large element of tackling our environmental impact is boosting employee awareness of sustainable practices and developing 'green skills' needed to bring positive changes across the organisation. This involves the education and motivation of colleagues. Awareness campaigns were held locally and Group-wide throughout 2023 with the overall aim to encourage individual responsibility in reducing waste, demand for natural resources and emissions. This included a Group-wide **Sustainability in Action Week** in September. Along with a general awareness campaign, teams of colleagues took part in The AIB Climate Challenge, making small changes to reduce their emissions. In total, nearly 50,000 activities – small actions such as turning off unnecessary lights, not wasting food and air-drying clothes – were logged, or roughly 4,100 activities a day, saving a combined 36,700 kgCO<sub>2</sub>e, which is equivalent to travelling around the world 3.75 times.

## Climate &amp; Environmental Action

# Climate and Environmental Risk Management

**Climate and Environmental Risk**

Climate Risk continued to be a key area of focus in 2023. Recognising its importance as a key strategic pillar, its pervasiveness to other risks, regulatory developments, and shareholder and societal expectations, and its potentially significant impact over time on the Group and wider society, the Board Risk Committee reviewed Climate and Environmental Risk in detail, and recommended to the Board that it be considered as a material risk.

Climate Risk is defined as the potential negative impacts due to climate change on the Group. This includes risks posed by direct exposure to climate change, and indirect exposure through customers and suppliers. Climate Risk includes the impacts that the Group and its customers and suppliers have on the climate and the impact from the climate on the Group and its customers and suppliers. Further detail on Climate Risk can be found in pages 193 to 196 of the AIB FY2023 Annual Financial Report.

Environmental Risk is defined as the potential negative impact of the activities or actions of the Group, its customers or suppliers, directly or indirectly to the naturally occurring living and non-living components of the Earth, together constituting the biophysical environment. Changes in the state of nature (quality or quantity), may act as drivers on the Group's financial performance through risk events and could result in changes to the capacity of nature to provide social and economic functions. Further detail on Environmental Risk can be found in pages 193 to 196 of the AIB FY2023 Annual Financial Report.

The two principal strategies for managing Climate Risk are Climate Change Mitigation (CCM) and Climate Change Adaptation (CCA). Climate Change Mitigation is the process of holding the increase in global average temperature to well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels, as laid down in the Paris Agreement.



## Material Topic: Climate change adaptation

**Climate Change Adaptation**

The impacts of climate change on societies and ecosystems are already being felt and global warming is causing more extreme weather events, which are putting people and ecosystems at risk. Adaptation is a critical component of the long-term global response to climate change to protect people, livelihoods and ecosystems. To date, most efforts have been focused on climate action and businesses reducing their carbon footprint and, while positive, mitigation alone cannot reduce the adverse impacts the planet is now facing. Collective effort to build resilience for a new climate reality is becoming more urgent as seen from the recent meeting of the United Nations Climate Change Conference (COP28) where climate change adaptation took centre stage alongside mitigation as a global priority.

Alongside businesses, governments and international and non-governmental organisations, Banks have an important role to play in providing adaptation finance to help prevent, prepare for, and respond to climate-caused crises and make communities, economies and natural systems more resilient. In addition, Banks must adjust their business models, strategies, guidelines, and policies to prepare and manage the risks and opportunities that arise as a result of climate change to align with actual and expected climate change and its impacts over the short, medium and longer term.

For AIB, Climate Change Adaptation is a material topic and is defined as the process of adjustment to actual and expected climate change and its impacts on the business model of the Bank over the short, medium and long term. AIB faces climate-related financial risks in our business, which we actively manage through:

- The Group's material risk assessment process, which identified Climate and Environmental as a new Principal Risk for the Group approved by the Board in the second half of the year. Climate and Environmental Risk can arise from Physical,

Transition and Liability Risk. Physical Risk (chronic and acute) refers to the potential negative financial impact of a changing climate, including frequent extreme weather events and gradual changes to climate, as well as environmental degradation. Transition Risk occurs from the process of adjusting towards a lower-carbon and environmentally sustainable economy, and can include Policy, Legal, Technology, Market and Reputational Risks. Lastly, Liability Risk encompasses Physical Risk, Transition Risk and non-compliance with regulations, which could potentially lead to further financial exposure.

- The Group uses Physical Risk and ESG Sectoral Risk heatmaps to assess Climate and Environmental Risk. It serves as a visual tool to identify the physical impacts of Climate and Environmental Risks on the Group, including our own buildings and customers across ROI and the UK. Through this approach, the Group identified the increased frequency and intensity of flooding as the most material Physical Risk for AIB.
- The ESG Sectoral Risk heat-map is also used to identify the high risk sectors in scope for our ESG Questionnaire, used as part of our credit application process.
- The Group's climate stress testing approach and associated models, which consider the impact of Physical and Transition Risks across a number of scenarios on our lending exposures to enable us to plan and make better decisions.
- The resilience to climate change we build by investing in projects or businesses that promote sustainable practices or contribute to mitigating climate change impact. Please see page 25 for our approach to responsible lending and investment, a separate but interconnected material topic.



- The ESG Framework, launched in December 2022, which ensured that the Group's approach to the management of ESG was clearly defined and understood, from the Board and down through all operations. Other frameworks developed, (including our Environmental and Energy policies) enable us to carry out activities in our own operations taking environmental protection into account.
- The businesses and entrepreneurship in the wider economy we actively support including, for example, our sponsorship of the PorterShed and similar accelerators have led to growth and development of green tech companies which aim to tackle climate change within Ireland and abroad. See page 39 for more details.

## Climate &amp; Environmental Action

## Climate and Environmental Risk Management Case Study

## Case Study:



## Understanding ESG for Our Business Customers

Knowing that an understanding of Climate Risk is integral to supporting our customers in their own sustainability journey, in 2023, AIB created a new internal training course in association with the Institute of Bankers.

**'Understanding ESG for Business Customers' provides detailed content to empower AIB frontline teams in becoming champions for real customer action.**

We recognise the important role AIB Group plays in supporting our customers and the wider economy. There is therefore an onus on us to upskill our colleagues in order to support our customers, in particular on the ESG agenda. For our business customers, this presents an opportunity for us to help them as they navigate the evolving landscape.

In 2023, we created a new Continuing Professional Development (CPD) Certificate in 'Understanding ESG for Business Customers' in association with the Institute of Bankers (IOB). The purpose of this training is to empower our colleagues to take action and build on their ESG knowledge.

The course covers ESG trends for businesses and provides an overview of the landscape domestically and internationally. It provides an overview of the Sustainable Development Goals (SDGs) and outlines how SDGs may be used to shape a business strategy. The training also provides further

insights on how ESG considerations may differ across key sectors such as Agriculture, Manufacturing, Energy, Transport, Property, Hotel and Leisure, and Healthcare and provides best practices on how business owners can approach E, S and G issues within their own sectors.

Course participants are empowered with information on how a business can initiate a climate action plan. Along with international standards for carbon footprinting, the training covers how a customer may conduct a materiality assessment to support and prioritise key sustainability topics for action, and includes a framework for businesses to structure sustainability efforts and the must-haves in a successful sustainability transformation approach.

On social issues, the course equips AIB teams with information on salient human rights considerations, social regulations and voluntary international standards, and explains how these topics may impact AIB customers.



It also provides insights on where a business can start with governance, with questions to be addressed that build a Governance Framework and highlights top governance issues. It also highlights the latest reporting trends and details the benefits, as well as challenges, when it comes to ESG reporting.

On this training, Cathy Bryce, AIB Group's MD of Capital Markets, commented: "The transition to low carbon presents an opportunity for us to be there for our customers, and to help them understand and support them as they navigate these evolving regulatory requirements and opportunities."

## Climate & Environmental Action – Ambition



In 2024 and beyond, our focus will include the following:

- The two solar farms constructed as a result of our vCPPA with NTR plc will significantly contribute to AIB's electricity needs, helping us deliver our commitment to increase our annual sourcing of renewable electricity to 100% by 2030.
- Further deepening our understanding of our pathway to net zero through assessment and analysis of AIB's CRE portfolio.
- Continue to upgrade the AIB fleet to EVs; on track for full electrification by 2027.
- AIB will continue to identify opportunities to support our customers in their transition to a low-carbon economy through the provision of green and transition lending.
- Funding renewable energy and infrastructure projects form an important part of our next sustainability strategy cycle.
- Centralise all of our green capital related activity across the Group into a new Climate Capital segment to increase our capability, support business growth and demonstrate our position as a driving force in the transition to a zero-carbon future.
- Additional disclosure detail on climate and environmental risks and transition planning can be expected in future reports.

# 3. Societal & Workforce Progress



# 3. Societal & Workforce Progress

We are striving to be a positive influence on society and to make a positive economic contribution, improving the lives of people and their communities and helping to build a brighter and fairer future.

The following section contains details of our efforts, and on our customer-first focus, and the importance of placing our colleagues at the centre of everything we do.



## This section contains the following chapters:

Societal and Economic Progress	35
Supporting Customers	37
Our Colleagues	45
Sustainable Communities	50

## Our Awards:

### IoB Future of Finance Award

Category: ESG

### Chambers Ireland Sustainable Business Impact Awards

Category: Communication – Large Indigenous Company

### GradIreland

Category: Most Popular Recruiter in Banking, Investment and Financial Services

### Irish HR Champion Awards

Category: Champion Leadership

## ESG Measures:

### €6bn

2026

Cumulative new lending to First Time Buyers

### On-Going

2030

Support for sustainable communities and local initiatives

## Societal &amp; Workforce Progress

# Societal and Economic Progress

## Financing Transition

We are striving to be a positive influence on society and make a positive economic contribution, improving the lives of people and their communities and helping to build a brighter and fairer future. AIB seeks to be a driving force for the sustainability agenda in Ireland. In that regard, our primary role is to enable our customers and the communities in which we operate to make the transition to a low-emissions economy. As a group of financial companies, AIB Group has the reach and is developing the products to facilitate wide-scale change. We can offer cheaper financing for individuals to choose a lower-emissions lifestyle – be it a new or upgraded home, electric vehicle or sustainable investments – and for businesses to find efficiencies in their operations while lowering their carbon footprint. We also work across Ireland, the United Kingdom and further afield to fund large-scale projects with economic, environmental and social benefits.

That's why our product creation, pricing and range are key.

When we review our products and propositions, we consider the needs of our customers first and foremost, while also assessing the competitive landscape and, importantly, keeping an eye on potential future trends and headwinds.

As a prominent provider of mortgages, we are especially attuned to the challenges facing the housing sector and the future needs it must provide for. We aim to fund appropriate housing developments, including vital social housing development, while equally offering a wide range of mortgage products and services to suit a variety of customer needs, responsibly taking into account Central Bank interest rate movements.

The revised Macprudential Measures announced by the Central Bank of Ireland in October 2022 were implemented with effect from January 2023 and were supportive of the growth in the First Time Buyer mortgage segment in 2023.

We aim to meet our customers' needs at every life-stage, with a focus on financial planning and security, including savings and investment, pensions and protection. There is an onus on us to ensure the financial wellbeing of our customers – now and into the future. As such, we have made significant strides in recent years, broadening our product offering in order to reach a variety of customers and, importantly, creating general awareness around the importance of planning for a sustainable future.

### A Balanced Approach to Interest Rates

Among the key challenges faced by governments, businesses and households during 2023, inflation was front and centre, with the result that the ECB and Bank of England (BoE) tightened monetary policy. In an environment of rising interest rates, AIB was focused on delivering product pricing on both sides of the balance sheet in a measured manner, while monitoring customers' loan repayment capacity.

Throughout 2023, we increased mortgage interest rates across AIB, EBS and Haven in response to ECB rate rises, while ensuring that our Green Mortgages continued to offer lower rates. In parallel, we also increased interest rates across a range of deposit and savings offerings for both AIB and EBS, leading the way in ROI for offering more favourable savings options with our first increase in June, followed by a further increase in August.



## Material Topic: Housing

### Supporting Housing

AIB Group plays a role throughout the housing value chain, including providing finance for housing development and supplying mortgages. We do this through three entities in ROI – AIB, EBS and Haven – and through AIB in the UK. In 2023, AIB Group held a 33% share of the mortgage market in ROI, giving thousands of individuals, couples and families keys to their new home.

Whether it's a first home, a move to downsize or a doer-upper, buying a home at any stage is exciting, but can also be very daunting. Be it an EBS Mortgage Advisor or an AIB Homes Advisor, support is available online, over the phone, in a branch – or at an event. EBS hosted two Virtual Home Truths events online in 2023, bringing together experts from interior designers to surveyors for a conversation about the home-buying journey; AIB sponsored the popular RTE "Home of the Year" television show, hosting a live viewing of the final in Dublin complemented by a Q&A with the show's judges; and, in April, our Homes Advisors in Belfast hosted the in-person Your Home event for first-time buyers.

While housing provision remained challenged in 2023, AIB continued to support residential property development throughout the year, providing total facilities of €1.34bn, supporting the development of 9,300 new homes.

Social housing provision is an important element in the fabric of society. In 2020, we launched a €300m Social Housing Fund, aiming for full allocation by the end of 2024. Just the following year, in 2021, we added another €500m to this fund, aiming to allocate a total of €800m in the same timeframe.

The purpose of this fund is to support government initiatives to provide subsidised housing for those on lower incomes. To date, we have allocated €548m, funding the development of c. 3,500 homes. We have also taken a leadership role in supporting projects targeting both affordable homes for purchase and affordable cost rental schemes for renters. Our support of social housing also incorporated AIB's sponsorship of the annual conference of the Irish Council for Social Housing.

We support the national housing agenda directly through various governmental initiatives, including: the First Home Scheme (FHS), launched in 2022, which is expected to support 8,000 people to purchase new-build homes over five years; the Local Authority Affordable Purchase Scheme (LAAPS) supporting people in allocated Local Authority areas to buy new-build homes at a discounted price, for which 15 Local Authorities have signed priority agreements with AIB; and the Croí Cónaithe (Town's) Fund, which is a €50m fund to support people to live in towns and villages via the Vacant Property Refurbishment Grant and the Ready to Build Scheme. The number of homes delivered with AIB support under the First Home Scheme continued to grow in 2023 and significantly surpassed the 2022 figure.

For information on how AIB supports the construction of greener homes, see page 25.

### Social housing funding allocated to date

# €548m

## Societal &amp; Workforce Progress

# Societal and Economic Progress Case Study

**Case Study:**

## Supporting Circle Voluntary Housing Association

**In 2023, AIB provided funding to Circle Voluntary Housing Association for the development of 47 new homes in Dublin city centre.**

**With completion due in April, the tenants will experience Circle's community ethos which focuses on integrating tenants and involving them in all aspects of living in the area.**

The Circle Voluntary Housing Association is a leading provider of social and affordable housing in Ireland as a Tier 3 Approved Housing Body. Established in 2003, Circle currently owns and manages more than 1,700 properties for social housing tenants throughout ROI.

Circle's vision is to make a real difference by delivering quality homes and innovative integrated housing solutions to individuals and families. It works together with local authorities, state agencies, developers and funders to deliver new-build social and affordable housing solutions. It runs a Tenant Induction process for all new tenants and then works closely with the local, statutory and community agencies to ensure they are provided with services where this is needed. It also maintains an active housing management presence by establishing tenants forums and clean-up days involving the tenants.

In July 2022, AIB provided €15.9m to fund the development of A-rated homes, built to Net Zero Energy Building (NZEB) standards, in an area of Dublin undergoing regeneration. Upon completion of the build, AIB will refinance for a 30-year term.

This was Circle's first project as a developer; however, its management team has development experience and the project was straightforward in nature. From an AIB perspective, this proposal provided a great opportunity to support an existing AIB customer and one of Ireland's largest approved housing bodies.

Upon completion in April, the development on Railway Street in Dublin 1, will provide 47 units in one single block, comprising: 10 one-bedroom apartments (21% of total); 27 two-bedroom apartments (57%); 5 three-bedroom apartments (11%); 5 three-bedroom duplexes (11%).

The building is surrounded by a communal area, including a playground, as well as 21 car spaces and 52 bicycle spaces. The site is also in close proximity to a wide variety of transport, including bus and DART services, and is a 10-minute walk to Connolly Station, which offers accessibility to the rest of the country.

Funding the development of

# 47

new A-rated homes in Dublin city centre.



Image opposite is of Zita Zigmantaviciene, a tenant of Circle Voluntary Housing Association at her home in Dúnlaavin, Co. Wicklow.

## Societal &amp; Workforce Progress

## Supporting Customers



## Material Topic: Customer Banking Experience

## Customer First

Customers are at the heart of what we do. We aim to continually adapt our service and product offering to meet the needs of our customers, throughout their life-stages, at all times being fair and consistently delivering the best value we can offer. When designing new products and propositions, we also factor in regulatory requirements and ensure we are compliant.

Every day, our 10,049<sup>1</sup> employees support our customers across Ireland with their daily banking needs – be this in person (in branch or business centres), via our mobile apps, online or over the phone. While this has remained consistently the case, in 2023, we put a renewed, sharpened focus on our customer service, commencing a multi-year Customer First Recharge Programme aiming to reinvigorate our customer-centricity.

For many, banking has become something that is touch-of-a-button, and expectations have risen over the years in this regard. While AIB has aimed to lead the way in technology-enabled banking in Ireland, we know there is more we need to do. We are simplifying our processes both internally and externally, utilising digitalisation where appropriate, aiming for speed and accuracy, seamlessly and appropriately – and safely.

While Customer First has been and will continue to be the centre of our strategy, we know we can always do better. And while we may be subject to external factors, such as a shift in the banking landscape in Ireland, we are determined to rise to the challenge. We're continuously looking for feedback in order to improve our customer experience, ultimately aiming to make every journey with an AIB Group company worthwhile and enjoyable.

We don't always get it right, but when we make mistakes, we aim to correct any wrongs quickly and fairly for our customers, working with our regulators and ensuring the right outcome.

To ensure best practices are adopted and maintained, and that our customers experience the best outcomes, relevant policies and frameworks are in place, which are subject to regular review. The Group Conduct Risk Framework, the Group Conduct Risk policy and our Code of Conduct set out roles and responsibilities in this regard across our Three Lines of Defence (3LOD) approach. See [aib.ie/sustainability](https://aib.ie/sustainability) for more details.

## Customer Experience

Like many services around the world, our support services were put under enormous pressure by the pandemic. Add to that an increased level of sophisticated fraud activity and the impact of the Ulster Bank and KBC exits, our frontline teams have worked hard to bring about an improved customer experience in 2023.

We monitor AIB's customer experience via our Voice of the Customer programme, using Net Promoter Scores (NPS) to measure satisfaction. We do this across 20 transactional journeys and two relationship journeys in Ireland (AIB and EBS), along with seven transactional journeys for AIB in NI. Customers are asked "how likely is it that you would recommend AIB to a friend or colleague?"

and their collective scores help us to understand whether our customers are having a positive or negative experience and, ultimately, if they are promoters or detractors of AIB.

## Supporting Customers over the Phone

On the phonelines, for the c. 4.5 million calls we received in 2023, the Average Speed to Answer continued to trend positively in 2023 with a c. 85% reduction compared to 2022, down to an impressive 34 seconds in the last quarter. The improved performance has supported a c. 50% reduction in the number of overall complaints in 2023 vs 2022. Complaints relating to queue or hold times have reduced by c. 99% since the peak in April 2022. All of this supported sustained improvement in ROI Transactional NPS, improving from +39 in 2022 to +45 in 2023.

## +45 NPS in 2023

Improved from +39 in 2022

In 2023, we invested in Artificial Intelligence (AI) that will enable accessibility and improve services, launching Speech Analytics in our contact centre. Speech Analytics helps us analyse our calls to extract valuable insights into customer needs and preferences, and ultimately improve our service. We also expanded our current telephone crisis message so that, in the event of an operational issue, a message can quickly be sent across phonelines to advise customers that there is an issue. This saves our customer's time and ensures they are informed appropriately.

2023 also marked the 10th anniversary of our Direct Business team, supporting business customers over the phone, which has grown from a team of just 39 based in Airside, Swords, in 2013 to 157 people across seven locations.

## c. 99%

reduction in queue and hold time complaints since April 2022



Alena Rodová, Blooming Boutique

1. Employee data excludes Payzone and Goodbody. Information is collected on employees through our internal HR systems.

## Societal &amp; Workforce Progress

## Supporting Customers continued

**Customer-Centric Products**

Across AIB Group, we want our products and services to be personal, affordable, relevant and accessible. We use tools and insights to clearly identify customer needs and suitability, taking into consideration that we are treating our customers fairly, complying with all relevant regulatory requirements, supporting customers in vulnerable circumstances, providing sustainable products and ensuring a good customer experience.

When considering new products, we also consider their delivery and the end-to-end customer experience. We review and improve both internal and external processes on an ongoing basis to increase accessibility and convenience. In recent years, there has been a particular focus on improving digital journeys.

In 2023, our Customer Credit Transformation Programme (CCTP) was in full swing. One of the programme's most prominent achievements was the launch of the new AIB Business (iBB) app for business customers in ROI and Northern Ireland (NI). This is a 'designed for business' banking mobile app that allows customers to view, export and share bank account balance and transaction information as well as make and authorise most of their payments without the need for a dedicated separate security device. Customer feedback about the new app has been positive.

We have and will continue to enhance the new app and drive further adoption with further releases of functionality that our business customers are seeking, including the ability for customers to view more information online and do more digitally with AIB, thus reducing the need for paper.

Internally, our teams were busy improving decision-making and analytics tools throughout the Group in 2023, making customer journeys smoother and faster, including the launch of FRED – Full Related Exposure Defined – a tool that provides a fully integrated 360° view of a customer's exposure across the Group, and the introduction of OneView Onboarding in Capital Markets and Treasury, which consolidates customer information.

AIB is investing significantly in transforming the way we lend money to businesses over the next three years. We're implementing new technology that will make it easier for our teams to get faster credit decisions for our business customers and cash into their bank accounts quicker, with considerably less paper and bureaucracy. Our new nCino platform is being launched with great results to date, including SMEs seeing applications moving from enquiry to cash into their account in less than 30 minutes.

All of these process updates and automations improve internal efficiencies, saving time for the business and our customers. Our CCTP programme will continue to improve customer digital journeys in the coming years.

**Helping Our Customers' Financial Planning**

We know that our customers are looking for guidance and personalised solutions to build and protect their long-term financial security. As our customers navigate their financial lives, AIB Group aims to be their partner and their guide to financial security, enabling them to both withstand challenges and invest for the future.

Three years ago, we recognised that we had a product gap in the key pension, protection and investment market segment. Committed to providing our customers with an enhanced offering in this area, we acquired Goodbody, an investment-led business offering wealth management, asset management and investment banking services, and entered into a joint venture agreement with Great-West Lifeco.

In 2023, the final year of our previous strategic cycle, we celebrated two significant milestones in this important initiative for our customers and for our business.

In April, we launched Goodbody-Private offering high-net-worth AIB customers in ROI the wealth products and services of Goodbody through a collaboration with AIB Private Banking. Following months of purposeful integration, this move maximises the delivery of Goodbody's recognised experience and capability through AIB distribution channels. Today, there is deep collaboration

among our Goodbody and AIB Capital Markets teams for the benefit of our customers.

AIB life, our joint venture with Great-West Lifeco, launched in April and was rolled out to all our personal and SME customers in ROI through our Expert Financial Advisor team supported by our new AIB life hub on the AIB Mobile App. This was a very exciting achievement, not least because it was the first new life company to launch in ROI in some years. AIB life is a unique proposition, offering the underserved general market a full suite of innovative protection, investment and pension products – including Article 8 sustainable investment fund options – using convenient digital solutions. Through the life hub in the AIB Mobile App, we will be able to provide our personal and SME customers with digital supports, services and products to demystify the critical topic of long-term financial planning and put a plan in place for the life they are after.

These achievements have laid the foundations for further developments that we expect will bring material long-term opportunities for AIB Group; we have effectively set in motion the mechanism by which the Group can offer enhanced financial security to an increasing number, and variety, of customers. Applying our data and analytics capability to our 3.3 million<sup>1</sup> customer base, we can customise our products and services, ensuring our customers' individual and changing needs are met at every life-stage.

In 2021, Goodbody joined forces with THE GLOSS magazine to launch THE GLOSS x Goodbody Investment Club, a female-focused community that promotes financial education and empowers candid conversations on topics that matter to women. We began hosting a series of online events with the all-female Goodbody team presenting sessions on pensions, divorce and inheritance, as well as savings and investments.



AIB Group CEO Colin Hunt with Declan Bolger, Head of Great-West Lifeco's operations in Ireland, and AIB life Chief Executive Officer Bryan O'Connor

# c.1300

members have joined THE GLOSS x Goodbody Investment Club since launch

1. Active customers defined as those meeting specific criteria under one or more of three categories: Activity, Balance and Policy and excludes Goodbody, Payzone, AIB life, AIB Merchant Services and Nifti.

## Societal &amp; Workforce Progress

## Supporting Customers continued

## Supporting Businesses and Entrepreneurship

Across AIB, AIB UK and Goodbody, AIB Group supports businesses of all sizes, supporting the economy and encouraging job growth in the communities in which we operate.

To our SME and corporate customers, AIB offers industry expertise, appropriate products and solutions, and treasury services, while Goodbody offers wealth management, asset management, private capital, investment banking and advisory services. Additionally, we recently restructured our business in Great Britain to focus solely on the larger corporate sector in that region. Developments in 2023 include the launch of the SBCI Ukraine Credit Guarantee Scheme (UCGS) in June and the Growth and Sustainability Loan Scheme (GSLs) in November, both aimed at SMEs. AIB is an on-lender for UCGS, with an allocation of €453m to support our business customers. This low-cost loan scheme offers unsecured lending of up to €250,000 and flexible repayment terms. More information on the GSLs can be found on page 25.

We also support the community of business owners and managers across all sectors. We have a long-standing relationship with Chambers Ireland, which has more than 40 Chambers members supporting more than 10,000 businesses across ROI, attending and addressing events, including the Gala Annual Dinner events in both Cork and Dublin. During the year, we supported the American Chamber of Commerce Ireland and the British and Irish Chambers, in particular the American Chambers' Fourth of July event and the Annual Dinner events of both Chambers. These events celebrate the strong cultural and business connections between Ireland and both the USA and the UK.

## SBCI Ukraine Credit Guarantee Scheme

# €453m

allocated to AIB business customers through the SBCI UCGS.

Other sector- and industry- specific AIB supports included:

- As part of our sponsorship, the 2023 Press Photographers Association of Ireland awards in March featured the AIB Sustainability Award;
- Sponsorship of the Irish Hotels Federation (IHF) Conference and Gala Dinner in February;
- Sponsorship of the Tech Summit in May; and,
- Sponsorship of the Nursing Homes Ireland Conference also in September.

While providing on-the-ground support directly to business customers of all sizes, our teams are also generating and sharing knowledge with our customers. Our Treasury team, including our Economics Research Unit, produces the AIB "Market Talks" podcast, which delves into the latest market news and trends every fortnight. With S&P Global, we produce monthly Purchasing Managers Index (PMI) reports for both the manufacturing and services sectors in ROI. AIB also produces one-off reports for specific sectors; in 2023, we published the following reports, providing insights and outlooks to our customers:

- Real Estate Finance Report
- The Future of Mobility
- AIB Business Outlook
- AIB Retail Spend Outlook

AIB also publishes sustainability guides per sector, which you can read about on page 26.

## AIB Foresight SME Impact Fund

# €5.3m

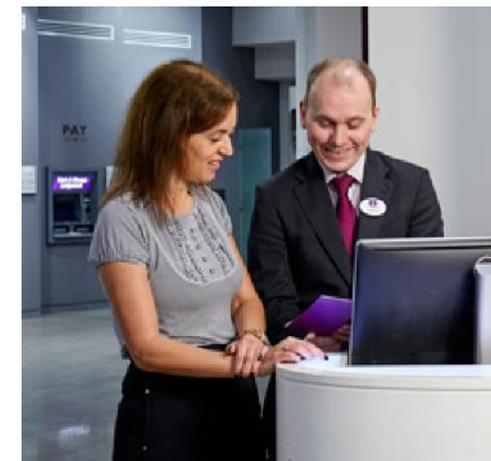
equity funding provided to date

## Enabling Entrepreneurship to Flourish

We support start-ups and entrepreneurs, who are generating the ideas, jobs and sectors of tomorrow. The AIB Start-up Current Account offers two years of waived Account Maintenance and Transactions Fees, excluding cash handling fees, and €100 off the quarterly cash handling fee to help with the early days of running a business. Across AIB Group, we can provide debt and equity capital, advice and other services through AIB, AIB UK and Goodbody – a complete solution for growing companies.

In 2019, AIB supported the establishment of the Yield Lab Europe Fund, which as at September 2023 had supported equity funding of €16.2m into 22 Irish and European early stage, diverse, impact-oriented companies delivering solutions to the AgTech and Food Sustainability ecosystem. In 2022, AIB set up the AIB Foresight SME Impact Fund managed by Foresight. AIB provided the cornerstone investment of €30m to the Fund which invests in Irish SME's to help accelerate their green transition. In early 2024, the Fund secured additional investment of €25m from the Ireland Strategic Investment Fund. To date, €5.3m of equity funding has been provided, supporting 231 jobs with a significant investment pipeline.

In providing support for entrepreneurial hubs such as Ludgate in Cork, and PorterShed in Galway, we are part of a system that offers desk space, mentorship, connections and resources for fledgling businesses. In May, to coincide with celebrations of PorterShed's seventh year in operation as well as the official opening of PorterShed a Dó – its second location – in Galway City, AIB formally announced our extension as a primary sponsor of PorterShed until 2026. Founded in 2016, PorterShed has to date supported the creation of more than 875 high-value jobs in the region.



In a similar vein, AIB has been a partner of Network Ireland since 2013 and more recently entered into a partnership with AwakenHub, which was renewed in 2023 for another year. AwakenHub was founded during COVID and has a community of more than 3,000 female-led businesses across Ireland, which it supports by removing barriers to investment, scale and success. With more than 1,000 members, Network Ireland supports the professional and personal development of women in business, and hosts an annual Businesswoman of the Year event, with eight categories, recognising excellence both locally and nationwide.

All of these initiatives encourage and nurture the innovation, creativity and pure grit required to start and grow new businesses and initiatives.

Irish-based start-ups and established businesses that are unable to access finance from traditional lenders can apply to MicroFinance Ireland, which provides small business loans through the Government's Microenterprise Loan fund. Customers referred from AIB are eligible for a discounted interest rate if MicroFinance Ireland accommodates their lending request.

## Societal &amp; Workforce Progress

## Supporting Customers continued

**Material Topic: Financial Inclusion and Wellbeing****Welcoming New Customers**

The Irish banking landscape has shifted significantly in recent years with the exit of Ulster Bank and KBC Ireland, leaving individuals, businesses and organisations seeking a new banking relationship. AIB recognised the importance of providing customers with a choice in meeting their day-to-day banking needs. It is vitally important for consumers, the financial services industry and the wider economy to achieve an orderly account switching process nationally.

Throughout 2023, we allocated substantial additional resource to accommodate the increase in customers looking to open an account with us.

Having entered into a binding agreement with NatWest Holdings Limited and Ulster Bank Ireland DAC for the acquisition of c. €4.2bn of performing Ulster Bank corporate and commercial loans in 2021, we welcomed the final group of customers from this portfolio to AIB in July 2023. This involved c. 3,500 business customers with c. 5,800 credit facilities, including business products such as loans, overdrafts, trade finance, invoice discounting and interest rate derivatives to AIB. We also welcomed 237 Ulster Bank colleagues to our team.

In July 2023, we welcomed c. 50,000 customers and c. €4bn of mortgages, as we migrated 80% of the Ulster Bank performing tracker (and linked) mortgage portfolio that we had received Competition and Consumer Protection (CCPC) approval to acquire the previous January.

We continued to improve our customer onboarding journey during 2023, with specific focus on remote, convenient, account opening. For our business customers, for whom account switching can often involve multiple processes depending on the nature and complexity of each business, we launched digital enhancements to speed up the processes and reduce customer effort. These included digitising account opening and credit card application forms as well as making application forms for most products editable online.

But finance isn't always straightforward, and can be daunting to many people. Our strive for simplicity isn't just about convenience, it's about making financial security and wellbeing available and accessible to all of our customers. We know technology can be a barrier to some, and that's why we're working with our communities, providing extra support where needed.

We take care when it comes to the vulnerabilities some of our customers may have, aiming to provide safe spaces for those who need more time, support and attention.

Unfortunately, bad actors are increasingly looking to take advantage of weaknesses in the financial system. We are working with our regulators and peers to collectively ensure a robust infrastructure, while reinforcing our own barriers to financial crime of all kinds and, importantly, creating general awareness amongst our customers and the public. For more information, see our supporting customers case study on page 44.

**Safeguarding Regulation**

Our regulators are one of AIB Group's six key stakeholder groups. We aim to meet and, where possible and appropriate, exceed regulatory requirements as applicable across the three jurisdictions in which the Group operates.

The Compliance function of AIB Group safeguards our customers and supports the Bank by providing oversight with respect to the risks within our Regulatory Compliance Universe. The team identifies and communicates legislation and regulations, proposing the Risk Appetite Statement (RAS) (for more information on the AIB Group RAS, see page 124 of the AFR) and advising on the regulatory and conduct risks of any business model, service or operational change, providing independent oversight to ensure appropriate compliance. A suite of frameworks and policies set out the high-level principles that all employees and contractors must adhere to.

**Transparency**

We aim to communicate clearly with our customers, so that they find our products and services easy to understand and simpler to use.

The regulations we follow ask for transparency, but we have gone a step further. We have a distinct function in the bank responsible for ensuring our communications are clear. Our emails, letters, webpages and apps are almost always in plain language, wherever possible. Where it is not, there may be a reason to use legal language. We aim to eliminate 'bank speak' and to talk to our customers about their money in a way that is more supportive and engaging. Today, it has developed into clear, brief and accessible language. We are aware for example, that not all customers have English as a first language and others are neurodivergent.

When we market our products and services, aligned with our Conduct Risk Framework, we disclose all relevant information, including charges. We aim to ensure our advertising is clear, fair, accurate and not misleading. Our product advertising carries warnings to alert our customers of any potential negative consequences of changes to their loan agreement – for example, if they do not keep up their repayments, their account will go into arrears and this may affect their credit rating and their ability to access credit in the future.

And when we are not able to provide our customers with the finance for which they applied, we are open with them and let them know the reason(s) why.

**Customers in Vulnerable Circumstances**

We all face times of stress and difficulty, when our ability to cope may be compromised, leaving us vulnerable. For our customers, it can impact their ability to manage their finances and make decisions, affect their dealings with their bank, and leave them open to fraud or financial abuse.

The goal of our Customer Vulnerability strategy at AIB is to take exceptional care of our customers when they need us most. To this end, we have developed a range of supports for customers who are in vulnerable circumstances using a five-step approach: recognise, engage, support, record and review.

Our Additional Support Helpline allows expertly trained staff with the necessary skillset to navigate complex situations with compassion, understanding and empathy. The top reasons for calls in 2023 included balance and transaction queries, and standing order and direct debit queries, along with calls from family members and carers looking for advice.

In 2023, while celebrating one full year of this helpline in operation for AIB, we launched a corresponding helpline in EBS. Indeed, EBS put a keen focus on Customer Vulnerability in 2023, introducing a number of supports and upskilling staff. Internally, EBS added Additional Support and Assisted Decision Making Flags on its systems and, externally, along with the helpline, it enabled Irish Remote Interpreting Service (IRIS) in its call centres.

Throughout the year, our Vulnerable Customer Support team assisted with more than 1,800 customer cases and we received more than 8,700 calls to our Additional Support Helpline.

The Basic Bank Account is an EU-wide financial inclusion initiative, to ensure every EU citizen can get access to a bank account. It is a payment account which is available to customers who are EU residents aged 16 or over. Basic Bank Account holders get a payment card, and there are no charges for everyday banking or maintenance fees for the first year. The account holder can make deposits, withdraw cash and receive/carry out payments. The Basic Bank Account is available to open in AIB ROI branches and remotely via our Mobile Banking App.

## Societal &amp; Workforce Progress

## Supporting Customers continued

The Assisted Decision-Making (Capacity) Act (ADMA) commenced in April 2023, introducing a statutory framework of legal agreements and a set of principles and rights for individuals who require support with decision-making, for example, due to dementia or intellectual disability. To support this, AIB introduced an ADMA Flagging system, and centralised processes and procedures, and delivered training on supporting customers to more than 5,000 staff. In total, during 2023, our staff completed over 37,100 hours of vulnerability training, including training on financial abuse, living with dementia, mental health, problem gambling, planning ahead and bereavement. In August, AIB introduced a block on under-age (under 18) debit card purchases that we can identify as gambling or betting.

In November, we ran the Group's first Customer Vulnerability Week to raise awareness of the various customer vulnerability supports we have available for both customers and employees. The week included customer interviews, employee stories and live events featuring expert speakers on the topics of domestic abuse, dementia and gambling. We also announced that AIB has been confirmed as a Dementia Inclusive Organisation.

The financial impacts of domestic abuse can remain long after the victim-survivor has left the abusive environment, leaving individuals struggling to rebuild their lives. In 2023, the team in AIB UK introduced a new Domestic Abuse Exception Process to support existing personal customers and staff to obtain lending if they have poor credit scoring due to a domestic abuse situation, updating decline letters and the website to let customers know about this initiative.

For customers with sight difficulties, we provide telephone access through the contact centre, and accessible card readers for transactions that require further security; on our website, all the text is scalable and we offer account statements in braille or in larger print format. For customers with hearing difficulties, AIB internet and mobile banking channels have a range of features that provide access to banking, securely when and where it

suits; and sign language users can contact AIB using the Irish Remote Interpreting Service (IRIS).

The JAM (Just a Minute) Card allows people with a disability or communication barrier to tell others that they need extra time and understanding in a private and easy way. AIB has been JAM Card Friendly since 2021, with 5,510 staff completing the JAM computer-based training course. In 2023, the initiative was also embraced by EBS.

**Support for Customers in Difficulty**

Where customers are in financial difficulty, our resolution process is based on their ability to repay, taking into account their assets and sustainable income levels. AIB has a proven track record in supporting customers in difficulty and, as a regulated entity, has a robust governance and policy framework in place to deal consistently and equitably with customers whose accounts become challenged.

Proactively, we have developed Early Warning Indicators (EWIs) to identify customers most at risk of going into arrears. We then contact those customers and encourage them to get in touch if they are experiencing financial difficulty. We do this every month across AIB mortgages, both personal and SME, as well as EBS mortgages. Throughout 2022 and 2023, we updated our cost-of-living calculators to reflect increases in cost of living expenses. This ensures our solutions remain sustainable for our customers.

All forbearance solutions are reviewed regularly to ensure they remain appropriate to customers' circumstances, and continue to comply with our fiduciary and regulatory obligations. This approach has ensured that we have resolved more than 150,000 customer cases over many years in a fair and consistent manner. We found that the vast majority of these customers are able to meet the terms of their new arrangement and move on with their personal and business lives. Our solutions remain broad-based and fit for purpose.

**Support for Mortgage Customers in Difficulty**

When a customer is worried about paying their mortgage or has missed a mortgage payment, we encourage them to contact our Arrears Support Unit

as soon as they can. We promise to listen, be open-minded and not judge. We work with our customers to find a resolution and available options including interest-only periods, fixed repayments, split mortgages and more. These are set out in our Mortgage Arrears Resolution Process booklet.

All customers in mortgage difficulties are entitled to engage with independent third parties or have third parties engage with AIB on their behalf. AIB engages with the relevant government and customer advocacy organisations (MABs, Abhaile, IMHO) where required, and our customer correspondence contains details of options to engage with these parties. AIB has consistently demonstrated a proactive approach to ensuring our solution suite and our resolution strategies evolve and remain appropriate for supporting our customers in difficulty.

One of the options available to customers is the Mortgage to Rent (MTR) Scheme which is designed to help people remain in the same house when they are unable to meet their mortgage repayments. The solution provides customers with peace of mind by facilitating the sale of their home to an MTR Provider, who then rents the property back to the customer at a rent that is affordable for them. The customer continues to live in the same house with minimal disruption to family life. The scheme also enables us to deliver a sustainable solution to non-performing debt and releases capital, which supports new lending and growth of the overall economy. AIB remains an active supporter of the MTR solution.

**Ensuring Financial Wellbeing**

Every day, across our entities, AIB Group supports our customers to make financial decisions. From education programmes that we support – including our long-standing partnership with Junior Achievement Ireland (see page 52), and own, such as our Future Sparks Programme (see page 42), to the vital documents and resources we feature on our website, as well as the many events we host and sponsor throughout the year, we want to engage our customers and members of our communities on their financial wellbeing at every turn.



Of course, one of the primary ways we do this is often done through a one-to-one conversation in a branch, business centre or over the phone, supporting our customers directly, and taking extra care of those customers who are in vulnerable circumstances.

**Financing Healthcare**

Healthcare is a sector of strategic and social importance to AIB with dedicated healthcare teams in our ROI and UK businesses. Regularly publicly awarded and recognised for excellence in healthcare financial services delivery, our teams are focused on providing financial solutions that are helping to address healthcare needs and service access within our communities.

AIB provides loans and services to support hospitals, primary care centres and residential care for the elderly and citizens with challenged healthcare needs.

## Societal &amp; Workforce Progress

## Supporting Customers continued

**Financial Literacy**

We set a target of supporting 500,000 customers through their financial literacy by the end of 2023. We exceeded this target, reaching a total of c. 550,000 customers through a series of initiatives in Ireland, including our educational and awareness programmes, since we set the target in 2020.

A large element of this figure was activated through our AIB Future Sparks Programme, a skills-based interdisciplinary programme for post-primary schools. It joins the dots for young people and their teachers as they navigate major transitions and key life moments by providing rich educational resources across multiple subject areas, such as guidance-related learning, wellbeing, business, economics, accounting, financial education, and home economics. In March 2023, as part of a general survey to participating schools, we found that 72% of students felt they knew more about banking and finances after participating in the AIB Future Sparks Programme and that 98% of teachers surveyed agreed the programme delivers added value to their teaching.

659 second-level schools out of a possible 728 schools registered for the 2023 Future Sparks Programme, representing a penetration of 91% of the universe of second-level schools in Ireland and a registration rate of c. 384,000.

Our "Banking How To" Guide is an easy-to-read guide to managing day-to-day banking, covering an introduction to bank accounts, paying for things from your current account, keeping your money safe and banking online safely. The guide is available on [aib.ie](https://aib.ie) and is a helpful resource for anyone who may be nervous about managing a bank account.

**Accessibility**

Our branches are very active in their communities, aiming to ensure everyone can feel safe and comfortable interacting with us no matter what medium they choose. Coming out of the pandemic, there was a true desire and eagerness among our people to reconnect with their communities.

In total, our branches conducted 48 Banking Made Easy Workshops around the country which were attended by c. 800 customers. These events allowed our branch teams to engage locally and share the key features of the AIB Mobile App, highlighting what can be found on the Digital Hub and showcasing a number of helpful 'how to' videos. Most of these events were attended by both the local An Post team who discussed the services available in the local post office and An Garda Síochána who shared online safety and fraud prevention tips. All events were finished with refreshments and a chat, where staff were available to assist customers one-on-one with their queries and give any help they needed using the AIB Mobile App.

Our teams were out and about, bringing support directly to our customers, be that at active retirement groups, workplaces or schools. In total, our branches took part in more than 1,400 engagement events across the country, a highlight of which was a Customer Appreciation and Better Banking Showcase for the midlands, welcoming a range of personal and business customers to meet and discuss any queries they may have.

And, when a branch deals with customers requiring extra support, the staff member can follow up with a Ways to Bank email, outlining the Additional Support Helpline number, opening hours and where to find further information on [aib.ie](https://aib.ie).

**Customer Advocacy**

During 2023, as AIB was in the final year of our three-year strategy, it was time to assess and challenge the experience our customers are having with AIB.

Across a number of feedback points, our customers have told us that their experience could be improved - they want us to show them we care about them and their world. Delivering a meaningful step change in customer experience that endures through the medium-term requires a recharged Customer First ambition and the prioritisation of an outcome-focused multi-year strategy as part of the strategic planning cycle.

The aim of the resulting Customer First Recharge Programme, which was stood up in April 2023, is to re-energise our commitment to our customers, demonstrating to them in a meaningful way that the newly expanded AIB Group is truly a customer-centric organisation. One of the first deliverables was our Customer Charter, which was published on our website in December and outlines our commitment to our customers. Our Customer Charter has been published on our website: [aib.ie/investorrelations/about-aib/customer-charter](https://aib.ie/investorrelations/about-aib/customer-charter)

In tandem, we have also added 'Put Customers First' to our values, to be complemented by an employee training programme, reigniting the potential of each and every one of our colleagues to be agents of advocacy for our customers. For more information on our values, see page 64.

## Societal &amp; Workforce Progress

## Supporting Customers continued

**Enhancing Protection**

Unfortunately, in line with wider industry trends, we have witnessed a continued increase in the occurrence of banking scams and fraud throughout 2023. As cyber criminals become more and more sophisticated in their methods, we remain ever vigilant to their ways and want to ensure our customers are doing the same.

This crime is mostly aimed directly at individuals, with scammers sending mass emails or text messages, sometimes intercepting ongoing conversations with utility providers or financial institutions, in an effort to gain account details, including pin numbers. To further pose as the organisation in question fake websites are created to convince victims. In 2023, we identified and removed 1,062 websites posing as AIB – a 24% reduction on 2022.

Public awareness is key. In 2023, we launched local and national awareness campaigns aiming to inform our customers and the general public about the latest scams, and the actions we can all take to avoid falling prey to criminals. These took the form of a broad social media campaign in FraudSmart during the month of September, which included education and awareness of the consequences of allowing accounts to be used as mule accounts by criminals, ongoing customer engagement at branches – including external events in conjunction with An Garda Síochána – along with press releases when a specific threat to AIB customers became apparent.

In line with our obligations under relevant anti-money laundering (AML) and countering the financing of terrorism (CFT) legislation, we are always on the look-out for suspicious transactions, which may be an indication of potential money laundering or terrorist financing, and reporting same to the relevant authorities. We work closely with external industry and law enforcement partners to detect and disrupt serious criminal and terrorist activities, and we take our role very seriously in this regard.

We are proud to work with external partners such as STOP THE TRAFFIK and use its data- and intelligence-led Exploitation Analytics reports as part of our overall financial crime response. Its insights keep us on top of emerging trends, allowing us to strengthen our controls and play our part in the disruption and prevention of human trafficking.

While we manage financial crime matters through the Three Lines of Defence (3LOD) model, AIB's Financial Crime policy, approved by the Board Risk Committee, encompasses AML/CFT, Fraud, Anti-Bribery & Corruption, and Group sanctions. This policy, together with its supporting standards, is embedded in our operating procedures, available to all employees and Directors, and subject to at least an annual content verification to ensure it is kept up to date.

**Money Laundering Reporting Officer (PCF-52)**

Our Group Money Laundering Reporting Officer (MLRO) oversees compliance with applicable AML laws, regulations and codes. There are also local MLROs and a BSA/AML/OFAC Officer in the USA who has statutory control function responsibilities in their jurisdictions. The Group MLRO is also the Head of Anti-Money Laundering and Counter Terrorist Financing Compliance, a Pre-approved Control Function under the supervision of the Central Bank of Ireland.

The Group Board is ultimately accountable for the management of financial crime risks within AIB. All employees complete mandatory e-learning annually, with bespoke training also provided to those in key roles, while the Group MLRO (or Deputy) provides annual training to the Board. Regular bulletins are also published internally, outlining trends and topical items on financial crime.

**Learning from Complaints**

If a customer isn't happy about something that we have done or failed to do, we have an easy and clear process for making a complaint. It can be made online, by letter, by email, by phone or in person in one of our branches. Setting clear and transparent complaints procedures for our customers, whether it be directly to us, or to a third party, is the first step we take in remediating negative impacts. We foster an open culture where we recognise that mistakes can and will happen and that it is really important that accountability is demonstrated at an early stage so that lessons are learned and shared accordingly.

When we receive a complaint, we log it in our complaint management system. We try to resolve it quickly at local level, but if that is not possible, it will be forwarded to our Centralised Complaints Management team who handles the majority of the Group's complaints that cannot be resolved at first point of contact. The individuals on this team are selected and trained to gain a true understanding of each issue including keeping a strong customer focus and being good collaborators along with being empathetic, resilient and good listeners. The unit has dedicated sub-teams to deal with each type of complaint and will determine whether it can be resolved quickly or is complex, requiring a more detailed investigation.

By way of additional support, a Vulnerable Customer Support team (VCS) was set up to support the resolution of sensitive and vulnerable issues. While part of Customer Care and Outcomes (CC&O), this team is also part of a wider Customer Vulnerability Strategy. This VCS team is recognised by external organisations as being an essential support required to resolve complex scenarios in vulnerable cases. Its work with HSE, Gardaí, nursing homes and others has been recognised and this is a service that didn't formally exist in AIB Group until its formation. This is a societal and cultural initiative with real impact.

Ultimately, customers who remain unhappy can complain to the Financial Services and Pensions Ombudsman (FSPO). A measure of our success is that only 1% of all complaint cases in AIB Group are referred onward. This indicates the quality of the resolution process. For those 1% of cases, the goal of our FSPO team is to reach a fair resolution for the customer, thereby preventing a need for the complaint to enter a formal investigation. In 2023, 89.5% of complaints were resolved without a need for formal investigation. Of the 10.5% remaining, three complaints were upheld by the FSPO against AIB Group in 2023.

We use both quantitative and qualitative approaches to measuring and evaluating customer complaints data. Internally, we monitor a range of quantitative metrics including volume of complaints received, volume of complaints closed and time to close complaints for our customers, as well as a range of FSPO complaint metrics. Complaint trends are analysed and reported to the Board Risk Committee and Group Conduct Committee.

Of course, it is equally important to avoid complaints happening in the first instance. We use Root Cause Analysis, of complaints and errors to improve customer experiences. To support and embed Root Cause Analysis we have developed and delivered a training module and appointed Root Cause Champions across the Group.

In the UK, we disclose the complaints data from the Financial Ombudsman Service (FOS) on our websites, in line with FCA requirements. This data includes the total number of complaints made to FOS from our UK customers, the topic of complaint and how many complaints were upheld in favour of the customer.

**We identified and removed****1,062**

fake websites posing as AIB in 2023

## Societal &amp; Workforce Progress

## Supporting Customers Case Study

## Case Study:



## Supporting Our Customers When It Matters

**Tony Carey is the Managing Director of CooneyCarey, an independent chartered accountancy, taxation and business advisory practice and an AIB business customer for many years.**

**When Tony realised his email account had been impacted by sophisticated fraud, he got in touch with the Bank immediately. Thankfully, the money could be recouped, but the AIB resolution also brought much-needed peace of mind and reassurance.**

### Q. So, Tony, tell us what happened.

Whilst our client data is protected by layers of security systems, I was the subject of an email fraud, whereby somebody got into my email system and impersonated me and managed to instruct my staff to pay €150k from our account.

### Q. What happened when you contacted AIB?

When the incident happened, I had a feeling of isolation and fear of what was going to happen next. I reported it to AIB, and immediately I got a feeling of a shared problem, of empathy and professionalism. They couldn't tell me the problem would get fixed, but assured me they would do their best. When I reported the incident to them, my head was spinning, I only know now how important the interaction with AIB was. I then felt calm, reassured and I felt someone else was sharing the load. I can't express to you how that felt. It was just so reassuring.

### Q. And what was the ultimate outcome?

AIB got stuck in immediately and I am blessed that they got the money back. I know that this wouldn't have happened if AIB didn't act immediately because the money was travelling through its system and needed a call-back as quickly as is possible.

### Q. How did the AIB team do overall?

After reporting it, there was constant interaction, which was top class. On the way home, I'd get a phonecall to say that the Bank were looking at it, and asking how I was doing. That's an ethos that we try to bring to our own clients at CooneyCarey, that sense of belonging. What really made a difference was the people in AIB, and the way they followed up and reassured me.



### Beware of email fraud

Fraudsters are very well organised, and scams are becoming more and more sophisticated. Email scams are one of the top emerging methods of fraud, targeting corporate, SME and personal customers. These can range from fraudsters posing as suppliers sending an email to the accounts team asking to change account for the next invoice, or from a manager asking to make one-off payments, or even from an employee asking to change their salary-in account. Fraudsters are relying on the fact that we use email for formal communication now. So we all need to remember that email alone is not a secure method of taking payment instructions; always go back to verify details of an email over the phone with the sender on a known number.

For more information, visit our Online Banking Fraud and Security Centre at [aib.ie/security-centre](https://aib.ie/security-centre)

## Societal & Workforce Progress

# Our Colleagues



Representatives from 30% Club, the IMI and AIB's Board and senior leadership at the launch of the AIB Mentoring Access Initiative for Women in SME in March 2023.

Every day, AIB Group employees and contractors come into the office, a branch, or log-in from home to support our customers' financial needs and ambitions, helping them to realise the life they're after. Our people know and serve our customers, and so they deserve a safe, progressive and inclusive working environment in which each and every one can realise their own potential.

Over the last number of years, we have made great strides in providing the best possible workplace in AIB – one that accounts for the holistic wellbeing of our people with fair and transparent practices and processes and opportunities.

We do this by listening to our people. Our engagement strategy incorporates new ways of listening that enable us to focus on the issues that matter. We regularly 'check in' with our people – both employees and contractors – through short, focused online surveys that provide us with rich and constructive feedback. In 2023, we issued two such AIB engagement surveys, in March and September; the theme in March was Customer while the September survey sought feedback on Speaking up and Accountability. Receiving c. 6,000 responses to each survey, our actionable outcomes included: re-instatement of Appreciate, our peer-to-peer recognition programme; the provision of healthcare; further development of our LEAD Programme to support our People Leaders

to demonstrate positive behaviours and promote feedback and coaching conversations; and, the commencement of our Customer First Recharge Programme (for more information on our Customer First Recharge Programme see page 42).

As a result of these surveys, we also know that our people's satisfaction with AIB as a place to work is improving; 81% of respondents were satisfied with AIB in the third quarter of 2023, a 6% increase since Q4 2022.

While offering a wide variety of learning and development opportunities – some of which have been externally recognised and rewarded – most notably our Graduate Programme and our LEAD Programme – we also encourage our people to take advantage of the peer-to-peer support and advice that is available by way of being part of a large network of colleagues. We have active Employee Resource Groups (ERGs), including our Pride+ Network, Roots+ Network, Women's+ Network, Life & Family+ Network and Abilities+ Network, which meet regularly and offer resources devised and deployed by our employees with senior management sponsorship.

And while we take the utmost precautions in providing a safe physical working environment, it is our employees' mental health that we constantly strive to support. The COVID-19 pandemic placed a welcome focus on these efforts in recent years, which has resulted in a number of Group-wide and local initiatives offering both practical and informal resources that are easily accessible.

Central to our priorities as an employer is to provide fair and adequate pay that recognises each employee's contribution to the Group's success. In 2023, we remained conscious of the continued inflationary environment and provided extra support to account for the cost-of-living challenges facing our people. We also updated Leave policies in line with our progressive ambitions for the Group to foster an inclusive and supportive working environment, broadening our previous Marriage Leave to recognise Significant Life Events, offering support to colleagues providing critical care to vulnerable loved ones, and expanding our Compassionate Leave.

### Fairness and Transparency

Attracting, developing and retaining the best talent was a key focus throughout 2023. Following the necessary significant increase in recruitment in 2022 due to the resource requirement in supporting new customers coming to AIB from two exiting banks, at the end of 2023, we had 10,049 full-time employees working for AIB Group. Our employee turnover levels in 2023 were 13.5% annually, with an attrition rate of 8%.

### Gender Pay Gap Report

In January 2024, we published our third annual Gender Pay Gap report (GPG) for AIB in Ireland, based on our snapshot date of 30 June 2023. Our GPG is 18.9% mean (average) and 13.1% median (midpoint). Since our previous GPG report in December 2022, our mean GPG has increased by 0.5%. The driver of this overall increase is the impact of the transfer of employees associated with our key strategic initiatives. Similar to last year, the primary reason for our GPG remains our organisational shape, with a significantly larger number of females in lower level roles and higher numbers of males in more senior positions. We continue to work hard to address the GPG by working to achieve gender balance across our organisation.

Having been an early signatory of Ireland's first Women in Finance Charter, AIB has an ongoing target of gender balance for ExCo, and all management, referencing the Gender Equality Global Report and Ranking's definition of 'gender balance' as between 40% and 60% female representation. Our ExCo and Board have continued to maintain ongoing gender balance at 42% and 40% respectively.

Our Board remains gender balanced, with 40% female representation across Directors along with one member from a minority ethnic group. And, for the first time in 2023, all of AIB's revenue-generating business areas were led by women. This is historically an area where there has been an under-representation of females in leadership roles across the industry.

At the end of 2023, of our total number of employees:

# 10,049

# 9,303

or 93% worked in Ireland. 96% of our Ireland-based employees had permanent contracts and 95% worked full-time.

# 712

or 7% worked in the United Kingdom. 95% of our UK-based employees had permanent contracts and 94% worked full-time.

# 34

or 0.3% worked in the United States of America (USA). 100% of our US employees had permanent contracts and 97% worked full-time.

# 5,520

or 55% were female; 4,529 or 45% were male

# 60%

were aged between 30 and 50 years.

## Societal &amp; Workforce Progress

# Our Colleagues continued

We take particular care to constantly attract diverse talent to the Group at entry level. In September 2023, our award-winning Graduate Programme took in another 132 new colleagues and we welcomed 25 apprentices in our second year of our Apprenticeship Programme.

# 132

new colleagues joined the Graduate Programme

# 25

apprentices joined the Apprenticeship Programme

Our remuneration policies and practices support our strategy and values, and promote long-term sustainable success. The Group has been required to comply with executive pay and compensation restrictions following re-capitalisation by the Irish Government in 2010 and 2011. In December 2022, the Irish Government eased some of the remuneration restrictions impacting the Group, while retaining the cap on base salaries of €500,000 and a limit on variable remuneration of €20,000 per employee per annum. In line with this easing of restrictions, we updated our Remuneration policy to reflect our intention to provide healthcare benefits from 2024 and the introduction of a variable remuneration scheme, with the first award under the scheme being based on business performance in 2023, payable in 2024.

The highest paid individual in our organisation is our Chief Executive Officer (CEO). In 2023, the median annual total compensation for all employees (excluding the CEO) was €52,577 and, the ratio of the annual total compensation of our CEO to the median annual total compensation of all employees (excluding the CEO) was 9.51:1 (compared with 9.61:1 in 2022). Non-Executive Directors are paid a competitive, non-pensionable

fee in respect of their services as Directors and additional non-pensionable fees in respect of other responsibilities, such as the chairmanship or membership of Board committees, or the Board of a subsidiary company, or in performing the role of Senior Independent Non-Executive Director, reflecting the time commitment and the responsibilities of the role.

The remuneration of Executive Directors and members of the ExCo is determined on appointment by reference to external benchmarks in order to provide an appropriate level of competitive remuneration commensurate with the size and functional responsibilities attaching to their roles. Non-Executive Directors' fees are determined by the Board, within the limits set by shareholders, in accordance with the Articles of Association. Base salaries of Executive Directors and members of the ExCo are reviewed by the Remuneration Committee on behalf of the Board. For more information on our remuneration policies and practices, see pages 98 to 108 in our Annual Financial Report.

We recognise our colleagues' right to freedom of association and to participate constructively in dialogue with trade unions recognised by AIB, with collective bargaining covering c. 75% of our employee base.

We actively encourage all those in and working for AIB to speak up when they see wrongdoing, which might impact themselves, their colleagues, our customers or our business. They can do so via our Speak Up Policy, which sets out how they can safely, and confidentially speak up to raise a concern about suspected or actual wrongdoing in work without fear of negative consequences or via our Grievance Policy, if they feel they have been mistreated or have been subject to behaviours they believe are contrary to our Code of Conduct. For more information, see page 65.



## Societal &amp; Workforce Progress

# Our Colleagues continued

## Investing in Our People (L&D)

“Invest in You” is our week-long celebration of career development in AIB. Taking place at the end of January, the theme for 2023 was Drive your Development, with a full schedule of events to support and enable employees to drive their careers and development plans. Developing talent is a key priority for AIB, benefiting both the business and our employees, and so it runs far beyond this one week, with initiatives taking place throughout the calendar year.

We want to make learning inclusive and accessible to everyone who works in AIB and our employees can access a wide range of training, skill development and leadership development programmes. Annual mandatory training, targeting a completion rate of 90%, is required for key policies including our Code of Conduct, Conflicts of Interest and Speak Up policies, which are delivered online and ensure our employees understand the behaviours we expect in AIB and how they can raise an issue.

Having kicked off LEAD – Leaders Enabling a Difference – a programme focused on the development of strategic leadership capabilities for senior leaders in 2022, we were delighted to receive the HR Champions ‘Champion Leadership Programme’ award as well as external recognition through accreditation from the Institute of Bankers (IoB) and CPD Standards Office in 2023, and once again roll the year-long programme out to more leaders. To date, more than 3,000 People Leaders have taken part with a 92% overall satisfaction rating, while more than 100 senior leaders have participated as coaches.

We also take the opportunity to celebrate employees who have provided long service to AIB. In 2023, we celebrated the 30th and 40th anniversaries of colleagues’ time with us at gala dinner events in our head office.

We also support a range of educational programmes, including supports for required education, for example, education required for Minimum Competency Code (MCC) impacted roles for our employees in Ireland and Chartered Banking Institute courses for employees in the UK. Employees can also apply for support for other courses including post-graduate programmes and role-specific qualifications (for example, ACCA/CIMA for accountants). In 2023, our training spend was €854 per employee and our employees completed on average 30.8 hours of training during the year. Training included various mediums such as instructor-led, virtual, web-based, and external training, and related to both permanent and temporary employees.

To give guidance on personal development, iExplore is a valuable online career tool available to all employees to support their understanding of themselves, their ambitions and their careers with self-assessments, personal development action plans, career pathways, mentoring and much more.

Supporting women’s careers in finance, in particular, remains a key focus for AIB. Our award-winning Mentor Her programme kicked off again in 2023, featuring 73 mentors and mentees. The programme has multiple benefits, helping mentees to better command their own career path, while also providing them with a network, both through their mentor’s contacts and across the broader mentee group. 2023 witnessed an increased awareness of the symptoms of menopause across workplaces, and AIB was no different: we encouraged conversation across all functions, including a Connect Café – a safe space for men to learn about the symptoms of menopause – and a free Menopause Friendly Employer workshop for local businesses at our head office, helping organisations change the lived experience of menopause at work.

This ethos expands outwards, as evidenced by our continued partnership with the 30% Club, a campaign group that aims to increase gender diversity on boards and senior management teams, along with sponsorship of the AIB Mentoring Access Initiative for Women in SMEs, Network Ireland, and AwakenHub. For more information, see page 39.

## Safeguarding Employee Wellbeing

At AIB, we understand that work, and the satisfaction and purpose it can and should provide, is an enormous part of life.

Building on the foundations laid during and since the COVID-19 pandemic, including the introduction of our Right to Disconnect policy in 2020 – the first of its kind to be implemented in Ireland – in 2023, we activated many wellbeing initiatives, kicking off the year with a Plan4Jan campaign that encouraged colleagues to adopt sustainable and healthy habits for the year ahead and beyond.

We celebrated Financial Wellbeing Month in April, with informational webinars, seminars and talks taking place throughout the month and across the Group. Conscious that the inflationary environment continued to cause challenges for our people, in September 2023, following consultation with the Financial Services Union (FSU), we announced that AIB would once again provide a once-off Cost of Living support to the value of €1,000/£900 to all employees bar the highest management level by the end of the year.

Responding to feedback received via our engage survey, and recognising that many colleagues across the Bank are balancing the various challenges and pressures that come with providing critical care to a vulnerable loved one, we introduced Carer’s Leave – up to 10 days’ paid leave a year for those in a principal caring role. We also broadened our existing Marriage Leave offering of five days’ paid leave to recognise colleagues celebrating other Significant Life Events such as moving into a first home, the birth of a grandchild or a special milestone, to be taken once during employment. And we extended our Compassionate Leave for colleagues experiencing pregnancy loss at any stage in pregnancy to four weeks, regardless of whether loss of pregnancy occurs to them, their partner or surrogate.

Spearheaded by our Chief Operating Officer and in partnership with the Marie Keating Foundation, we established two cancer support networks in 2023: the Spouse & Partner Support Group for those navigating a cancer journey with their spouse or partner; and our Cancer Network @ Work for colleagues who have or have had cancer, offering a network of peer-to-peer support for those returning to work or recently diagnosed.

And we once again promoted and offered to cover the cost of the Flu Vaccine to colleagues across Ireland, the UK and New York, encouraging employees to make their own arrangements – given the different approaches across jurisdictions – and claim back the cost via expenses.

September was Mental Health Awareness Month in AIB in support of the See Change Green Ribbon campaign, offering the opportunity to build further awareness of the importance of mental health for every staff member. Colleagues were encouraged to once again take ‘Time to Talk’ and check in with each other, and were reminded of resources such as the Employee Assistance Programme, offering six free counselling sessions for employees and their families, along with other support including legal advice and childcare providers, and Time to Text, our partnership with the 50808 mental health textline, all supported by a Group-wide network of 1,000 accredited mental health advocates.

## Societal &amp; Workforce Progress

# Our Colleagues continued

## Inclusion & Diversity

Thanks to the commitment and enthusiasm of our employees, collectively, we have made great progress in building a culture of inclusivity throughout AIB Group, progress that was recognised by the Irish Centre for Diversity when AIB become the first bank in Ireland to reach its Gold accreditation standard in September 2022.

Our Inclusive Behaviours Guide is a simple one-page practical resource for all employees to understand how we can each practically play our part in creating an environment where inclusion is a universal experience and at the heart of a team culture we can be proud of.

Since the launch of our partnership with AsIAM at the end of 2022 (for more information, see page 52), the two organisations have worked together to roll out volunteering opportunities and education for AIB employees to improve accessibility for both our customers and people. As such, AIB's Abilities+ Network used Autism Awareness Month in April to amplify this message, encouraging colleagues to get involved in World Autism Day, take part in a webinar for Parents and Carers of autistic people, and attend a virtual 'Coffee Connect' networking event.

As part of our Universal Inclusion month, which took place in June 2023, more than 280 teams made pledges committing to the improvement of Inclusion & Diversity (I&D) in their local functions. Centrally, some new resources were put in place to support these efforts including: an updated Inclusion & Diversity Code, which sets our I&D expectations and supports the wider Code of Conduct; a new guide on Reasonable Accommodations at AIB, to help ensure that colleagues with a disability, impairment or medical condition have what they need to do their work; and, two new online courses, on Bullying & Harassment and Disability Inclusion to help employees and contractors increase their understanding of I&D. By the end of the year, 3,600+ colleagues had completed these courses.

Added to this were a number of events, in which a total of 1,310 colleagues participated, including a webinar with star of "An Irish Goodbye", James Martin, the first person with Down Syndrome to win an Oscar, and his family about their journey and experiences.

The month of June is Pride Month in Ireland. While colleagues celebrated by taking part in parades around the country – and in Northern Ireland in July – the Pride+ Network took the opportunity to share an updated version of their Ally Pack, which is a resource to help colleagues who are LGBTQ+ or allies – a document that necessarily continues to evolve.

Of course, we extend this championship of inclusion externally as well. The AIB and TU Dublin Entrepreneurship for People with Disabilities Programme is the only customised entrepreneurship programme in Ireland designed to address the additional and distinctive challenges faced by people with disabilities when starting their own business. Taking place fully online, it aims to provide participants with the skills and knowledge to become self-employed, and offers business mentors through the Local Enterprise Office network. We marked the completion of the 2022 - 2023 programme with an event in our headquarters featuring the Minister of State at the Department of Children, Equality, Disability, Integration and Youth, Anne Rabbitte.

In March, we were delighted to welcome customers selected for the AIB Mentoring Access Initiative for Women in SMEs to our head office in Dublin to meet their AIB mentor for the first time. The year-long programme, delivered by the Irish Management Institute (IMI) in conjunction with 30% Club Ireland, promotes better gender balance in business.



James Martin, star of *An Irish Goodbye* and the first person with Down Syndrome to win an Oscar, with Janet McConkey, AIB UK CFO, launching AIB's Universal Inclusion campaign in 2023.

## Positive and Safe Working Conditions

Our Health & Safety policy, which is endorsed by our CEO, forms part of our Safety Statement and sets out the practical steps everyone who works in AIB needs to take to ensure the safety of our employees, customers, contractors, visitors and our workplaces. It also defines and communicates the roles and responsibilities for health and safety throughout AIB. It is supported by training (online, virtual, blended and classroom learning) and through accident awareness and prevention communications. We report to the Board annually on our performance. You can read our Health & Safety Report for 2023 on [aib.ie/sustainability](http://aib.ie/sustainability).

At some point in their life, most people will witness or be involved in an accident or medical emergency – and the office environment is no different. Our online Basic First Aid course gives our colleagues the skills, knowledge and understanding of how to provide initial assistance to an injured or ill person until the arrival of more qualified help. Through our annual First Aid Awareness campaign, we promote completion of

this course as an essential life skill for all. First aid tips on treating the more common first aid emergencies and treatments are also shared on our internal social communications channel.

In line with our commitment to provide a work environment that is safe and supportive for all employees, we have a range of practical supports in place for employees experiencing domestic violence and abuse including ten days' fully paid leave per year. We also offer affected employees five days paid emergency hotel accommodation; security assistance to ensure their personal safety on the way to, from and at work, counselling services and the option of a salary advance to assist financially where required. Colleagues can also avail of in-house vulnerable customer supports to help ensure their financial wellbeing and independence.

## Societal &amp; Workforce Progress

# Our Colleagues Case Study

## Case Study:



## Hiring Diverse Talent

**Through programmes including internships, apprenticeships and placements, we have made great strides to create innovative opportunities to support diverse talent acquisition.**

**A clear focus on diverse recruitment will help to ensure that the AIB employee population reflects our customer base.**

At AIB, we strive to create innovative opportunities for our people to unleash their potential and achieve their career ambitions. Through a multi-channel approach across the HR function and the wider business, we have looked at areas such as the AIB Graduate Programme, apprenticeships and internships and placements as potential growth areas to support diverse talent acquisition. The benefit of this approach was two-fold; not only does it support a pressing business need in respect of talent acquisition, it also creates an opportunity to reach diverse talent that might not otherwise have had an opportunity to work with a business like AIB.

A clear focus on diverse recruitment will help to ensure that, over time, the AIB employee population reflects our customer base, which in turn supports our social licence to operate. To further support our approach, AIB is proud sponsor of the Open Doors Initiative's inclusive recruitment toolkit which was launched in 2022. Since partnering with Open Doors, more than 1,000 hiring managers in AIB have been trained on the toolkit, positioning them to implement inclusive recruitment practices across the business and drive our diverse talent ambitions.

Through yearly demand planning, we continue to review and broaden the opportunities presented to us through our approach to diverse talent acquisition.

On apprenticeships, numbers have grown year-on-year, with 25 apprentices onboarded across all jurisdictions and we have also expanded the programmes we offer to further build capability in this space. Our award-winning Graduate Programme had 132 joiners in 2023, where a focus on gender diversity has resulted in a more balanced 58% male / 41% female split. We also supported 50 internships in 2023 and our partnership with the Trinity Centre for People with Intellectual Disability is just one example of a real, tangible return through a short-term placement that has graduated to a full-time role in the business.

# 58% 41%

**male female**

gender diversity in our Graduate Programme



Above: Pictured working at reception with Amy Doyle in Molesworth Street is Sean Byrne. Sean is the first graduate from the Trinity Centre for People with Intellectual Disabilities to work at AIB.

Based on recent results, it is evident that a refreshed Group-wide understanding and connection on talent acquisition across AIB has created an opportunity, through both traditional and non-traditional routes, to support diverse candidates seeking to build a career in financial services. We are focused on developing these career pathways and on enhancing our People Leaders' understanding of our approach to diverse talent and inclusive recruitment through tailored training sessions.

The showcasing of these exciting talent streams supports our aspiration for diverse talent acquisition to become 'business as usual' and a core element in AIB's strategic approach to talent attraction, acquisition and retention.

## Societal &amp; Workforce Progress

# Sustainable Communities

## How We Support Communities

Be it volunteering, fundraising or getting involved with our Community Partners, everyone in AIB Group is committed to making a positive contribution to the communities in which we operate. We know that when we come together, we can make a meaningful difference, so we're pledging to support, educate, and learn from and empower our communities.

While ensuring that our community activities align to the overall Group strategy, through research and public engagement, we identified key areas where we could make a real impact, and these are reflected in the three areas of focus of our Community Framework: Sustainability; Education & Opportunities; and Digital, Innovation & Financial Inclusion.

We look to create meaningful and sustainable partnerships with our communities. Our partners help us to understand local priorities and together look to deliver the most value for communities through maximising social value outcomes. Our long-term partners include FoodCloud, GOAL, Junior Achievement Ireland, AsIAm, along with key educational partnerships. Every year we look to maximise the impact of our work in communities, not only providing funding, but working together to identify programmes that can benefit more people.

In 2023, we launched our second AIB Community €1 Million Fund, asking our customers, employees and the public to nominate their charitable organisations around ROI, NI and the UK that would benefit from a share of €1m in funding.

In 2023, we also aimed to further connect our customers to community causes, deepening and strengthening our own connection to both. We enabled customers to donate automatically to charity through the AIB Mobile App, hailing the beginning of an exciting development with many potential possibilities for charitable giving in 2024.

It is important to emphasise, however, that our people are the real drivers and supporters of community within AIB Group. From branches to back offices, teams across all of our jurisdictions are making a difference by fundraising, volunteering and creating awareness for the charitable community-based organisations that matter to them. To encourage this action

and to support our people in supporting their communities, each employee can apply for an annual donation to their fundraising event and take two days' annual volunteering leave to provide support on the ground.

### Our Community Framework

Aligned to the Group's strategic priorities and informed by market research and customer feedback, our Community Framework guides the ongoing community investment activities across the Group and is structured around three areas of social focus:

1. Sustainability: To act as an accelerator for change to help local communities on the road to more sustainable living.
2. Education & Opportunities: To ready our up-and-coming generation to be architects of the thriving communities of the future.
3. Digital, Innovation & Financial Inclusion: To help prepare and educate our communities to master the digital universe that's becoming more and more a feature of our lives.

At all times, we want to work with our communities, using our reach and network to further the causes under our Community Framework.

### Innovation and Governance

Payzone's fundraising platform is making it easy to launch, promote and measure fundraising activities for charities, companies and communities across Ireland. Using this capability, AIB will bring more fundraising capability online in 2024, offering our customers in Ireland the opportunity to donate to a range of charitable organisations through the AIB Mobile App.

Community partnerships go through robust assessment processes. Goals are agreed with our partners at the outset, and regular reviews are conducted to track performance against social impact metrics. We support charitable organisations that support good governance practice.

## AIB Community €1 Million Fund

In May 2023, our customers, employees and the wider public nominated registered charities that connected to causes that matter most to them and their communities. The response was incredible: we received c. 16,000 nominations through the online nomination process, nearly three times the amount received in 2022.

Of the €1m total, €700,000 was allocated to charities chosen by our customers and the public, while €300,000 went to charities chosen by our employees. For both categories, recipients were identified across six regions: Munster, Ulster, Connacht, Greater Dublin and the rest of Leinster in Ireland, NI and the UK. As such, we completed the 2023 AIB Community €1 Million Fund process with 80 recipients in total, each receiving a donation ranging from €3,500 to €28,000.

### Community Investment

In 2023, we contributed a total €10.8m in financial investment for our communities. Our investment in the community is reported in EUR using the B4Si Business for Societal Impact methodology and consists of three components:

1. Cash contributions include direct cost of delivering our citizenship programmes and business and donations;
2. Management costs (overheads incurred as part of managing programme delivery and activating and communicating our programmes to colleagues and society); and
3. Monetised working hours to reflect colleague volunteering conducted during working hours.

### Our Partnerships

We want to provide sustainable support for recognised charitable organisations that are making a difference in our communities and align with our Group strategy and our Community Framework. These organisations help us to build our social focus areas.

## Supporting Sustainability

### FoodCloud

AIB and FoodCloud have a shared vision of building more Sustainable Communities to support the just transition to a low-carbon economy, and an Ireland where no good food goes to waste. Since the start of our partnership in 2018, AIB, as FoodCloud's principal funding partner in Ireland, has enabled FoodCloud to redistribute over 28.6 million meals.

AIB employees have volunteered with FoodCloud, either in the Cork, Galway or Dublin hubs, gleaning on farms, or through skilled volunteering, donating over 2,200 volunteering hours in 2023. Our partnership has meant that 12,000 tonnes of food was redistributed, with over 38,409 tonnes of CO<sub>2</sub> equivalent avoided.

In 2023, we enabled FoodCloud to support 700 Community organisations and support 250,000 individuals. In 2024, AIB has committed to fund the development of the AIB FoodCloud Community Meals programme, preparing nutritious meals from surplus food for charitable organisations. With AIB's support, this enables FoodCloud's network of charities to grow and evolve. It is projected that the AIB FoodCloud Community Meals programme will provide 225,200 meals from 2023 to 2026 with the rescue of 100 tonnes of surplus food.

***“For both AIB and FoodCloud, we want to support our communities to achieve a more sustainable tomorrow. We know when we come together, we can make a meaningful difference. Our partnership drives our ambition to achieve a vision for a world where no good food goes to waste, through direct support and through the multiplier effect of our partnership”***

**- Iseult Ward, CEO FoodCloud**

## Societal &amp; Workforce Progress

## Sustainable Communities Case Study

## GOAL

AIB has a long history of supporting GOAL. This year in particular has seen many global crises, and with the support of AIB, its customers and its employees, we have been able to raise funding to support GOAL's work in the 14 countries where it is helping people whose lives and livelihoods have been shattered by conflict, disease and climate change. This fundraising is through the GOAL Mile, in partnership with AIB, held throughout December in villages, towns and cities across Ireland, and virtually throughout the world. The event sees tens of thousands of people run or walk a mile to raise funds for GOAL. AIB supported the GOAL Mile

through the funding of a nationwide cause-related campaign, involving high-profile print, radio and social media, calling for registrations and fundraising for GOAL.

Our employees became GOAL Mile organisers and organised GOAL Miles in their local communities. For the first time, AIB connected with GAA clubs to encourage everyone to take part and donate to GOAL. Since AIB has partnered with GOAL, funding has increased year-on-year with a record-breaking €630,000 raised in December 2023 and an increase from 140 to 160 locations nationwide.

This year, some of the AIB team travelled to Ethiopia to see the work that GOAL is doing on the ground and to see how the funds raised through the GOAL Mile in partnership with AIB help to have a direct impact on the communities.

In February 2023, we stood with GOAL to support the communities most affected by the earthquake in Türkiye and Syria, encouraging employees and customers who wanted to help by donating to GOAL's Emergency Appeal to deliver shelter, access to food, clean water, and health and social support. We enabled customers to donate directly to this emergency fund via the AIB Mobile app, a

move that raised a vital €459,911, which was enough to support over 245,000 people with their daily water needs for a month. AIB was in a position to help GOAL quickly and to ensure that it could respond with rapid and flexible funding.



AIB Team with GOAL in Ethiopia

Right: When the earthquake struck on the morning of Monday 6th February, GOAL staff were there.



## Case Study:



## Supporting GOAL's Türkiye-Syria Earthquake Response

GOAL has been operational in Syria since 2012, and Türkiye since 2016, so when the catastrophic 7.8 magnitude earthquake struck on the morning of Monday 6 February, GOAL staff were there. GOAL is one of the leading global humanitarian aid agencies in Northwest Syria, known for facing dangerous and acutely challenging circumstances everyday while delivering lifesaving aid to communities affected by the ongoing conflict. GOAL's programmes in Syria operate on a sizeable scale and, in 2022, GOAL reached more than 900,000 people every month with vital humanitarian support.

In Türkiye, GOAL has been supporting national systems to strengthen the protection of populations affected by the Syrian crisis.

Thanks to the extraordinary direct support of AIB Group, its employee and its customers, GOAL has worked tirelessly to scale up and pivot its operations in response to the urgent needs of earthquake-affected populations in both countries.

## Direct Impact Results:

- More than 40,000 individuals reached in Türkiye with essential non-food items, which includes hygiene, dignity and newborn kits, blankets, kitchen sets and solar lamps.
- Distribution: Distribution of food kits and provision of e-vouchers for clothing and rent assistance in Türkiye. GOAL continued to deliver lifesaving food assistance to affected populations in Northwest Syria and, through to June 2023, reached more than 6,000 vulnerable households in Ready-to-Eat kit assistance.
- Bakery Rehabilitation: GOAL rapidly assessed the situation of all bakeries and scaled up the regular bakery programme in Syria by delivering flour and yeast to an additional eight bakeries, reaching a total of 155,737 individuals with subsidised bread.
- Cash Assistance: GOAL Syria delivered multi-purpose cash assistance in both Northern Aleppo and Idleb, reaching 27,002 households in the three months following the earthquake. GOAL's partner IhsanRD provided one-off multi-purpose cash assistance to 6,410 households impacted.
- Shelter: GOAL distributed 400 tents and 2,000 mattresses to households that lost their shelter as a result of the earthquake in Northern Aleppo; and in Türkiye, distributed 340 tents in Hatay province, benefiting more than 1,700 individuals.
- Access to Water: Directly after the earthquake, GOAL teams assessed the condition of water stations and networks, and initial repairs were completed to restore pumping of safe water, including repairing or removing household connections to 405 buildings and the cleaning of water tanks and wells. As a result, 40 water stations were operational from the first week after the earthquake. Approximately 1,149 water trucks were provided to collection centres and households in locations where water infrastructure had not yet been rehabilitated, benefiting approximately 8,000 people in Idleb and Northern Aleppo.

AIB has made a commitment to continue to support GOAL for another three years.

## Societal &amp; Workforce Progress

# Sustainable Communities continued

## Supporting Education & Opportunities

### Junior Achievement Ireland

Partnering with Junior Achievement Ireland (JAI) is aligned with AIB's sustainability strategy to build a society that is socially and economically inclusive by delivering hands-on, experiential learning in entrepreneurship, employability, financial literacy and the value of STEM. In 2023, we supported JAI to reach 549 schools and more than 32,000 students in Ireland.

AIB specifically sponsors the It's My Business programme, which encourages fourth-class primary school students to launch a business, and in so doing, identify their own entrepreneurial characteristics while working in teams on ideas, innovation and market research to develop a start-up, culminating with an opportunity to pitch their new business to potential 'investors'. This programme ran throughout 100 classes in 2023, involving 2,442 students and 188 volunteers from AIB.

***"Volunteering was a great opportunity to get out of my comfort zone and learn and develop skills in an unfamiliar environment. The class were engaged and respectful, and great fun to work with. I enjoyed trying to give the students an understanding of working in a business"***

- Paul Murray, AIB Volunteer



Sean Walsh returning to his own school to teach the It's My Business Programme.

### Furthering Third-level Education

AIB has a long history of supporting education, from primary school to university-level programmes, recognising that our education partners produce the leaders of tomorrow. This includes support of specific programmes in Trinity College Dublin (TCD), Dublin City University (DCU) and Technical University Dublin (TU Dublin).

In 2023, AIB became a founder partner of an exciting programme known as Innovate for Ireland. The initiative will seek to attract PhD students to undertake research in Ireland that tackles national and global challenges such as climate change and climate adaptation, global health and pandemics, water poverty, digital society and cyber security. Also in 2023, AIB made a commitment to support the Chair of Sustainable Business in Cork University Business School. For more information, see page 27.

### AsIAm

In December 2022, AIB announced our partnership with AsIAm. AsIAm works to create a society in which every autistic person is empowered to reach their own personal potential and fully participate in society, by helping to develop the capacity of the autism community and address the societal barriers to inclusion. Its ambition is to make Ireland the world's most autism-friendly country.

AIB and AsIAm are currently looking to see how AIB branches can become more autism-friendly.



### Other Initiatives in 2023

We also offer support to other community organisations, for example, our Technology teams took part in Clash of the Companies, a series of physical and intellectual challenges to raise vital funds for Children's Health Foundation; our Capital Markets team supported the Irish Cancer Foundation in its annual Daffodil Day; and our branch network continued to support local charities directly, which resulted in 1,366 charities receiving funding in 2023.

Ahead of what promised to be a fascinating summer of Gaelic Games action, AIB was joined by stars from across the GAA All-Ireland Senior Football Championship, the AIB GAA All-Ireland Club Championships and the AIB All-Ireland Camogie Club Championships, as AIB extended its sponsorship agreements with the GAA and the Camogie Association for another five years.

Sponsors of the GAA Club Championships since 1991 and the All-Ireland Senior Football Championships since 2015, this extension sees AIB continue our relationship as one of the longest-standing supporters of the GAA. AIB further cemented its partnership with the Camogie Association, extending our support of the AIB

All-Ireland Camogie Club Championships to 2028, having been proud sponsors since 2013.

This sponsorship extension not only cements AIB's support of Gaelic Games, but also underpins its commitment to a further five years of showcasing our national games through innovative sponsorship campaigns that evolve in line with the modern game, and which champion the players and engage fans and communities nationwide by celebrating all that is unique about Gaelic Games.

Like the GAA, AIB is embedded in communities across the country. In our 30 plus years as sponsors of Gaelic Games, AIB has taken pride in our backing of our national sports: from the drive of communities involved in the GAA and Camogie Club Championships, to the joy that the GAA All-Ireland Senior Football Championship brings to crowds across Ireland every summer. AIB are excited by the next five years of this successful partnership.

## Societal &amp; Workforce Progress

# Sustainable Communities continued

## Our People Making a Difference in Their Communities

While our Community Framework aligns with the Group's strategic priorities, we also empower our employees to support causes and issues that matter the most to them and their local communities.

In 2023, we refreshed our approach to Employee Giving, making it easier and clarifying the availability of additional AIB funding. Every employee or team can apply for a one-off annual AIB Community Employee Giving donation for their registered charity. This donation is to encourage and support employee fundraising and ensure that employees can contribute to their local causes.

Every employee can also take two days' Volunteering Leave each year, which they can do collectively as a team, or individually, for the causes that matter to them. In 2023, AIB employees spent a total of 3,600 hours volunteering.

While many people took the opportunity to volunteer with our community partners – helping to manage deliveries at a FoodCloud Hub, or mentoring a fourth-year class for the It's My Business programme, for example – others wanted to support causes close to their hearts, like the CTO Finance team, who volunteered with the Dublin Society for Prevention of Cruelty to Animals (DSPCA) in June, walking dogs, mucking out horses and generally helping out with all of the animals that have been surrendered or rescued. Others still aimed to marry their skills and experience with volunteering opportunities, like the Branch Sales & Digital Performance and Cost Management team, who volunteered at Raleigh House in July. A purpose-built older persons' scheme, the residents of Raleigh House were all provided with personal iPads, so our team spent a day offering assistance and addressing any digital queries, providing support, tea and chats.



AIB team volunteer in Dublin hub with FoodCloud.



AIB colleagues carrying out a beach-clean with Flossie (Marine Environmental Charity)

Here's what some of our colleagues had to say about their chosen volunteering activity:

*"I had the pleasure of working in Jack & Jill's charity shop and thoroughly enjoyed it. I have volunteered to work there going forward on my own time. They were amazing and so delighted to have us helping. Thank you so much for the opportunity"*

- Deborah O'Hara, Phone Banking, volunteering with the Jack & Jill Children's Foundation

*"What a super day. Having driven from Dundalk to do my volunteering I couldn't have had a better day. The team were such a lovely crowd who gain joy and happiness out of their volunteering. I think we all gained something from yesterday's experience and came away feeling that even the small bit we did yesterday made a difference. I for one will look to volunteer a second day and personally I'm going to see if I can offer a few hours every month locally within my own town."*

- Susan McEvoy, Risk & Control, volunteering with KARE

## Societal &amp; Workforce Progress

## Sustainable Communities Case Study

## Case Study:



## Supporting Recovery Haven Kerry through the AIB Community €1 Million Fund

Recovery Haven Kerry was just one of the 80 recipients of the 2023 AIB Community €1 Million Fund, having been nominated by both AIB customers and employees.

A volunteer-led, community-based organisation based in Tralee, Recovery Haven Kerry provides a range of psychological, emotional and practical support to cancer patients, their families and carers.

AIB's support in 2023 will increase the vital support the organisation can provide to its clients, including the creation of new facilities.

Since its founding in 2009, by breast care nurse Marian Barnes and a group of committed volunteers, Recovery Haven Kerry has provided support services to more than 5,500 people. The organisation supports people to live well with and beyond cancer, with services provided by a small team of professionals, trained therapists and volunteer listeners led by a cancer nurse.

The €31,500 secured from the AIB Community €1 Million Fund will support the training and further development of Recovery Haven Kerry volunteers, while also facilitating the provision of new services and facilities.

Volunteers are the first point of contact for new clients, taking information, carrying out follow-up support calls and generally assisting in the day-to-day running of Recovery Haven Kerry cancer care house. Each prospective volunteer must complete an 18-hour training programme to ensure they have the requisite skills, knowledge and confidence to undertake their role. As well as this, all volunteers are required to update their certification in first aid, manual handling and fire safety.

AIB's support will enable volunteers to upskill and train existing volunteers to be group facilitators in courses such as Cancer Thrive and Survive, Building Better Caregivers, Climb (Children's Lives Have Moments of Bravery) and Cubs (Children United in Bereavement). The funding will also support the finishing of a building extension, providing a dedicated play therapy room and sensory space in the garden. Access to this sensory garden will help children develop life skills, including emotional regulation and self-reliance. And it will also enable Recovery Haven Kerry to expand the provision for mental health and wellbeing supports for children, parents and families, including children with a cancer diagnosis and children who have a significant person in their lives with cancer.



Recovery Haven, Kerry team with Stephen Stack, AIB

***"The AIB Community €1 Million Fund will make a significant impact for Recovery Haven Kerry cancer support house."***

**Gemma Fort,  
Manager at Recovery Haven Kerry**

Stephen Stack, AIB's branch manager in Tralee, Co. Kerry said: "At AIB, we feel very strongly about being part of the communities we operate in, not just by providing financial services but through the AIB Community €1 Million Fund. We are delighted to support Recovery Haven Kerry because we know the real difference they are making in peoples lives."

## Societal & Workforce Progress – Ambition

In 2024 and beyond, our focus will include the following:

### Economic and Societal

- Progressing our Customer Credit Transformation Programme (CCTP), facilitating faster decision-making and modernising the digital experience for our customers.
- Offering enhanced financial security to an increasing number, and variety, of customers via Goodbody and AIB life.

### Supporting Customers

- Appoint a Chief Customer Officer to drive improved customer experience using customer insights and data, and to align strategy, channels and propositions to develop and market future solutions.
- Continue work on improving the onboarding customer journey, removing paper-based applications.

### Our Colleagues

- Building a strong and diverse talent pipeline enabled by enterprise agility, talent mobility and targeted development career experiences and

empowering our people to navigate, direct and grow their career journey in AIB in line with our strategic business goals and the future needs of our business.

- Fostering an enhanced employee experience in a hybrid environment, cultivating engagement and connection through a strong programme of engagement, wellbeing and inclusion initiatives, and the continued promotion of a culture of universal inclusion across the organisation.

### Sustainable Communities

- Continue to support our community partners FoodCloud and GOAL for a further three years

and through this support, we will continue to enable both partners to develop their support for their communities.

- Working alongside our education partners, we will ensure that our support will enable innovation, particularly across sustainability. With Innovate for Ireland as one of our leading programmes, we will roll out a programme to support our leaders of the future.
- Connect our customers to the community organisations that matter to them most through the 2024 AIB Community €1 Million Fund and through our AIB Mobile App.



# 4. Governance & Responsible Business

# 4. Governance & Responsible Business

We will pride ourselves on acting responsibly, with integrity and transparency, while embedding ESG capabilities and measures at the heart of our business.

The following section will provide details of our governance structure, and also focus on areas pertaining to corporate governance, AIB's culture & reputation, and cyber security & data protection.



## This section contains the following chapters:

Our Governance Structure	57
Corporate Governance, Ethics and Accountability	59
Culture and Reputation	64
Cyber Security and Data Protection	68

## Our Awards:

### Analytics & AI Awards

Category: Analytics Employer of the Year

### Women in STEM Awards

Category: Returner of the Year  
Recipient: Shyamly Suresh

### Ibec Technology Ireland Industry Awards

Category: Excellence in Talent Development

## ESG Measures:

### Ongoing

Further improve efforts to enhance Cyber Security Protection.

### Ongoing

Gender balanced Board, ExCo and all Management

## Governance &amp; responsible business

## Our Governance Structure

Our strong governance structures and frameworks are key to delivering our strategy. AIB's Board of Directors has established a number of Board and Board Advisory Committees to assist in the discharge of its duties, and part of their role is to oversee and challenge the Group's sustainability strategy and performance, while the Board retains ultimate responsibility, ensuring a robust approach.

## Governance Structure

## AIB Group Board

Responsible for promoting the long-term sustainable performance of AIB Group

## Board Audit Committee (BAC)

Independently oversees the quality and integrity of the Group's accounting policies, financial and narrative reporting, non-financial disclosures and disclosure practices, internal control framework and audit as well as the mechanisms through which employees may raise concerns.

## Board Risk Committee (BRC)

Fosters sound risk governance across the Group's operations, overseeing risk management and compliance frameworks to include the risk appetite profile and the overall risk awareness across the Group. It also supports the Group in managing long-term emerging risk drivers including Cyber Risk.

## Remuneration Committee (RemCo)

Oversees the design, implementation, operations and practices of the Group's Remuneration policy ensuring that the Remuneration policy is designed to support the long-term business strategy, values and culture of the Group and to promote effective risk management.

## Nomination &amp; Corporate Governance Committee (NomCo)

Oversees Board and Executive Committee succession planning (including diversity) and keeps the Board's governance arrangements and corporate governance compliance under review.

## Sustainable Business Advisory Committee (SBAC)

Supports the Board in overseeing and challenging the development and execution of the Group's sustainable business strategy in accordance with the approved Group strategic and financial plan.

## Technology &amp; Data Advisory Committee (TDAC)

The Committee reviews and challenges the strategy, governance and execution of matters relating to technology and data, including cyber security and data and analytics, as well as business enablement activities.

## Key Sub-Committees of ExCo that Support the Execution of our Group Strategy

## AIB Group Executive Committee (ExCo)

Responsible for the day-to-day operation of the Group, including input on design, development and delivery of our purpose, strategy and values

## Group Asset &amp; Liability Management Committee (ALCO)

Chaired by our Chief Financial Officer (CFO), this committee is responsible for the Group's Balance Sheet structure, including capital, funding, liquidity, interest rate risk, foreign exchange hedging risks and other market risks.

## Group Disclosure Committee (GDC)

Chaired by our CFO, this committee is responsible for oversight of material Group disclosures including financial and significant non-financial/ESG data.

## Data, Analytics &amp; Technology Committee (DATC)

Chaired by our Chief Technology Officer (CTO), this committee is responsible for the governance, oversight and approval of all material aspects of the Group's data and technology activities, including the technology, data and analytics strategy, data quality, cyber, ethics and privacy standards.

## Group Risk Committee (GRC)

Chaired by our Chief Risk Officer (CRO), this committee is responsible for fostering sound risk governance, ensuring risks are properly identified, assessed, controlled and reported and that our strategy is consistent with our risk appetite.

## Group Conduct Committee (CC)

Chaired by our Group General Counsel, this committee is responsible for the oversight of the Group's conduct-related issues and the Group's consumer protection agenda.

## Market Announcements Committee (MAC)

Chaired by our CFO, this committee is responsible for advising the CEO and the CFO in determining the treatment of material information relating to the Group in respect of its equity and debt issuances and any impacted subsidiary entities in accordance with regulation.

## Arrears Restructuring Priority Committee (ARPC)

Chaired by our CFO, this committee, together with all members of ExCo, is responsible for the oversight of resolution of customer arrears across the Group.

## Group Change Committee (GC)

Chaired by our Chief Operating Officer (COO), this committee is responsible for overseeing the holistic change landscape of the Group and its impact on the operational risk profile of the Group, and for managing the annual Investment Planning process and allocation of funding.

## Group Sustainability Committee (GSC)

Chaired by our Chief Strategy & Sustainability Officer, this committee is responsible for the governance, oversight and approval of aspects of the Group's sustainable business strategy including Environmental, Social and Governance (ESG) activities.

## Quarterly Business Review (QBR)

Chaired by our COO, this committee is the specific ExCo-led decision-making forum in the QBR process, which is a key component in the delivery of technology-driven change in AIB under the Agile approach. It is the key enabler in delivery of the Board-approved strategic and financial plan.

## Governance &amp; responsible business

# Our Governance Structure continued

**Our Board and Board Committees**

The AIB Group Board is responsible for approving the Group's strategy and our financial and investment plans, which includes the consideration of ESG and climate factors. The Board is responsible for the approval of the Detailed Sustainability Report (DSR) and considers and monitors performance against the sustainability targets for the Group. It ensures that an appropriate system of internal controls is maintained and established. The Sustainable Business Advisory Committee (SBAC) assists it in fulfilling its independent oversight responsibilities in relation to ESG matters. The Board receives updates regarding the execution of the Group's sustainability strategy, including the quarterly Group Balanced Scorecard, bi-annual sustainability updates and updates on both Green Bond and Social Bond transactions.

**Sustainable Business Advisory Committee (SBAC)**

In fulfilling its advisory role, the SBAC supports the Board in overseeing the Group's performance as a sustainable business and delivery of AIB's sustainability strategy in accordance with the approved Group strategy and financial plan, and maintaining and safeguarding the Group's social licence to operate.

**Board Risk Committee (BRC)**

The BRC ensures that risks within the Group are appropriately identified, reported, assessed, managed and controlled including commission, receipt and consideration of reports on key strategic and operational risk issues. The BRC receives updates regarding the effectiveness of the Group's policies and programmes, which relate to identifying, managing and mitigating ESG risks, including Climate and Environmental Risk, in connection with the Group's operations and ensuring compliance with regulatory requirements and industry standards. The BRC approves the Climate and Environmental Risk Framework, which together with the Climate and Environmental policy, outlines the key requirements for the identification, assessment and management of Climate and Environmental Risk, and work continues to integrate and embed this new material risk into our key risk activities.

**Board Audit Committee (BAC)**

The BAC assists and advises the Board in fulfilling its independent oversight responsibilities in relation to the quality and integrity of the Group's accounting policies, financial and narrative reporting, non-financial disclosures and disclosure practices. It also manages the effectiveness of the Group's internal control, risk management, and accounting and financial reporting systems, our whistleblower Speak Up process (for more information, see page 61), and the performance of internal and external auditors. Regarding non-financial disclosures, the Committee has oversight responsibility for all ESG reporting contained within the Annual Financial Report and the bi-annual Pillar 3 disclosures. In discharging this responsibility, the BAC reviews a number of key artefacts relating to the implementation of new ESG reporting directives, internal and external assurance activity, supporting control frameworks, and the basis of preparation of disclosures.

**Technology Data Advisory Committee (TDAC)**

TDAC was established by the Board to support it in its review and challenge of strategy, governance and execution of matters relating to technology, data and cyber. The Technology Strategy is a key enabler of the overall Group Strategy and our Sustainability Strategy is a key part of this. Sustainability related matters considered by TDAC include data and analytics strategy including data ethics, cyber strategy, data protection and the Digital Operational Resilience Act ("DORA"). These areas are very much aligned to our material topics identified as part of the governance element of ESG.

**Executive Committee (ExCo)**

Our ExCo is the most senior management committee of the Group and is accountable to the Chief Executive Officer (CEO). Led by the CEO, the ExCo has primary authority and responsibility for the day-to-day operations of the Group, excluding those matters that are reserved specifically for the Board, and operating within the financial and risk limits set by the Board. This includes ensuring an effective organisation structure, the selection, motivation and direction of senior management, and oversee the execution of the strategy agreed with the Board and the operational management, compliance and performance of all of the Group's businesses.



Image above is taken at an AIB Group plc meeting in December

**Group Sustainability Committee (GSC)**

The GSC is a sub-committee of the Group and comprises members of the ExCo in addition to senior stakeholders from across the business. It is tasked with oversight of aspects of the Group's sustainable business strategy, including ESG activities, and how the Group responds to our ESG commitments. It makes recommendations to SBAC on matters requiring escalation, and interacts with GRC on relevant matters. It oversees the sustainability change agenda, including the effective fulfilment of strategic objectives and regulatory obligations, and data strategy as it relates to ESG disclosures. It reviews and assesses current and emerging ESG risks (interacting with GRC on relevant matters), maintains relationships with key sustainability and ESG stakeholders, and ensures that the Group's portfolio of ESG products aligns to the ESG agenda and strategy. Additionally, GSC oversees internal and external communications with stakeholders regarding the Group's approach to ESG matters.

**Group Risk Committee (GRC)**

The Group Risk Committee is the most senior management risk committee and is accountable to the Executive Committee to set policy and monitor

all risk types across the Group to enable delivery of the Group's risk strategy. As part of discharging its overall responsibilities, GRC receives updates regarding the effectiveness of the Group's policies and programmes, which relate to identifying, managing and mitigating ESG risks, including Climate and Environmental Risk, in connection with the Group's operations, and ensuring compliance with regulatory requirements and industry standards. The Climate and Environmental policy is approved by the GRC.

**Group Disclosure Committee (GDC)**

The GDC's primary purpose is the oversight of material Group disclosures made to the public. From an ESG perspective, the Committee recommends the disclosures within the DSR for recommendation to SBAC for review, ahead of recommendation to the Board for approval. Additionally, GDC considers the clarity and consistency of the disclosure response, on the recommendation of GSC, of any new legal and regulatory requirements impacting Group disclosures relating to ESG matters. The Committee reviews and recommends the key judgements and estimates applied to ESG disclosures to BAC, following consideration by GSC.

## Governance &amp; responsible business

# Corporate Governance, Ethics and Accountability



## Material Topic:

## Corporate Governance, Ethics & Accountability

Fostering a strong culture of accountability, integrity and openness, supported through appropriate governance and regulatory frameworks is a key tenet for the Group's future sustainability.

The Board and its committees participated in a number of ESG-related training events throughout 2023 in order to advance their collective knowledge and skills. The training sessions were delivered by a mix of internal and external subject matter experts on topics such as industry perspectives, emerging practices, challenges with data quality on climate-related disclosures and the Corporate Sustainability Reporting Directive (CSRD). In 2023, in order to further enhance the overall governance model to support ESG oversight at Board level, the Chairs of the BAC, BRC and SBAC met to discuss keys areas of common focus.

The Group's Governance Framework underpins effective decision-making and accountability. It is the basis on which we conduct our business and engage with customers and stakeholders. It ensures that organisational and control arrangements are appropriate, and that no one individual has unfettered powers of decision or exercises undue influence. Key roles and responsibilities are clearly defined, documented and communicated to key stakeholders.

AIB's corporate governance practices meet the relevant statutory and regulatory obligations that apply to the Group. The policies, frameworks and codes utilised across the Group – centred around our Code of Conduct (see page 65) – ensure all of those who work for AIB adhere to high ethical standards at all times.

# 40%

female representation across Board Directors

Meanwhile, our ESG Framework, which was launched in December 2022, ensured that the Group's approach to the management of ESG was clearly defined and well understood – from the Board and throughout all operations. This enabled the achievement of our strategic objectives in line with our Risk Management Framework while delivering on regulatory requirements and the commitments made to all of our stakeholders. In line with our continued progress in this space, the ESG Framework will be retired over the course of 2024 and the agenda will be managed through a newly launched Climate & Environment Framework and policy, and other existing Frameworks and governance structures in place.

As a Group, we maintain approximately 4,000 suppliers, with whom we contract. They are integral to both meeting our net zero ambitions and maintaining ethical operations throughout our supply chain. We have a Responsible Supplier Code that sets out our expectations of suppliers, and includes the behaviours we look for. We will only do business with suppliers that adhere to our Responsible Supplier Code and we require evidence that they have an ESG plan in place or are working towards putting one in place.

It is imperative that anything that goes against our ethics is identified and removed. Where there is wrongdoing, or suspected wrongdoing, we want to empower our people to speak up. Our Speak-Up policy sets out how employees, agency staff, tied agents, suppliers, contractors, consultants, and those providing an outsourced service, can raise any issue or seek advice at any stage.

### Board Composition and Diversity

Our long-term ongoing target is to maintain gender balance (40%-60% women) for our Board and management. In reviewing the Board composition, balance and appointments, we consider candidates on merit against objective criteria and with due regard for the benefits of diversity. At the end of 2023, our Board remains gender balanced, with 40% female representation across Directors along with one member from a minority ethnic group. The Board embraces the benefits of diversity among its members and through its succession planning, is committed to achieving the most appropriate blend and balance of diversity possible over time.

For more details on our Board composition, diversity and effectiveness, see the Annual Financial Report, pages 70 to 73.

### Tone from the Top

The Board of Directors approves the Group's purpose and strategy, guiding and protecting the long-term vision of the organisation.

In 2023, AIB Group developed a strategy for the next three-year strategic cycle and revised our purpose.

Our purpose, empowering people to build a sustainable future, was approved by the Board following a series of engagements with the Customer First Recharge Programme (see page 37) throughout March to July 2023. All ExCo members took part in a workshop in May that resulted in initial wording on the revised purpose. The final wording was agreed by ExCo and assessed by a focus group in advance of Board consideration, discussion and final approval in July.

In December, following extensive review and challenge by the Board during the year, in line with the Group's strategic planning process, the Board approved the Group's strategy for 2024 - 2026, which builds on the platform created by delivery of the strategy for 2020 - 2023. Details on our Group strategy can be found in our Annual Financial Report 2023, pages 20 to 25.



AIB colleagues at the Sustainability event in PorterShed a Dó in Galway.

## Governance &amp; responsible business

# Corporate Governance, Ethics and Accountability continued

## Accountability

We remain steadfast in our commitment to truly embed a culture that champions customers' interests, underpinned by values and behaviours that support the delivery of high-quality service and fair customer outcomes.

The Individual Accountability Framework regulation is intended to improve executive accountability within the Irish financial services sector. We welcome this regulation and have already started to implement enhancements to our existing processes, with the strong support of our Board and Executive Committee.

Throughout 2023, we maintained a rigour on the promotion of our culture of accountability throughout the organisation by enhancing our Code of Conduct and mandating associated training for all employees, in addition to an extensive programme of training and awareness at all levels within the organisation, in preparation for the Individual Accountability Framework.

In November, we held an Accountability in Action week with a programme of activity provided across the organisation including senior leader panel discussions and training, to enhance our understanding of accountability. We also launched a new Regulatory Accountability Policy, which came into effect at the end of the year.

## Anti-Bribery & Corruption

The most significant Corruption Risks faced by the banking industry relate to money laundering and terrorist financing, corruption in the supply of goods and services to the Bank, internal and external fraud, conflicts of interest in business transactions, market manipulation in share dealing, data protection breaches and theft.

To manage corruption and its associated risks, we have implemented two Group policies. Our Financial Crime (incorporating Anti-Bribery & Corruption (ABC)) policy covers what constitutes bribery and/or corruption and what is prohibited under the various regulations. And our Conflicts of Interest (CoI) policy governs both the giving and receiving of gifts, benefits and hospitality. These policies apply to all employees, contractors and suppliers operating within AIB. They are reviewed

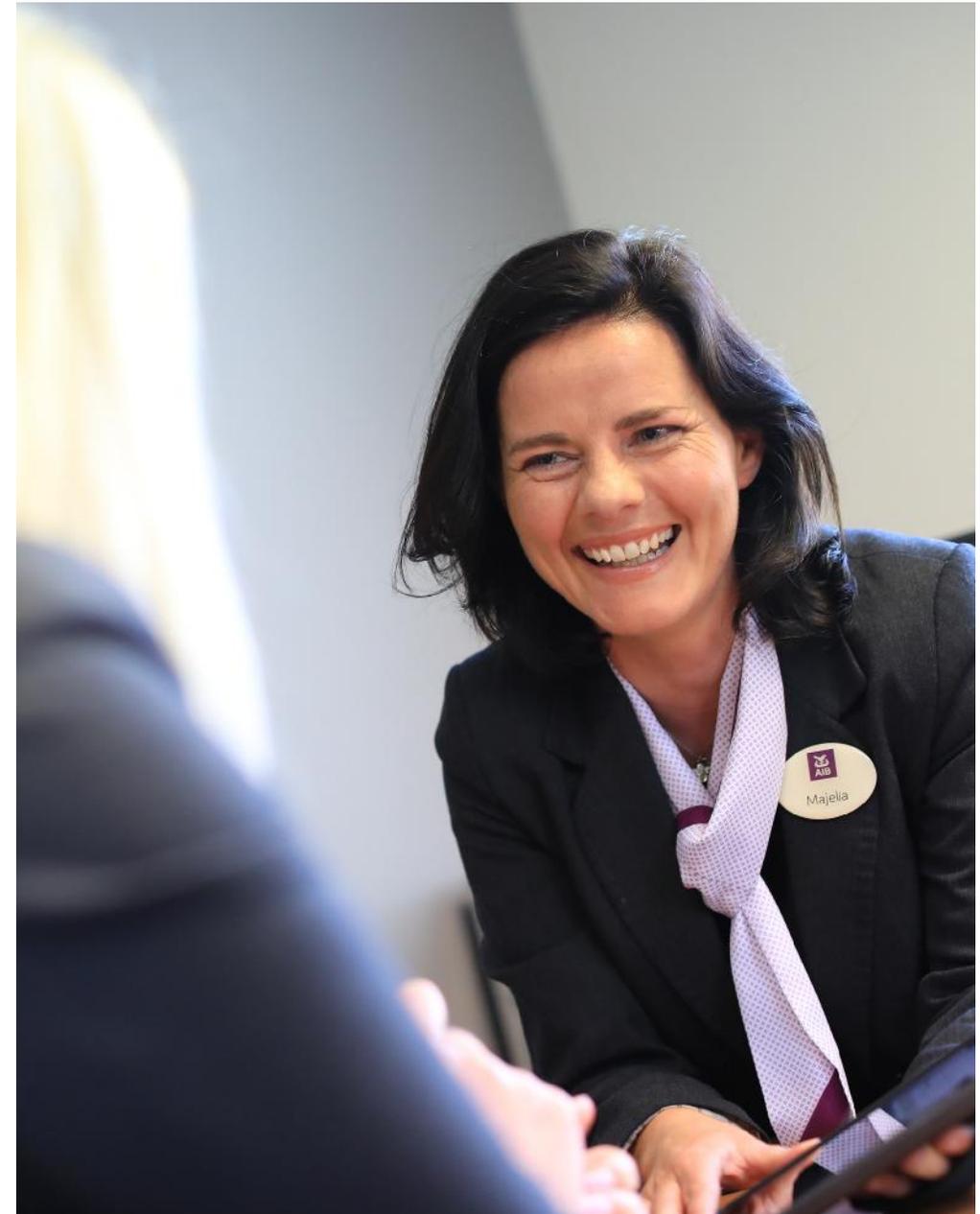
annually by stakeholders and material changes must be approved by our Group Risk Committee.

In line with our Financial Crime and Conflict of Interest policies, all our operations across the Group are assessed for risks related to corruption. No significant risks related to corruption were identified through the risk assessment during 2023.

Under the CoI policy, gifts, benefits or hospitality given or received, in excess of €50/£50/\$65 (including cumulative gifts received or given to or from one donor) are subject to prior approval from the employee's People Leader and must be recorded on a central register. Coordinators are appointed for each business area – they review the register monthly, ensuring it is in keeping with our policies, complete quarterly returns to our HR Direct team and report policy breaches to the policy owner. As subject matter experts, HR provides training and support to those appointed coordinators.

All business areas are responsible for completing a quarterly assessment of all registered activities to ensure they are in keeping with policy and identify those which might give rise to a potential or perceived conflict situation or corruption. Where additional management oversight is required, business areas must ensure local procedures are in place to mitigate bribery or corruption of any sort, and to ensure that employees are regularly apprised of the potential risks and mitigations required.

All employees, contractors and suppliers are required to complete Financial Crime (AML & Sanctions) and Conflicts of Interest training annually, and employees must declare any perceived or potential Conflicts of Interest on an ongoing basis. In 2023, our Group MLRO delivered in-person ABC training to our Board, 98% of our employees and contractors completed mandatory online Financial Crime (AML & Sanctions) training, while 98% of our employees and contractors completed the Conflicts of Interest training. Roles and responsibilities documents and instruction guides are published on our intranet to help everyone understand these policies thoroughly.



## Governance &amp; responsible business

# Corporate Governance, Ethics and Accountability continued

The Board Audit Committee oversees compliance with the Code of Conduct by way of an annual update. It also ensures that arrangements are in place for the proportionate and independent investigation of matters raised under that policy for appropriate follow-up action. Material matters relating to bribery and corruption will be escalated to the Board on a case-by-case basis through Executive Management Reporting.

Our Responsible Supplier Code clearly sets out our expectations for our suppliers on ABC matters. Our People Leaders are required to brief their insourced suppliers on it and our business owners brief our outsourced suppliers in accordance with our Third Party Management (TPM) process. The level of training and support provided to suppliers depends on their risk rating.

Please visit [aib.ie/sustainability](https://aib.ie/sustainability) for a list of our related codes and policies, with details of accountability and implementation. Many of our policies require annual training to be completed by employees, including training on our Conflicts of Interest and Speak Up policies.

## Our Commitment to Human Rights

AIB is committed to the protection and preservation of human rights. Our Human Rights Commitment was published in February 2021, having been approved by our Executive Committee and reviewed by SBAC and our Board. It is available to read on our website.

By the nature of our industry, geography and services employed, we are generally not at high risk of having modern slavery in our business or supply chain. However, we ensure that, when engaging with suppliers operating in industries that may have an elevated risk of compromising human rights (such as industries including textile manufacturing, construction, or agriculture), appropriate checks and measures are completed.

We respect human rights in accordance with internationally accepted standards; our Human Rights Commitment has been shaped by the UN Guiding Principles on Business and Human Rights. Our commitment operates alongside our Code of Conduct and Responsible Supplier Code, and is

aligned to the European Convention on Human Rights and the EU Charter of Fundamental Rights.

Our Responsible Supplier Code sets out our expectation that our suppliers must abide by all national and international laws as applicable, including the International Bill of Human Rights and the International Labour Organisation conventions.

We engaged Shift, the leading centre of excellence on the UN Guiding Principles, in 2022 to establish a process of identifying suppliers most at risk of enabling Modern Slavery. Using this process, we completed an exercise to evaluate our supply chain and identified suppliers which represent a higher risk of modern slavery due to their industry. Through a process of enhanced due diligence, it was determined that none of these suppliers represented an actual high risk.

We incorporated an improved ESG questionnaire into our supplier risk assessment process. This helps us to assess the ESG performance and risks of our suppliers and their supply chains.

In 2023, we partnered with Business In the Community Ireland to provide training on Modern Slavery and Human Trafficking to our staff. The training was delivered to relevant staff across functions that play a role in fulfilling our Human Rights obligations. The training helped to raise awareness of the issue of Modern Slavery, Forced Labour & hidden labour exploitation and the legislative requirements that AIB is subject to.

## Speak Up policy

# 99%

training completion rate achieved in 2023.



## Speak Up

Our Speak Up policy sets out how employees, agency staff, tied agents, suppliers, contractors, consultants, and those providing an outsourced service, can raise any issue or seek advice at any stage. This policy and its corresponding process provide a confidential route to report wrongdoing or suspected wrongdoing through a number of channels, without fear of or actual retaliation, including:

- Reporting issues to local management;
- A reporting line to a nominated member of senior management;
- Access to a confidential internal telephone line or a dedicated Speak Up '@aib' email address;
- An external, confidential, telephone and email facility operated by an international specialist charity, Protect; and
- An external portal to allow employees to convey concerns through a digital channel that is available 24/7.

Issues raised in our Speak Up process are reported to our Board annually, while a summary and the number of concerns raised are published annually on our website in our Protected Disclosures Report. Everyone working in and for AIB Group is required to complete mandatory training on Speak Up annually, which provides information about the Speak Up policy and process as well as the contact details and channels for raising a concern. In 2023, the completion rate of this training was 99%. Specific training is also provided to managers on how to handle concerns appropriately.

The Chief People Officer (CPO) sponsors our Speak Up policy and an Executive Committee sub-group has accountability for reviewing Speak Up cases and follow-up actions. The policy is approved by our Board Audit Committee and its Chair is the Whistleblowing Champion for the Group, making a significant contribution to enhancing this area through her regular engagement and support to the Executive teams responsible. Investigations are conducted, as appropriate, by Human Resources (HR), business representatives and/or a specialised team in Group Internal Audit (GIA). We may engage an external investigator if appropriate in the circumstances. In cases of suspected fraud, GIA undertakes the initial investigation, and regulatory and policing authorities are notified if necessary and appropriate.

## Governance &amp; responsible business

# Corporate Governance, Ethics and Accountability continued

With the strong support and focus of our Board and Executive Committee, we placed a sustained emphasis on our Speak Up agenda throughout 2023. This was achieved through a series of communications, training and engagement. In particular during 2023, we placed emphasis on further alignment of Speak Up within our Group subsidiaries and on understanding what more we can do in this area from employee feedback.

Through the Speak Up process, concerns were raised on the following in 2023:

- Workplace/operational issues;
- Personal grievance concerns; and
- Potential regulatory or legal matters.

In 2023, all guidance requests and concerns raised were successfully concluded by dedicated case managers.

Meanwhile, our Grievance process is a mechanism for our employees who feel they have been mistreated or have been subject to behaviours they believe are contrary to our Code of Conduct. We operate a comprehensive complaints process designed to provide our customers with the opportunity to be heard, and have their concerns investigated and made good where needed.



## Managing Our Suppliers

We have approximately 4,000 active suppliers on our database, and we transacted with 2527 of these in 2023. The largest cohort of our Suppliers are based in Ireland (59%). A further 22% are based in the UK and the remaining 19% are in other locations, mostly in other European countries, the USA and India. Our suppliers are mainly professional services, business services and IT service providers and include categories such as consultants, contractors, subcontractors, re-sellers, and brokers. There have been no significant changes to the location or structure of our supply chain in 2023.

We segment our supplier base into five tiers based on the risk and criticality of the service being provided; we manage these suppliers proportionately to the level of criticality or risk involved, thereby our most critical services in the highest tier (Tier 1) are the most closely managed, while the lowest tier (Tier 5) suppliers typically provide low-value transactional type goods and services.

Market intelligence together with specific selection criteria and best-in-class supplier selection tools help us to select the most appropriate suppliers for the services we require. We complete due diligence for supplier selection, prioritised according to the nature, value, complexity, and criticality of the service being procured. For high-value/risk services, specific diligence checks are performed on the supplier and the proposed service model. Lower-value/risk suppliers are subject to routine company financial and sanction scanning checks.



AIB suppliers must adhere to all legal obligations in each jurisdiction in which they operate or provide services (e.g. environmental and labour law), as well as any specific requirements included in our own policies. Key suppliers must attest annually to key policies (or clauses in them that are relevant to our supply chain). These include our Code of Conduct, Conflicts of Interest policy, Anti-Bribery & Corruption policy, Data Protection policy, Speak Up policy and our Human Rights Commitment.

In 2020, we launched our Responsible Supplier Code which sets out our expectations of suppliers, and includes the responsible and ethical behaviours we look for in the companies with whom we do business. Based on our Code of Conduct, the Responsible Supplier Code also references our Anti-Bribery & Corruption policy, Conflicts of Interests policy, Human Rights Commitment and our Speak Up policy. This is published on our website and applies to all providers of goods and services that do or seek to do business with AIB Group.

As such, we will only do business with suppliers that adhere to this Code; we require evidence that our suppliers have an ESG plan in place or are working towards putting one in place; and all successful suppliers are required to join the Supplier Financial Qualification System (SFQS). We also encourage our suppliers to report their carbon emissions through the CDP (Carbon Disclosures Project). In 2023, the number of suppliers who requested to participate in reporting to CDP increased by 14% to 114, and the number of suppliers submitting responses increased by 27% to 90.

We maintain a Suppliers Portal to facilitate transparency for our suppliers, providing them with access to information on how to become a supplier.

## Governance &amp; responsible business

# Corporate Governance, Ethics and Accountability Case Study

## Case Study:



## Introducing ESG to Supplier Risk Assessment

Environmental, Social and Governance (ESG) factors are increasingly important for AIB, not only for our own performance, but also for our relationships with suppliers. In 2023, we incorporated an improved ESG Questionnaire into our supplier risk assessment process, which is helping us gain multiple benefits, such as:

**Aligning Our Values and Expectations**

By asking suppliers to complete an ESG Questionnaire, we communicate our ESG standards and expectations, and ensure that we work with partners that share our values. This can help to build trust and reputation, as well as avoid potential conflicts or controversies.

**Identifying Risks and Opportunities**

The Questionnaire helps us to assess the ESG performance and risks of our suppliers and their supply chains, such as their environmental impact, social responsibility, human rights, labour practices, ethics, and governance. This helps us to identify and mitigate ESG risks, such as regulatory fines, reputational damage, operational disruptions, or legal liabilities. It also helps us to identify and leverage ESG opportunities, such as innovation, cost savings, customer loyalty, or market differentiation.

**Providing a Baseline and a Roadmap**

The questionnaire provides a baseline for measuring and monitoring the ESG performance and progress of suppliers, as well as a roadmap for improvement. By using a standardised ESG Questionnaire, we can benchmark and compare our suppliers, and track their ESG performance over time. It allows us to provide feedback and guidance to our suppliers, and encourages them to adopt best practices and continuous improvement.

## Updated Questionnaire

Following its revision in 2023, the improved ESG Questionnaire covers a broad range of ESG areas, and the new question set has added focus on reviewing responses and evidence from AIB suppliers on their:

- journey to establishing or achieving their Net-Zero targets;
- annual Corporate Social Responsibility (CSR)/ Sustainability reports;
- Scope 1,2,3 Greenhouse Gas (GHG) emissions;
- consideration of physical risks from climate change;
- policies on discrimination, Inclusion & Diversity, Health & Safety, Modern Slavery, Vulnerable persons, Greenwashing, Speak Up;
- Code of Conduct and their Responsible Supplier Code for their own supply chain;
- commitment to ongoing ESG-related training in their organisation.

Ultimately, our ESG Questionnaire enhances our supplier risk management process, and creates a more sustainable and resilient supply chain, helps us to achieve our ESG objectives, and creates value for our stakeholders and society.

## Governance &amp; responsible business

# Culture and Reputation

Our culture defines us – it's like our DNA. Everyone in AIB has a role to play in shaping our culture for the better, and we remain steadfast in our commitment to truly embed a culture that champions customers' interests, underpinned by values and behaviours that support the delivery of high-quality service and fair customer outcomes.

We often talk about the 'Why', 'What' and 'How' of our business. Our 'Why' is our purpose. Our 'What' is our Group strategy, of which Sustainable Communities is a pillar. (For more information about the AIB Group strategy, see the Annual Financial Report 2023.) Our 'How' comprises our values and behaviours – and in many ways, our 'How' can make all the difference.

As an organisation, our values are:

- Put Customers First
- Be one team
- Own the outcome
- Drive progress
- Show respect
- Eliminate complexity

Our culture is the key enabler of our strategy and purpose and we are very proud of that and so it is intrinsically intertwined with our reputation. The banking sector in Ireland still has a road to travel to regain trust and our social licence to operate. That's why it is so important for everyone in AIB to act in accordance with our values and behaviours, and for us to ensure that both the 'What' and the 'How' are being constantly assessed as part of each employee's performance management.

As such, we run our business in accordance with our Code of Conduct, which applies to all employees, contractors and directors, and underpins our values. It guides our people to make better decisions, and acts as a framework for many of our people-related policies. It is the crux of our 'How'.

We also recognise that compliance with laws, codes and regulations helps our stakeholders to trust us. Our robust approach to regulatory compliance – with all regulators across our different jurisdictions – is aligned to our Three Lines of Defence (3LOD) risk management approach.

Throughout 2023, we maintained a focus on the promotion of a culture of accountability throughout the organisation, partly in preparation for the implementation in 2024 of the Senior Executive Accountability Regime regulation, which is intended to improve executive accountability within the Irish financial services sector. For more information on our Corporate Governance, Ethics and Accountability, see pages 59 to 62.

The Board continues to place significant importance on ensuring that a values-led culture is in place in the Group. In April, AIB once again participated in the Irish Banking Culture Board (IBCB) "éist" staff survey. Upon receiving the results of this survey, a number of 'listening sessions' were held with employees with a view to refreshing our Culture Programme, which was originally stood up in 2019, and our values, which had been updated most recently in 2020.

The Culture Programme refresh was supported by discussion and approvals at senior management, Executive Committee and Board level.

In terms of ongoing risk mitigation, People & Culture Risk is a material organisational risk, defined as 'the risk to achieving the Bank's strategic objectives as a result of an inability to recruit, retain or develop resources, or the inability to evolve the culture aligned to the Bank's new values and behaviours'. Our People & Culture Risk Framework is part of the overall Operational Risk Framework and specifies processes for the monitoring and measurement of People & Culture Risk and Key Risk Indicators defined in the Group Risk Appetite Statement. It was reviewed and approved by the Head of Operational Risk, the Framework owner, in March 2023.

Aspire, our performance management programme, applies to every employee in AIB. It enables performance reviews on a bi-annual basis, and encourages ongoing development discussions. On the basis of each employee's annual goals, Aspire enables the equal recognition of not just what each individual has achieved in the year but how it was achieved and so encourages the ongoing development of behaviours in line with our values.



AIB colleagues at a Sustainability event in Greentech HQ in Wexford

Since 2021, we have been recognising individuals across the business who go above and beyond, embracing and living our values in their everyday interactions, a true showcase of all that we do best in AIB. The annual Employee Values Awards (EVAs) are an opportunity to recognise the many outstanding examples of times when our colleagues have stepped up for each other, our customers and our communities. Everyone is involved in the process of identifying these individuals, beginning with an open nominations process that progresses to a voting system. In 2023, more than 3,000 nominations were received, recognising a longlist of 1,855 outstanding employees across every business area, which was whittled down to shortlist of just 130 individuals. Of these, 69 were voted as finalists by their colleagues, and 17 were presented with their award at the first in-person celebration in November.

## Our Purpose

Empowering people to build a sustainable future.

## Core Values

### Put Customers First

- Deliver solutions
- Share insight

### Be one team

- Create connections
- Universally include

### Show respect

- Empower others
- Speak up

### Own the outcome

- Seek excellence
- Take accountability

### Drive progress

- Embrace innovation
- Deliver sustainability

### Eliminate complexity

- Actively simplify
- Be decisive

## Governance &amp; responsible business

## Culture and Reputation continued

**Our Code of Conduct**

We focus on driving good and fair customer outcomes throughout our business by promoting and rewarding a culture that measures the quality of those outcomes.

We ensure sufficient senior focus on our conduct through the Regulatory and Conduct Risk Committee, which is the forum that provides risk oversight of Regulatory and Conduct risks of the Group including oversight of its subsidiaries.

Our Code of Conduct underpins our values and culture, setting out clear expectations of how we behave and how we do business. It is vital that everyone who works in or for AIB understands how they are expected to behave. One of the five standards of our Code of Conduct is that we act in the best interests of our customers, at all times, treating them fairly and professionally. And we deliver on this in a number of ways, including promoting fair customer outcomes by always putting their needs first in our advice and in our decision-making, designing products and services that are suitable for our customers, and providing customers with information that is both accessible and transparent to support and enable them in making informed decisions.

All employees must adhere to our Code of Conduct, and complete a declaration of compliance with it as part of the annual Aspire performance management process. Failure to comply with our Code is taken seriously and robust processes are in place to deal with any failings in that regard. Individual employee breaches of the Code of Conduct are managed through a disciplinary process that can result in sanctions of up to and including dismissal. Annual reporting to the Group Conduct Committee and the Board on Code of Conduct and related activities ensures proper oversight and helps drive positive outcomes.

In terms of risk mitigation, Conduct Risk is a material organisational risk defined as 'the risk that inappropriate actions or inactions by the Group cause poor or unfair customer outcomes or negatively impact market integrity'. At its simplest, Conduct Risk is about ensuring that we avoid bad

or unfair outcomes for our customers. Our Conduct Risk Framework is part of the overall Risk Management Framework and specifies processes for the monitoring and measurement of Conduct Risk and the Key Risk Indicators defined in the Group Risk Appetite Statement.

To effectively manage Conduct Risk, we champion a strong conduct culture that ensures:

- A Customer First approach, as articulated by our values, behaviours and Code of Conduct, is embedded and demonstrated throughout the organisation;
- A mature Group Conduct Risk Framework aligned with the Group strategy and embedded in the organisation that provides oversight of conduct risks at Executive Committee and Board level; and
- Customers, existing and new, are treated in a fair and transparent way.

**Compliance**

We have a strong approach to regulatory compliance in AIB, with management responsibility for it aligned with our Three Lines of Defence (3LOD) approach to risk management. Our Regulatory Compliance Risk Management Framework, approved by the Board Risk Committee, sets out the principles, roles and responsibilities, internal controls, and governance in place to achieve compliance objectives. It is underpinned by policies designed to protect our customers, such as Data Protection and Financial Crime.

In 2023, 27 error issues were notified to the regulator, the Central Bank of Ireland, under the reporting obligations of the Consumer Protection Code 2012. We monitor incidents of non-compliance with regulations concerning product and services information and labelling, amongst others. In 2023, no incidents of non-compliance with regulations concerning product and service information and labelling resulted in a fine or penalty.

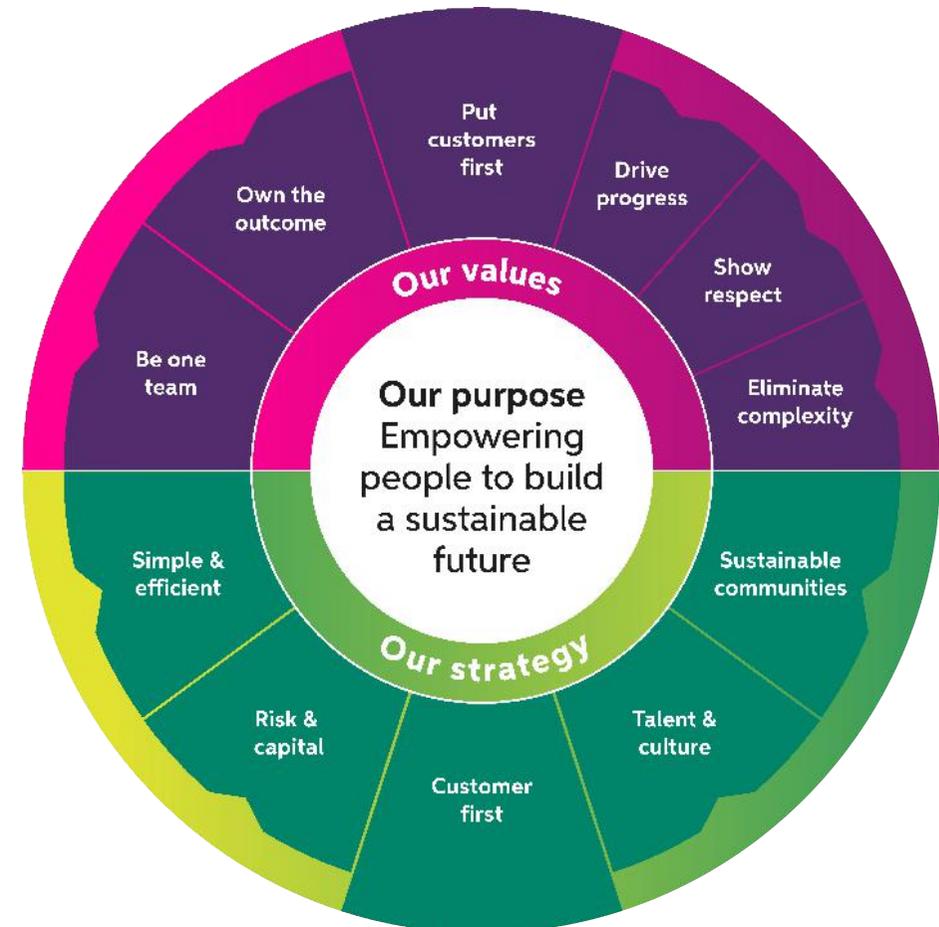
Also in 2023, we maintained a focus on the promotion of a culture of accountability throughout the organisation. With the strong support of our

Board and Executive Committee, the Group is well prepared for the implementation in 2024 of the Individual Accountability Framework regulation, which is intended to improve executive accountability within the Irish financial services sector. We continue to place an emphasis on our Speak Up agenda creating a supportive environment across all entities where colleagues can raise issues.

**Code of Conduct**

# 98%

training completion rate achieved in 2023.



## Governance &amp; responsible business

# Culture and Reputation continued

**Other Policies**

In AIB, we use policies and codes to enable us to operate our business in a responsible and sustainable way. Below we have set out some key conduct and environment-related policies, each of which have associated Principal Risks and key performance indicators.

Our Code of Conduct provides a guiding framework for many of our people policies on behaviour and conduct. It is underpinned by policies including Conflicts of Interest, Anti-Bribery & Corruption, Conduct of Personal, Financial and Tax Affairs, Social Media, Inclusion & Diversity and Speak Up.

Along with our Code of Conduct, our Conflicts of Interest policy sets out how actual, potential or perceived conflicts of interest are to be evaluated, reported and managed to ensure that employees and Directors act at all times in the best interests of the Group and our stakeholders. Every year, employees must complete mandatory online Conflicts of Interest training.

Our Financial Crime policy and standards encompass Anti-Money Laundering/Countering the Financing of Terrorism, Fraud, Anti-Bribery & Corruption and Sanctions. The policy and standards are embedded within business operating procedures, and are subject to at least an annual content verification to ensure that they are kept up to date. All employees and Directors are made aware of our policies and standards. Every year, employees must complete mandatory online training, while our Money Laundering Reporting Officer (MLRO) provides comprehensive annual training to the Board, and bespoke training for specific roles is also provided to key employees.

**Our Group Social Housing Policy**, approved by our Group Credit Committee, together with our Commercial Investment policy, supports lending to our customers for social housing and helps us to manage and mitigate the associated risks. For more information on Social Housing, see page 35.

**Our AIB Group Data Protection Policy**, approved by our Group Risk Committee, is part of the Regulatory Compliance Risk Management Framework. It aims to ensure that processes and controls are in place to minimise the risk of unfair or unlawful data processing and that all employees understand the responsibilities and obligations that must be adhered to under data protection regulation. It applies to our entire operations, including our suppliers. For more information on Data Protection, see page 69.

**Our Health & Safety Policy**, endorsed by the Chief Executive Officer, sets out our commitment to ensuring the safety of our employees, customers, contractors, visitors and our workplace. For more information on health and safety in AIB, see page 48.

**Our Inclusion & Diversity Code**, approved by our Executive Committee, is based on an ethos that respecting, developing and harnessing the talents of all our employees creates an inclusive and supportive organisation. It enables the Group to deliver a superior experience for all our customers, provides an inclusive place to work for our employees, and contributes to an appropriate financial return for our shareholders and the economies within which we operate. For more information on I&D in AIB, see page 48.

**Our Speak Up Policy** is our whistleblowing policy, approved by the Board Audit Committee. It sets out how all those working in and for AIB Group, including, but not limited to, employees, agency staff, tied agents, suppliers, contractors, consultants and those providing an outsourced service, can safely and confidentially speak up to raise a concern about suspected or actual wrongdoing in work, without fear of penalisation. The policy outlines the channels available to raise such concerns. For more information on Speak Up, see page 61.



**Our AIB Group Environmental Policy**, endorsed by our then Chief Operating Officer Designate and our Chief Strategy & Sustainability Officer, enables us to carry out activities in our own operations, taking environmental protection into account, to manage the direct and indirect environmental impact of our business in a responsible way and to achieve continual improvement in environmental performance.

**Our AIB Group Energy Policy**, endorsed by our then Chief Operating Officer Designate and our Chief Strategy & Sustainability Officer, enables us to carry out our business as energy efficiently as possible, to reduce our carbon footprint and to achieve continuous improvement in energy performance.



## Governance &amp; responsible business

## Culture and Reputation Case Study

## Case Study:



## Customers at the Heart of Our Culture

Culture at AIB supports and enhances the Group strategy. With this in mind, AIB's Chief People Officer Dave McCormack discusses the importance of culture and the role it plays in ensuring positive customer outcomes, and outlines the decision to introduce a new value and associated behaviours in 2023.

**Q. What is AIB's culture ambition?**

Our ambition is to build a people-led culture where customers are truly at the heart of what we do. To achieve this, we are implementing a wide range of activities designed to ensure everyone is empowered to take action, to speak up, to be innovative and to live the AIB values in pursuit of positive customer outcomes.

**Q. How does our culture support the Group strategy?**

The culture we are striving for is based on three themes: embedding customer-centricity, empowering our people, and promoting innovative approaches to challenges and opportunities. Each of these underpins the AIB Group strategy. Customer-centricity will ensure we are truly 'Customer First' in our actions and well positioned to develop deeper relationships with our customers. Empowerment and innovation are crucial as we set about greening our loan book, and they are fundamental to the operational efficiency we will drive over the next few years.

**Q. What drove the decision to introduce a new value in 2023 – Put Customers First?**

Values set the tone for what we do, and how we do it. That's why they are important. Putting Customers First has always been our ambition; having it as a value reinforces that ambition. If we can all do that, truly embed a customer-centric approach to our work every day, it will make a huge difference to customer outcomes.

**Q. How does AIB encourage our people to live our values?**

When a new colleague joins AIB, the values and behaviours associated with each role are highlighted as part of their induction. Our core learning and development opportunities also feature the values, and they are regularly referenced in CEO, ExCo and internal communications as a reminder of their importance. A good example is the launch of our new strategic cycle, which included a strong emphasis on living our refreshed purpose and values.

**Q. What are you looking forward to in 2024, in terms of culture?**

In keeping with our new strategic cycle, 2024 marks a new phase in our Culture Programme at AIB. We will work to embed our refreshed purpose and values, especially our new value, Put Customers First. And we will implement an integrated set of initiatives – for example, our Customer First Recharge Programme and a new approach to performance and development – that I truly believe will take the culture at AIB to a new level.

## Governance &amp; responsible business

# Cyber Security and Data Protection



## Material Topic: Cyber Security and Data Protection

AIB has a track record of leading digital enablement within the context of the Irish banking landscape. We were the first Irish bank to go online, and we launched the first Irish banking app in 2011. Maintaining this leadership position continues to be an important aspect of the Group strategy given our customers' increased demand for more convenient ways of banking. The refreshed Cyber Strategy went to the AIB Board in early March 2023 and was approved.

In 2023, 2.2 million of our customers across the Group were digitally active, representing +96.7k growth during the year. We determine 'digitally active' as those customers who utilised our digital channels at least once across a 90-day period. At peak usage, AIB ROI customers made 3.62m daily interactions across these channels, which is an 11% increase on 2022. Since the COVID-19 pandemic, we have seen a large uptake in digital wallet use in particular. In 2023, we witnessed a 47% increase in the use of this channel along with a 64% increase in the value of transactions year-on-year. In the same period, the value of eCommerce transactions increased by 27%.

Today, online applications for our main personal products continue to rise. In 2023, 89% of personal loans, 67% of overdrafts and 69% of credit cards were applied for online, while a quarter of our mortgage applications were made online.

For our employees too, digitalisation has enabled more flexible working options as well as faster, data-enabled decision-making for the benefit of our customers, as delivered by our Customer Credit Transformation Programme (see page 38).

Given this continued growth in the centrality of digitalisation to AIB Group, we have dedicated significant resources to ensuring both the safety of our digital channels and appropriate use of our customers' data. Additionally, we are continuing to invest in technology, with an average annual IT spend of c. €275m committed from 2024 to 2026, to help us in delivering simplified, modern, resilient and customer-focused IT.

### Information Security Standards

Our systems are designed and operated to remain secure while providing products and services that are fit for purpose. AIB is accredited for ISO 20000 2018 standard certification for service management systems (underpinning our IT infrastructure). We have well-established, comprehensive Information Security Standards in place for over 18 years. They are aligned to ISO 27001, reviewed regularly and independently assessed.

All our employees, contractors, consultants and third parties, including those involved in sponsoring, developing, supporting, implementing, administering, operating or otherwise delivering IT solutions must understand and comply with our standards, while our Information Security Management System extends beyond them.

An overarching Information Security Governance forum is supported by a number of groups that ensure the Group's information and technology assets are secured and protected. In addition, our Data Quality and Governance Committee provides oversight, direction and transparency in decision-making, assists in maintaining good data hygiene and provides escalation where required.

### Controls

Unfortunately, the threat landscape is constantly evolving and accelerating. As such, our robust controls are monitored and tested regularly to prevent unauthorised parties from accessing, manipulating or acquiring data. We operate internal control testing aligned to the NIST Cybersecurity Framework. We have business continuity plans and incident response capabilities in place, and test them at least annually, running cyber simulations based on extreme but plausible scenarios. We also drive the delivery of new and enhanced controls to ensure we keep pace.

To assure the security of our IT systems and data, we complete external verification and vulnerability analysis. External verification is delivered through external audits, which are completed at least annually. Vulnerability analysis includes objective-based testing that simulates real-world cyber attacks. 80% of our IT infrastructure is aligned with



ISO 27001 and NIST, and we continuously monitor key cyber risks.

AIB has a dedicated Security Incident team to analyse and respond to suspicious events. The team can be contacted by email or phone, or by using the reporter button embedded into our email. Our Cyber Threat Intelligence team collates and evaluates intelligence on known and emerging cyber threats targeting financial institutions.

In 2023, AIB did not experience any successful breaches of confidentiality as result of a cyber security incident, nor did we have incidents to our IT infrastructure that resulted in penalties.

## Zero

breaches of confidentiality or IT infrastructure incidents that resulted in penalties or revenue losses.

## Governance &amp; responsible business

# Cyber Security and Data Protection continued

## Cyber Risk Management

Our Information Security, IT Risk and Continuity & Resilience policies support our general management of cyber risk in AIB. The Group's exposure to cyber risk is monitored by the Board through its regular risk reporting and focused updates on specific cyber-related topics. Our Chief Risk Officer regularly reports on the risk profile of the Group and emerging risk themes to both the Group Risk Committee and Board Risk Committee. Cyber risk interacts with our Material Risks to varying degrees, and we see it as a sub-risk within our Operational Risk framework.

Key cyber risk indicators monitored by the Board in 2023 include: number of high-impact cyber incidents; significant mitigated IT vulnerabilities; phishing resilience rate; timelines of incident detection; third party Cyber Risk; and investment in cyber security.

We operate our cyber defences in line with international standards, combining controls that help predict, prevent, detect and respond to attacks. We continue to improve our defences and control environment, which have proven robust to date. Nonetheless, the cyber threat profile remains elevated, with the threat landscape becoming more diverse, and attacks increasing in sophistication and volume.

## Awareness and Training

All employees are required to complete Information Security training annually, which covers our policy, reporting and escalation of issues. Additional training must be completed by high-risk users.

Training is underpinned by ongoing phishing simulations, by way of internal emails that pertain to be from bad actors, alerting and reminding employees and contractors of the tell-tale signs of a phishing campaign. The results allow us to measure AIB's resilience to such attacks. Typically, we conduct one simulation exercise per quarter for all employees; in 2023, we completed 12 phishing simulations in total – four for all employees and eight directed at specific high-risk users. In total, we sent 68,752 phishing simulation emails in 2023, an increase of +9.6% versus 2022.

In 2023, our Board received cyber training from our Chief Information Security Officer and 98% of our employees completed our Information Security training.

## Preventing Service Disruptions

As the risk of a malicious attempt to disrupt business through a Distributed Denial of Service Protection (DDoS) attack has increased, we have invested in a state-of-the-art solution to support our strategy. A DDoS attack is a cyber attack where the perpetrator seeks to make a machine or network resource unavailable by temporarily or indefinitely disrupting services of a host connected to the internet. Denial of service is typically accomplished by flooding the targeted machine or resource with superfluous requests in an attempt to overload systems and prevent some or all legitimate requests from being fulfilled. This typically manifests as a significant and sustained interruption of a company's web presence.

Our DDoS Programme supports our system resilience by ensuring that we have the appropriate defence mechanisms in place to prevent a sustained outage on our customer or employee channels. There were no successful DDoS attacks on AIB in 2023.

## Data Protection

Our customers trust us with their information, and we have a responsibility to keep this information safe and be transparent in how we use and protect our customers' data. Our Human Rights Commitment compels us to safeguard our customers' right to privacy.

Our Code of Conduct sets out that AIB expects employees to maintain high standards of physical, information, and digital security. We respect all personal data that we process, and we have a responsibility to keep this information safe. Augmented processes and procedures we have set up to comply with the General Data Protection Regulation (GDPR) programme have helped us to build on our existing data protection capability in 2023. 98% of our employees and contractors completed training on data protection in 2023.

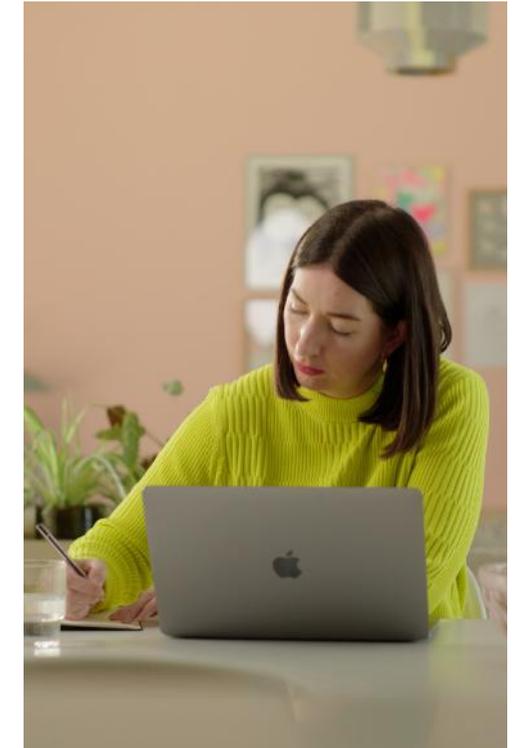
We inform customers of their rights and how we process their data in our Data Protection Notice, which is available on our website.

We have a Data Protection Officer (DPO) in both Ireland and in the UK. Our DPOs set our Data Protection policy and oversee its implementation across the organisation. Our DPOs are the point of contact for customers who have queries/ complaints about how we process their data or personal data breaches. They also interact with the Data Protection Supervisory Authorities in Ireland and the UK. A DPO Report is brought to the Board Risk Committee each year, providing a summary of the key thematic areas and emerging risks and associated mitigating actions.

During 2023, the Data Protection Office engaged with internal and external stakeholders regarding the management of personal data breaches, taking a proactive approach to identify and address reoccurring issues in a timely and comprehensive manner. The Data Protection Office also delivered a comprehensive personal data breaches training programme in 2023 to more than 3,000 staff across a range of business areas to reduce breach volumes and worked with internal stakeholders to evaluate and improve the controls and risk mitigation strategies in place.

In 2023, the Data Protection Office deployed a personal data breach assessment matrix which provides additional consistency to evaluating the likely severity and impact of a personal data breach. The matrix helps define thresholds for notifying the Data Protection Commission and affected individuals on the occurrence of personal data breaches in the organisation, in line with our obligations under GDPR. In addition, the assessment matrix helps us take swift mitigating actions to contain breaches and prevent further harm to affected data subjects. We keep the matrix under review, using breaches data to refine the criteria and enhance its effectiveness.

During 2023, the Data Protection Office significantly enhanced the effectiveness of its personal data breach processes by leveraging an automated dashboard reporting system on Shield.



This system provides real-time monitoring and centralises breaches information.

The dashboard ensures timely awareness of key metrics and trends, streamlining the management of breaches, while the visual representation of breaches information aids decision-making, and our continuous improvement, driven by data-driven insights. The dashboard also facilitates the tracking and resolution of breaches, as well as an audit trail demonstrating accountability in the business.

The Group Privacy Office (GPO) provides support and guidance to teams across the Bank, ensuring privacy considerations are at the heart of decisions that we make in areas such as the development of new products and initiatives, and the onboarding of new suppliers.

## Governance &amp; responsible business

# Cyber Security and Data Protection continued

## Data Protection Risk Management

Management of data protection and data stewardship matters is covered by our Operational Risk Framework and our Data Protection policy, and supported by a comprehensive suite of complementary policies including our Data policy (which includes Ethical Data Handling risk).

Our Regulatory Compliance team is specifically responsible for independently identifying and providing an initial assessment of current and forward-looking compliance obligations including regulation on privacy and data protection. The Data Protection policy is part of the Regulatory Compliance Risk Management Framework. It aims to ensure that processes and controls are in place to minimise the risk of unfair or unlawful data processing, and all employees understand the responsibilities and obligations that must be adhered to under data protection regulation. It applies to our entire operations, including our suppliers. Any material changes to the policy must be approved by our Group Risk Committee.

## Data Protection Assessments

We recognise the importance of ensuring equivalent levels of protection are in place when sharing data with third parties and have appropriate data protection assessments in place.

When sharing data beyond the EEA, we expect that equivalent levels of protection are in place for personal data as those provided by the General Data Protection Regulation. Trust and transparency are at the core of our commitment to safeguarding our customers' personal data. We conduct rigorous Data Protection Impact Assessments where high-risk processing is identified, and Balancing Tests to assess and ensure data subject rights are respected.

Our Group Internal Audit and Group Risk Assurance teams play critical roles in ensuring compliance with data protection laws and regulations by completing targeted reviews around our processing activities. We use the outputs of these reviews to make informed decisions regarding the effectiveness of our data protection assessments in order to protect customer data, build trust, and enhance transparency with our customers.

## Data Ethics

As a responsible financial service provider, we prioritise the security and ethical use of our customer data. We are committed to safeguarding our customer data. Our Code of Conduct requires us to comply with the spirit and letter of all relevant laws and regulations, including the Data Protection

Acts, GDPR, and ePrivacy Regulation. Privacy is not just a legal requirement; it is also our ethical duty. We employ robust technical and organisational measures to protect customer data, and we continuously educate our staff on privacy best practices that ensure fairness, transparency, and accountability. Trust is the cornerstone of our relationship with our customers, and we pledge to uphold it with integrity and diligence.



## Preparing for DORA

The Digital Operational Resilience Act (DORA) is a key part of the European Commission's Digital Finance package. It consolidates the obligations that firms will face and is the EU's most significant regulatory initiative on operational resilience and cyber security in the financial services sector, impacting both financial entities and their technology providers.

It came into force on 16 January 2023, and will apply from 17 January 2025 following a two-year implementation period. As such, AIB mobilised a cross-function DORA programme in the first quarter of 2023 to assess our capability and close any gaps, ensuring that we are DORA-ready in good time.

While the EU ePrivacy Regulations are yet to be finalised, we introduced a new ePrivacy policy in 2022 which has been further embedded within the organisation during 2023. Our ePrivacy policy is part of our Regulatory Compliance Risk Management Framework and defines our approach to the effective management of ePrivacy risks. The purpose of the policy is to provide clear policy rules and principles to be applied to the

management of electronic communications for the Group. The Data Protection Office reviewed the ePrivacy policy in 2023 as part of the annual review to ensure its continuing effectiveness. In 2023, DPO also delivered training on ePrivacy to a range of our customer facing business units.

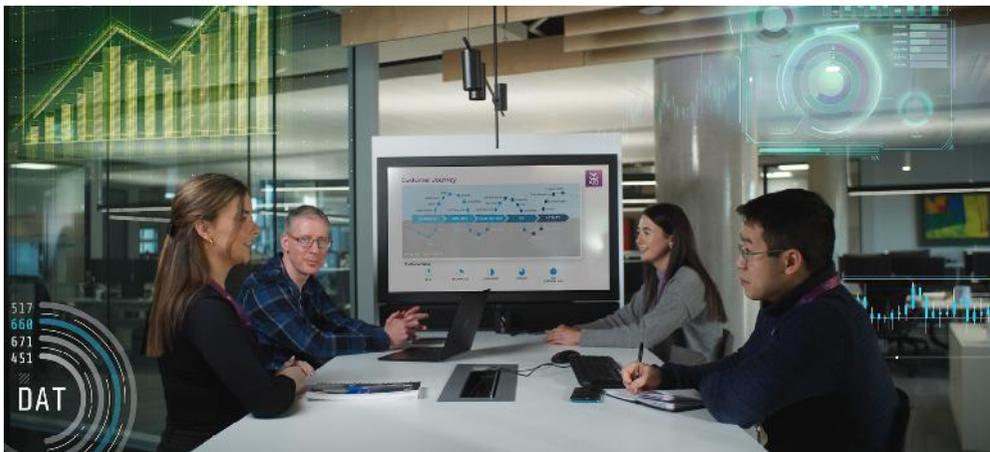
For our AIBNY office, the final amended version of NYSDFS Rule 500 was issued in November 2023. The final rule relating to cyber security requirements, includes new governance, technical, reporting, incident response, business continuity planning, and notification requirements, as well as new enforcement provisions. The Department of Financial Services (DFS) has provided a timeline of when the various provisions of the new rule will take effect, with incident reporting and certification requirements having come into effect on 1 December 2023. We have been working internally to ensure compliance with the new rule. DFS has provided training sessions on the new law, which AIB staff have attended. Staff from AIBNY have also been engaging with industry groups in New York, regarding interpretations of the rule and to gain a better understanding of expectations from the Regulator.

## Breaches of Privacy and Losses of Data

In 2023, we received 20 complaints from the Data Protection Commission (DPC) regarding breaches of data privacy, while none were received from the Information Commissioner's Office (ICO). The majority of these complaints related to subject access requests whereby the DPC engaged directly with AIB. In 2023, we received 240 DP complaints from customers directly, and 140 DP complaints in 2022.

In 2023, we reported 522 personal data breaches of which 520 were to the DPC and two were reported to the ICO. While these may include losses of customer data or inaccuracy, the majority of those we reported related to unauthorised disclosure of personal data.

When breaches of privacy occur, our focus is on ensuring there are organisational and technical measures in place to prevent such breaches from reoccurring.



Members of the AIB Data & Analytics team

## Governance &amp; responsible business

## Cyber Security and Data Protection Case Study

## Case Study:



## Enhancing Our Data Protection Notice

Our customers trust us with their information. We recognise that one in six adults in Ireland struggle to read and that it is important to be clear with them about how we use their personal data. In 2023, we updated AIB's Data Protection Notice (DPN) with the best interests of our customers in mind.

The DPN delivers on our GDPR transparency requirements while informing our customers about how their personal data is used. The enhanced DPN incorporates the previous DPN and Frequently Asked Questions into one consolidated, more easily read and more user-friendly and functional document.

In the first half of 2023, the DPO developed an enhanced DPN, taking into consideration the best practices within and beyond the financial services sector, and engaging with the Group's internal Data Protection community, including our Tone of Voice, Vulnerable Customer, ESG Transformation and Corporate Affairs functions, as well as the National Adult Literacy Agency (NALA). The primary objective was to merge the existing Summary DPN and FAQs into one clear and simple document.

Our resulting enhanced DPN achieved the NALA Plain English Mark, the first time NALA has awarded this mark for a DPN in the financial services sector. This recognises that our DPN provides information in a clear and easy-to-use form, using clear and plain language.

Our work on enhancing the DPN underscored the importance of collaboration across the organisation as we challenged ourselves to do more for our customers. This collaboration created a roadmap of further transparency initiatives, which has resulted in the publication of a DPN BAU Change Process supporting the business in understanding the actions to be taken where new or revised processing activities would require a change to the DPN along with a reconciliation and gap analysis of our existing Records of Processing.

## Received the

# NALA

National Adult Literacy Agency (NALA) Plain English Mark on our DPN – a first in Irish financial services.

In 2024, we will aim to maintain this NALA Plain English Mark with the aim of adopting a consistent standard for all privacy-related notices across the Group, including the Summary DPN. We are focused on ensuring privacy-related notices are accessible to all our customers, including children, vulnerable individuals and those who consider English not to be their primary language.

Our Data Protection Notice can be found on our website at [aib.ie/sustainability](https://aib.ie/sustainability).



AIB Group plc Head Office Molesworth Street

## Governance &amp; Responsible business – Ambition



In 2024 and beyond, our focus will include the following:

## Corporate Governance

- Our supplier relationships will be further enhanced in 2024 with the launch of an updated AIB Responsible Supplier Code. Additionally, we will begin the process of expanding the minimum ESG related selection requirements that top tier suppliers must meet; and the incorporation of an ESG Questionnaire into all top tier supplier selection processes, with ESG criteria assigned a minimum weighting.

## Culture and reputation

- 2024 will mark a new phase in AIB's culture programme, in support of our new strategic cycle. The aim is to embed our refreshed purpose and values, especially our new value, Put Customers First. Based on this foundation, we will build our culture around three themes: embedding customer-centricity, empowering our people, and promoting innovation in pursuit of greater efficiencies and positive customer outcomes.

## Cyber security and data protection

- Maintain NALA Plain English Mark on our DPN, while also investigating the possibility of producing video content, as well as, a DPN specifically for children which will focus on presenting the information in a manner that will reach our young customers to enhance their understanding.
- Introducing larger font documents for our customers who require additional support and work on translation of the DPN for our customers whose native language is not English.

- Ensuring that AIB is Digital Operational Resilience Act (DORA) ready for 17 January 2025 with work continuing through 2025 and beyond to operationalise and embed the ensuing changes. NIS2 readiness will be achieved as part of DORA readiness.
- Delivering compliance with New York Department of Financial Services 23 NY Cybersecurity Regulation 500 in line with the 29 April and 1 November 2024 compliance dates, and a defined programme in place for the subsequent dates in 2025.

# 5. Supporting Information

## This section contains the following chapters

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UNEP FI Principles for Responsible Banking	78
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Our Policies and Frameworks	92
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Acronyms Used in this Report	109

## Supporting Information

# About this Report

This report is for AIB Group plc.

AIB Group plc is a holding company listed on the main markets of the Euronext Dublin and London Stock Exchanges. The issued share capital of the AIB Group plc is 2,618,753,655 ordinary shares of €0.625 each. As of 29 February 2024, the Minister for Finance of Ireland holds 1,067,638,190 ordinary shares representing 40.77% of the total voting rights attached to issued share capital. The nature of the Group's relationship with the Irish Government is set out in note 47(f) Related party transactions – Summary of the relationship with the Irish Government, Annual Financial Report 2023.

Our headquarters are located at 10 Molesworth Street, Dublin 2, Ireland.

Our main products and services are mortgages, personal, SME and corporate lending, payment services, credit card services and deposits. Where we provide non-core banking products, for example, general insurance, we typically partner with market leaders.

Our most significant operations are in Ireland and the United Kingdom where we operate a retail, corporate and business banking offering. In the United States of America, we have a branch in New York from which we manage corporate and treasury business.

Significant changes to our business in 2023:

- sell down of approximately 5% of the issued ordinary capital of the Group, which brings the State's shareholding to c. 41%.
- announced Executive Committee changes to support delivery of its three-year strategy.

### Entities Included in Our Sustainability Reporting

A listing of the principal businesses and their locations that are included in the consolidated financial statement is provided in our Annual Financial Report and are covered by the report.

Within AIB Group plc, the material subsidiaries at 31 December 2023 are:

- Allied Irish Banks, p.l.c.
- AIB Mortgage Bank Unlimited Company
- EBS d.a.c.
- AIB Group (UK) p.l.c.

Further detail on our subsidiaries is available in the Financial Statements in our Annual Financial Report 2023.

The basis for including entities within the Sustainability Report is consistent with the Group's accounting policy for consolidation (including the treatment of non-controlling interests) as set out in note 1(d) of the Annual Financial Report 2023, except where specifically noted in this report.

We are continuously working to build and enhance our sustainability reporting capability, to meet our mandatory and voluntary reporting commitments. As our business grows, we expand our reporting to incorporate material data inputs to the fullest extent possible, recognising that data gathered in companies we have acquired may differ from data gathered in established internal systems in the parent company. Where any data is not included in our reporting, this is stated in the relevant supporting notes.

The entities downstream from AIB are our customers. Our lending portfolio can be summarised in the Supporting Information on page 105.

On pages 93 to 105, we provide detailed information to support our disclosures in this report.

### Details on Our Reporting

Our Sustainability Report is published annually. The reporting period is January to December. The reporting period for the AIB Group plc Annual Financial Report and Sustainability Report are aligned.

The publication date of this report is 6 March 2024.

The contact point for questions about the report:

Paul.P.Scully2@aib.ie

### Restatements

Any restatement of information is set out in notes accompanying the information.

### External Assurance

The Board's Sustainable Business Advisory Committee has commissioned an independent assurance process aligned to ISAE 3000 through Deloitte.

Our FY2023 Sustainability Report is externally assured by Deloitte and is reported with reference to the GRI Standards and in relation to our implementation of the UNEP FI Principles for Responsible Banking.

The Deloitte assurance report can be found on pages 106 to 108 of this report.

## Supporting Information

## GRI Content Index

## Statement of Use

AIB Group plc has reported the information cited in this Global Reporting Initiative (GRI) content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI Standard	Disclosure	Response/Location
GRI 1 used	GRI 1: Foundation 2021	GRI 1: Foundation 2021
GRI 2: General Disclosures	2-1 Organizational details	About this Report, page 73
	2-2 Entities included in the organization's sustainability reporting	About this Report, page 73
	2-3 Reporting period, frequency and contact point	About this Report, page 73
	2-4 Restatements of information	About this Report, page 73
	2-5 External assurance	Independent Assurance, pages 106-108
	2-6 Activities, value chain and other business relationships	About this Report, page 73, Supporting Data Notes, page 104 and Managing our Suppliers, page 62
	2-7 Employees	ESG Reporting Data (Employees), pages 93-96
	2-8 Workers who are not employees	We do not currently report this information. We will look into how we can provide it in the future.
	2-9 Governance structure and composition	Our Governance Structure, pages 57-58, and the Annual Financial Report, pages 66-75
	2-10 Nomination and selection of the highest governance body	Annual Financial Report, pages 93-97
	2-11 Chair of the highest governance body	Annual Financial Report, pages 76-79
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance, ethics and accountability, pages 59-62 and Annual Financial Report, page 76-79
	2-13 Delegation of responsibility for managing impacts	ESG Governance, pages 57-58, and Corporate governance, ethics and accountability, page 59
	2-14 Role of the highest governance body in sustainability reporting	ESG Governance, pages 57-58, and Our Material Topics, page 8
	2-15 Conflicts of interest	Corporate governance, ethics and accountability, page 60 & 66 and Annual Financial Report, page 76
	2-16 Communication of critical concerns	Corporate governance, ethics and accountability, page 61-62
	2-17 Collective knowledge of the highest governance body	Corporate governance, ethics and accountability, page 59
	2-18 Evaluation of the performance of the highest governance body	Annual Financial Report, pages 78
	2-19 Remuneration policies	Culture and Reputation, page 46 and our Group Remuneration Policy at <a href="http://www.aib.ie/sustainability">www.aib.ie/sustainability</a>
	2-20 Process to determine remuneration	Culture and Reputation, page 46 and our Group Remuneration Policy at <a href="http://www.aib.ie/sustainability">www.aib.ie/sustainability</a>
	2-21 Annual total compensation ratio	Our Colleagues, page 46 and ESG Reporting Data (Employees), page 95
	2-22 Statement on sustainable development strategy	CEO Statement, page 5
	2-23 Policy commitments	Other Policies, page 66 and Our Policies & Frameworks, page 92
	2-24 Embedding policy commitments	Other Policies, page 66 and Our Policies & Frameworks, page 92
	2-25 Processes to remediate negative impacts	Corporate governance, ethics and accountability, page 61 and our Human Rights Commitment at <a href="http://www.aib.ie/sustainability">www.aib.ie/sustainability</a>
	2-26 Mechanisms for seeking advice and raising concerns	Corporate governance, ethics and accountability, page 61-62
	2-27 Compliance with laws and regulations	Corporate governance, ethics and accountability, page 60. We have no fines for non-compliance paid in 2023 that relate to 2022.
	2-28 Membership of associations	Stakeholder Engagement, page 9-10
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, page 9-10
	2-30 Collective bargaining agreements	Our Colleagues, page 46

## Supporting Information

## GRI Content Index continued

GRI Standard	Disclosure	Response/Location
GRI 3: Material Topics	3-1 Process to determine material topics	Our Material Topics, page 8
	3-2 List of material topics	Our Material Topics, page 8. See our FY2022 Sustainability Report for detail on our previous materiality assessments.
	<b>CLIMATE CHANGE ADAPTATION</b>	
	3-3 Management of material topics	Climate Change Adaptation, page 31, Net Zero, pages 16-24
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change Adaptation, page 31
	305-1 Direct (Scope 1) GHG emissions	Supporting Information, page 100
	305-2 Energy indirect (Scope 2) GHG emissions	Supporting Information, page 100
	305-3 Other indirect (Scope 3) GHG emissions	Supporting Information, page 100
	305-4 GHG emissions intensity	Financed Emissions, pages 22-23 and Supporting Information, page 100
	305-5 Reduction of GHG emissions	Supporting Information, page 100
	<b>RESPONSIBLE LENDING AND INVESTMENTS</b>	
	3-3 Management of material topics	Responsible Lending and Investments, page 25-27
	FS-8 Monetary value of products and services designed to deliver a specific environmental	Responsible Lending and Investments, page 25-27
	<b>HOUSING</b>	
	3-3 Management of material topics	Housing, page 35-36
	FS-7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Housing, page 35-36
	<b>FINANCIAL INCLUSION AND WELLBEING</b>	
	3-3 Management of material topics	Financial Inclusion and Wellbeing, page 40-43
	417-2 Incidents of non-compliance concerning product and service information and labelling	Financial Inclusion and Wellbeing, page 40-43
	<b>CUSTOMER EXPERIENCE</b>	
	3-3 Management of material topics	Customer Experience, page 38
	Bespoke: Net Promoter Score	Customer Experience, page 38
	Bespoke: Digitally Active Customers	Supporting Information, page 104
	<b>CYBER SECURITY AND DATA PROTECTION</b>	
	3-3 Management of material topics	Cyber Security and Data Protection, page 68-71
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cyber Security and Data Protection, page 70
	Bespoke: Cyber training	Cyber Security and Data Protection, page 69
	<b>CORPORATE GOVERNANCE AND ACCOUNTABILITY</b>	
	3-3 Management of material topics	Corporate Governance, Ethics and Accountability, page 59-63
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance, Ethics and Accountability, page 60

## Supporting Information

# World Economic Forum Stakeholder Capitalism Metrics

As part of our commitment to transparency and our Pledge to Do More, we report against the core World Economic Forum Stakeholder Capitalism Metrics.

Theme	Metric	Response/Location
<b>Planet</b>		
Climate Change	<b>Greenhouse Gas (GHG) Emissions</b> <ul style="list-style-type: none"> <li>For all relevant greenhouse gases (carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) GHG Protocol Scope 1 and Scope 2 emissions.</li> <li>Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.</li> </ul>	See Our Journey to Net Zero on pages 16 to 24 and the Absolute GHG emissions table on page 100.
	<b>Nature Loss</b> <p><b>TCFD Implementation</b></p> <ul style="list-style-type: none"> <li>Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation.</li> <li>Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve Net Zero emissions before 2050.</li> </ul> <p><b>Land use and ecological sensitivity</b></p> <ul style="list-style-type: none"> <li>Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBAs).</li> </ul>	Please refer to our disclosures in the TCFD section of our FY 2023 Annual Financial Report. For information on our GHG emissions targets, see pages 16 to 24
	<b>Fresh Water Availability</b> <p><b>Water consumption and withdrawal in water-stressed areas</b></p> <ul style="list-style-type: none"> <li>Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to the World Resources Institute (WRI) Aqueduct water risk atlas tool.</li> <li>Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.</li> </ul>	See Protecting and Safeguarding Nature on page 30 and the Land Use and Ecological Sensitivity table on page 101.
<b>Prosperity</b>		
Employment and Wealth Generation	<b>Absolute number and rate of employment</b> <p>Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.</p> <p>Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region</p>	See Our Colleagues on page 45 and Employee Turnover Data table on page 93.
	<b>Economic contribution</b> <p>1. Direct economic value generated and distributed, on an accruals basis, covering the basic components for AIB's global operations, ideally split out by: revenues; operating costs; employee wages and benefits; payments to providers of capital; payments to government; community investment.</p> <p>2. Financial assistance received from the government: total monetary value of financial assistance received by AIB from any government during the reporting period.</p>	See Direct Economic Value Generated and Distributed table on page 97 and World Economic Forum Stakeholder Capitalism Metrics - Prosperity - Employment & Wealth Generation Metric A Response on page 98. See World Economic Forum Stakeholder Capitalism Metrics - Prosperity - Employment & Wealth Generation Metric B Response on page 98
	<b>Financial investment contribution</b> <p>Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.</p> <p>Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.</p>	See World Economic Forum Stakeholder Capitalism Metrics - Prosperity - Employment & Wealth Generation Metric C Response on page 98 See World Economic Forum Stakeholder Capitalism Metrics - Prosperity - Employment & Wealth Generation Metric D Response on page 98
Innovation in Better Products and Services	<b>Total R&amp;D Expenses (€)</b> <p>Total costs related to research and development.</p>	See Research and Thought Leadership on page 27,
Community and Social Vitality	<b>Total tax paid</b> <p>The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.</p>	See Tax Paid and Collected table on page 97.

# World Economic Forum Stakeholder Capitalism Metrics continued

Theme	Metric	Response/Location
<b>Principles of Governance</b>		
<b>Governing Purpose</b>	<p><b>Setting Purpose</b></p> <p>The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.</p>	See Culture and Reputation on page 64.
<b>Quality of Governing Board</b>	<p><b>Governance body composition</b></p> <p>Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; and stakeholder representation.</p>	See Our Governance Structure on page 57 and AIB 2023 Annual Financial Report Board of Directors on pages 70 to 73.
<b>Stakeholder Engagement</b>	<p><b>Material issues impacting stakeholders</b></p> <p>A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.</p>	See Our Material Topics on page 8.
<b>Ethical Behaviour</b>	<p><b>Anti-corruption</b></p> <p>1. Total percentage of governance body members, employees and business partners who have received training on AIB's anti-corruption policies and procedures, broken down by region: a) total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.</p> <p><b>Protected ethics advice and reporting mechanisms</b></p> <p>A description of internal and external mechanisms for seeking advice about ethical and lawful behaviour and organisational integrity; and reporting concerns about unethical or unlawful behaviour and lack of organisational integrity.</p>	See Anti-Bribery & Corruption on page 60, and Anti-Corruption Training tables on page 95 and 104.  See details on Our Code of Conduct, Our Speak Up policy under Our Policies on page 66 and Our Policies table on page 92.
<b>People</b>		
<b>Risk and Opportunity Oversight</b>	<p><b>Integrating risk and opportunity into business process</b></p> <p>Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship (which includes responsibility for personal data, as well as the use and governance of artificial intelligence and cyber security).</p>	For insights into how we integrate climate risk into our business processes, see the TCFD section of AIB 2023 Annual Financial Report, and for data stewardship see Cyber Security and Data Protection on page 70.
<b>Dignity and Equality</b>	<p><b>Inclusion &amp; Diversity (%)</b></p> <p>Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).</p> <p><b>Pay equality</b></p> <p>Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.</p> <p><b>Wage level</b></p> <p>1. Ratios of standard entry-level wage by gender compared to local minimum wage. 2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.</p> <p><b>Risk for incidents of child, forced or compulsory labour</b></p> <p>An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to type of operation (such as manufacturing plant) and type of supplier; and countries or geographic areas with operations and suppliers considered at risk.</p>	See Our Colleagues on page 45 and Diversity by Employee Category at 31 December tables on page 94.  AIB does not report on pay equality. For information on Gender Pay Gap see Our Colleagues on page 45.  See Our Colleagues on page 46 and Compensation table on page 95.  See Our Commitment to Human Rights on page 61.
<b>Health and Wellbeing</b>	<p><b>Health and safety</b></p> <p>1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how AIB facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.</p>	See Positive & Safe Working conditions on page 48, Wellbeing at the Heart of AIB on page 47 and Work Related Injuries table on page 104.
<b>Skills for the future</b>	<p><b>Training provided</b></p> <p>1. Average hours of training per person that AIB's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). 2. Average training and development expenditure per full-time employee (total cost of training provided to employees divided by the number of employees).</p>	See Investing in Our People (L&D) on page 47 and Training Hours and Expenditure table on page 95.

## Supporting Information

# UNEPFI PRB: Reporting & Self-Assessment Template

Question	Reporting and Self-Assessment Requirements	High-Level Summary of AIB's Response (limited assurance required for responses to highlighted items)	References/Links to AIB's full response/relevant information
<b>PRINCIPLE 1: ALIGNMENT</b>			
We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks			
1.1 Business model	Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services.	AIB is a financial services group operating predominantly in Ireland and the United Kingdom (UK). In the United States of America (USA), we have a branch in New York from which we manage corporate and treasury business. Our main customer segments served are Retail Banking, Capital Markets in Ireland, and AIB UK. We have 3.02m active customers in Retail Banking in the Republic of Ireland and 264.1k in AIB UK. The main products and services we provide are mortgages, personal, SME and corporate lending, payment services, credit card services and deposits.	AIB Group at a Glance, page 3
1.2 Strategy alignment	Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?	Yes	Our Material Topics, page 8
	Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	<p>Progressing the sustainability agenda is a strategic priority for AIB and is a core tenant of the corporate strategy. In 2020, 'Sustainable Communities' was added as one of AIB's five strategic pillars. We have placed sustainability at the heart of our business, embedding it into our everyday, including our engagement with our customers. Our strategic focus on climate and housing is consistent with our 2023 Materiality Exercise. The focus on these two areas was reinforced through our assessment using the UNEP FI Portfolio Impact Analysis Tool, where we found climate had also been identified as a Level 3 national need in Ireland, while housing was identified as a Level 2 national need.</p> <p><b>Climate:</b> AIB's climate strategy is aligned to Sustainable Development Goal (SDG) 13 'Climate Action'. AIB has a target to achieve net zero in our financed emissions by 2040 for our lending portfolio (2050 including Agriculture), aligned with a Paris climate scenario of 1.5°C. AIB further strengthened this target in 2023 by setting Financed Emissions Targets for key sectors covering 75% of our Group Loan Portfolio. Additionally, AIB is committed to net zero in our own operations by 2030. For emissions targets, we committed to:</p> <p>a. reducing absolute Scope 1 GHG emissions by 34% by 2027, from a 2019 base year; and b. increasing annual sourcing of renewable electricity to 100% by 2030.</p> <p><b>Housing:</b> Housing is a key strategic priority for AIB and as a pillar bank in Ireland, it represents 52% of our loan portfolio. AIB's housing strategy is aligned to SDG 11 'Sustainable Cities and Communities'. This is relevant in a national context because a lack of housing supply to buy or rent in the private sector, the high cost of building and affordability of house prices have led to a high need nationally and have led to negative economic and social implications for Ireland, as those on low income, youth and non-homeowners are most affected. Finance for social housing is a sector where AIB has a key role to play in funding vital additional capacity. We launched our €800m fund in 2021, which is due to close at the end of 2024.</p>	Our Sustainability Strategy, page 11-13
	Net Zero, page 16		
	Climate Change Adaptation, page 31		
	Does your bank also reference any frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?	<ul style="list-style-type: none"> <li>• PRA Supervisory Statement SS3/19</li> <li>• ECB Guide on Climate-related and environmental risks (Nov 2020)</li> <li>• EBA Article CRR 449a</li> <li>• CSRD - Corporate Sustainability Reporting Directive</li> <li>• EU Taxonomy</li> <li>• Pillar 3</li> <li>• SFDR - Sustainable Finance Disclosure Regulation</li> <li>• NFRD - Non-Financial Reporting Directive</li> <li>• UK Modern Slavery Act</li> </ul>	Corporate Governance, Ethics and Accountability, page 59

## Supporting Information

# UNEPFI PRB: Reporting & Self-Assessment Template continued

Question	Reporting and Self-Assessment Requirements	High-Level Summary of AIB's Response (limited assurance required for responses to highlighted items)	References/Links to AIB's full response/relevant information
<b>PRINCIPLE 2: IMPACT AND TARGET SETTING</b>			
We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.			
2.1 Impact Analysis (Key Step 1)	Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting.	The scope of AIB's impact analysis is on our Retail, Corporate and Business Banking activities in Ireland. The impact analysis is based on data from H1 2023 activities as they relate to the totality of our primary geographic footprint, i.e. the Republic of Ireland (ROI), which comprises c. 95% of the Group's Retail Banking activities and c. 20% of Group Business and Corporate activities. A decision was made not to include AIB's UK portfolio (which includes two distinct markets of Great Britain and Northern Ireland) in this return as this portfolio is not a substantial percentage of the UK market.	AIB Group at a Glance, page 3
	a) Scope: What is the scope of your bank's impact analysis?	Yes, we have considered the composition of our portfolio in the impact analysis (which referenced 2023 data) – Residential Mortgages (52%), Property & Construction (14%), SME, Business & Corporate Lending (30%) and Personal Lending (4%).	See the TCFD disclosures in our Annual Financial Report 2023, pages 54-58
	b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition your portfolio globally and per geographical scope	Across AIB, the concentration of loans to customers by sector is set out in our Annual Financial Report 2023.	Supporting Information, page 105
	c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.	A framework for reviewing the most relevant challenges and priorities related to sustainable development in Ireland is supported through the UNEP FI Portfolio Impact Analysis Tool. Nationally, Resource Intensity, Waste, Food, Healthcare & Sanitation, Traffic Congestion, Water Bodies and Climate are identified as high impact areas. In our previous assessment, Housing was also considered a 'high' need (score of 3). In this assessment, Housing has scored 2 (moderate need). To ensure consistency of proposed targets of housing and climate with stakeholder expectations, the stakeholder 2023 materiality matrix has been cross-referenced. Housing was rated as a very important issue for our stakeholders, while two of the Climate & Environment-related issues were ranked in the top seven issues for stakeholders and AIB.	Our Material Topics, page 8
2.1 Impact Analysis (Key Step 1) continued	Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2) ? Please disclose.	<p>The Impact Analysis shows that AIB's retail banking activities make a positive impact at a national level in the areas of Housing, Healthcare &amp; Sanitation, Mobility and Socio-economic Convergence. The scale of our transactional banking retail base is a material enabler of economic activity and access to finance for customers, which stimulates the real economy and increases people's welfare. However, at the same time, we have identified that the economic activity supported has a potential negative impact on Flourishing MSMEs, Climate Stability and Resource Intensity, which stand out as potential areas for us to address.</p> <p>AIB's business and corporate banking activities make a positive impact at a national level in the areas of availability, accessibility, affordability, quality of resources &amp; services (which includes Housing), Infrastructure, Climate Stability, Circularity and Biodiversity &amp; Healthy Ecosystems. However, due to the scale of our portfolio in some of these sectors, we have identified that the economic activity supported also has potential negative impact in areas including Climate Stability and Biodiversity &amp; Ecosystems.</p> <p>We selected Climate as our first impact area, and over the last number of years, we have worked to assess our financed carbon emissions to form the basis for setting targets. We decided to focus on Housing as our second impact area. Housing was identified as a positive impact area in both Retail and Business Banking, and is an area where AIB is well placed to make a significant positive impact. The outcome of our assessment using the Impact Analysis Tool also aligns with the outcome of our 2023 Materiality Assessment.</p>	Our Material Topics, page 8

## Supporting Information

# UNEPFI PRB: Reporting & Self-Assessment Template continued

Question	Reporting and Self-Assessment Requirements	High-Level Summary of AIB's Response (limited assurance required for responses to highlighted items)	References/Links to AIB's full response/relevant information
<b>PRINCIPLE 2: IMPACT AND TARGET SETTING continued</b>			
We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.			
	<p>d) Performance measurement: Has your bank identified which sectors &amp; industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&amp;inclusion as your most significant impact areas.</p> <p>If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.</p>	<p>Based on our portfolio analysis and impact areas identified from our banking activities, we have identified that we can have the strongest positive impact in the areas of climate and housing.</p> <p>To ensure consistency of proposed targets of climate and housing with expectations, the stakeholder 2023 materiality matrix has been cross-referenced, where housing and climate change were rated as important issues for stakeholders.</p> <p><b>Climate:</b> Impacts in the physical environment could lead to economic loss for customers as well as impact transitioning to low-carbon economy. We recognise the critical role our bank can play nationally in financing a sustainable economy. A Just Transition is a key part of our strategy and supporting our clients' transition to a low-carbon economy is a key way to increase our positive impact against this high national need area. AIB's current performance levels have been considered to help determine the priority areas for target setting: In 2023, new green lending accounted for €3.7bn and 30% of all new lending was green. As of 2023, we have provided €11.6bn in new green lending</p> <p><b>Housing:</b> Availability of affordable housing in Ireland is a national issue linked to retail and corporate lending. Our mortgage products are primarily targeted at Irish resident adults with sufficient sustainable income to service the debt over the life of the mortgage. Therefore, we have identified that increasing the supply of energy-efficient social housing is a key way to increase our positive impact against this national need area.</p>	<p>Net Zero, pages 16-17</p> <p>ESG Supporting Data, page 99</p> <p>Housing, page 35</p>
Self-assessment summary:	Which of the components listed below of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?		
	Scope	Yes	
	Portfolio composition	Yes	
	Context	Yes	
	Performance measurement	Yes	
	Which most significant impact areas have you identified for your bank, as a result of the impact analysis?	1. Climate Change 2. Other: Housing	
	How recent is the data used for and disclosed in the impact analysis?	Longer than 18 months prior to publication	

## Supporting Information

# UNEPFI PRB: Reporting & Self-Assessment Template continued

Question	Reporting and Self-Assessment Requirements	High-Level Summary of AIB's Response (limited assurance required for responses to highlighted items)	References/Links to AIB's full response/relevant information
<b>PRINCIPLE 2: IMPACT AND TARGET SETTING continued</b> We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.			
2.2 Target Setting	Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.	AIB has set targets for climate and housing. They are published annually in our Sustainability Report, along with our progress made against them.	Our Sustainability Strategy, page 11-13
	The targets have to be Specific, Measurable, Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting, for each target separately: a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant?	AIB has a target to achieve net zero in our financed emissions by 2040 for our full lending portfolio (2050 including Agriculture), aligned with a Paris climate scenario of 1.5°C. <b>SMART Target 1: Climate</b> – AIB's climate SMART target is to finance new green lending to support the transition to a low-carbon economy and is aligned to SDG 13 'Climate Action', where 'CO <sub>2</sub> emissions per capita' is a key metric. In a national context, the Climate Action and Low Carbon Development Bill 2021 requires a 51% reduction in national GHG emissions by 2030 and for Ireland to achieve net zero by 2050. <b>SMART Target 2: Housing</b> – AIB's housing SMART target to provide lending approvals that supports the provision of social housing is aligned to SDG 11 'Sustainable Cities and Communities'. In a national context, the Irish Government's 'Housing for All' Plan is targeting to build 33,000 new homes annually between 2021 and 2030 to address affordability and supply issues. The Housing for All Action Plan made real progress in 2023, with new approved funding emphasising its commitments to social and affordable housing.	Net Zero, pages 16-24 Housing, pages 35-36
	b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment?	<b>SMART Target 1:</b> Climate Action Fund target (2019 baseline) <b>SMART Target 2:</b> Social Housing (2020 baseline) Financed Emissions Targets (2021 baseline) Our most significant impact areas are Climate Change and Housing, and the relevant indicators that we report on are set out in the table below:	Responsible Lending and Investments, page 25 Housing, page 35
Impact area	Indicator	Response	
Climate change mitigation	Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target?	Yes, we have a target to achieve net zero in our financed emissions by 2040 for our full lending portfolio (2050 including Agriculture), aligned with a Paris climate scenario of 1.5°C.	
	Absolute financed emissions: What are your absolute emissions (scope 3, category 15) in your lending and/or investment portfolio?	2.2 MtCO <sub>2</sub> e	
	What is the emissions intensity within the relevant sector?	Residential mortgages: 38 kgCO <sub>2</sub> e/M <sup>2</sup>   CRE: 122 kgCO <sub>2</sub> e/M <sup>2</sup>   Electricity Generation: maintenance of 21 gCO <sub>2</sub> e/kWh   Corporate Other: Portfolio coverage 16%	
Housing	Availability of regulatory and/or Government interventions	We support the national Housing Agenda directly through various governmental initiatives, including: the First Home Scheme (FHS); the Local Authority Affordable Purchase Scheme (LAAPS); and the Croi Conaithe (Towns) Fund.	
	Units of affordable housing funded	In 2020, we launched a Social Housing Fund, and to date we have allocated €548.3m, funding the development of 1,359 homes.	
	Number & Amount of Outstanding Housing Loans	In 2023, AIB Group held a 33% share of the mortgage market in ROI, giving thousands of individuals, couples and families keys to their new home. In July 2023, we welcomed 50,000 customers and c. €4bn of mortgages, as we migrated 80% of the Ulster Bank performing tracker (and linked) mortgage portfolio that we received CCPC approval to acquire the previous January.	

## Supporting Information

# UNEPFI PRB: Reporting & Self-Assessment Template continued

Question	Reporting and Self-Assessment Requirements	High-Level Summary of AIB's Response (limited assurance required for responses to highlighted items)	References/Links to AIB's full response/relevant information
<p><b>PRINCIPLE 2: IMPACT AND TARGET SETTING continued</b> We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>			
2.2 Target Setting continued	<p>c) SMART targets (incl. key performance indicators (KPIs) ): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.</p>	<p><b>SMART Target 1: Climate – €10bn Climate Action Fund (2019 - 2023):</b> Provide new green lending to support Ireland's transition Ireland to a low-carbon economy. During 2021, we doubled the target from €5bn to €10bn due to strong demand. Since 2019, we exceeded the target amount, having reached €11.6bn in new green and transition lending. In 2023 alone, AIB provided €3.7bn in green finance, which was an increase of 30% on the first year of the fund.</p> <p>As a result, we have set a new target for our Climate Action Fund, aiming to provide a total of €30bn to aid national and global efforts to realise a necessary lower-carbon economy by the end of 2030.</p> <ul style="list-style-type: none"> <li>• KPI – New green lending figure is tracked quarterly on the Group Balanced Scorecard.</li> </ul> <p><b>SMART Target 2: Housing – €800m Social Housing Fund (2020 - 2024):</b> Provide lending approvals that support the provision of social housing in Ireland. The first €300m fund launched in 2020 and after being fully allocated a second €500m fund launched in 2021.</p> <ul style="list-style-type: none"> <li>• KPI – Social Housing lending is tracked quarterly on the Capital Markets Scorecard.</li> </ul>	<p>Responsible Lending and Investments, page 25</p> <p>Housing, page 35</p>
	<p>d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	<p><b>SMART Target 1: Climate –</b> AIB's performance against the Climate Fund of €10bn (€2bn per year) is monitored and reported internally to the Executive Committee and Board via the Group Balanced Scorecard on a quarterly basis.</p> <p><b>SMART Target 2: Housing –</b> AIB's performance against the Social Housing Fund of €800m is tracked on the Capital Markets Scorecard, to the relevant management forums on a quarterly basis. The fund consists of two tranches: €300m (2020 - 2021) and €500m (2021 - 2024).</p> <p>At a Group, level transition risks and opportunities, as well as physical risks are considered over the short term (3 year), medium term (3-10 year) and long term (10+ year). This ensures that AIB has a resilient strategy to a climate outcome of 1.5°C, via the annual business planning process.</p>	<p>Responsible Lending and Investments, page 25</p> <p>Housing, page 35</p>
Self assessment summary	<p>Are these components of target setting in line with the PRB requirements:</p> <p>Alignment</p> <p>Baseline</p> <p>SMART targets</p> <p>Action plan</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	
2.3 Target implementation and monitoring	<p>For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target.</p>	<p><b>SMART Target 1: Climate –</b> As at 31 December 2023, we allocated €11.6bn in green lending, reflecting our strong progress in supporting Ireland's transition to a low-carbon economy, reaching our 2023 target.</p> <p><b>SMART Target 2: Housing –</b> As at 31 December 2023, we have provided lending approvals of c. €91m to fund the building of new A-rated social houses, representing c. 499 homes. This reflects our strong progress in supporting social and affordable housing in Ireland and demonstrating that we are on track to deliver the SMART target by 2024.</p>	<p>Responsible Lending and Investments, page 25</p> <p>Housing, page 35</p>

## Supporting Information

# UNEPFI PRB: Reporting & Self-Assessment Template continued

Question	Reporting and Self-Assessment Requirements	High-Level Summary of AIB's Response (limited assurance required for responses to highlighted items)	References/Links to AIB's full response/relevant information
<b>PRINCIPLE 3: CLIENTS AND CUSTOMERS</b>			
We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations			
3.1 Client engagement	Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?	Yes	Stakeholder engagement, pages 9-10
	Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?	Yes	
	Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities ). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.	<p>We have made a commitment with our 'Pledge to Do More'. Our values and behaviours are how we deliver on our commitment, underpinned by our Code of Conduct, which sets out a common framework on the standard of conduct that supports our values. It explains what we expect of each other and what others expect of us in our day-to-day decisions, including managing our business responsibly, treating customers fairly and being accountable for what we do and how we do it.</p> <p><b>Vulnerable Customer Programme</b> – Aims to support customers in vulnerable circumstances. In 2023, 37,100 hours of vulnerability training completed by our employees, 8,700 calls to the customer vulnerability helpline and our Vulnerable Customer Support team assisted with more than 1,800 customer cases.</p> <p><b>ESG Questionnaire</b> – Incorporated into credit applications for borrowers in high climate risk sectors looking to borrow material lending amounts. The questionnaire gets a better understanding of the ESG risk associated with the borrower and creates awareness among customers of the data that will be required from them around where they are in their ESG journey and plans going forward.</p> <p><b>Sustainability Conference</b> – AIB holds this annually to share thought leadership locally and globally, and to create a call to action among our stakeholders, including our clients and customers. In 2023, we hosted our sixth annual Sustainability Conference with more than 8,600 attendees dialled in virtually.</p> <p><b>Climate Finance Week Ireland</b> – AIB sponsors the annual gathering of stakeholders engaged in advancing sustainable finance topics, and key representatives of our senior management chair and participate in its week-long series of events.</p> <p><b>Minimum Competency Code (MCC)</b> – Our customer-facing employees involved in the distribution of products must have and maintain relevant qualifications to comply with requirements specific to the products they distribute. Minimum competency requirements are in place to ensure customers get the required level of service from employees who provide advice and information on retail financial products for and on behalf of regulated firms.</p> <p><b>Credit Risk policies</b> – Key credit risk policies governing the funding we provide for housing finance include our Group Residential Development policy, our Residential Mortgage policy and our Social Housing policy.</p>	<p>Stakeholder engagement, pages 9-10</p> <p>Responsible Lending and Investments, page 25-27</p> <p>Climate change adaptation, page 31</p> <p>Housing, page 35</p> <p>Supporting Customers, page 41</p> <p>Our Colleagues, page 46</p> <p>Our Policies &amp; Frameworks, page 92</p>

## Supporting Information

# UNEPFI PRB: Reporting & Self-Assessment Template continued

Question	Reporting and Self-Assessment Requirements	High-Level Summary of AIB's Response (limited assurance required for responses to highlighted items)	References/Links to AIB's full response/relevant information
3.2 Business opportunities	<p>Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. Green Mortgages – climate, Social Bonds – financial inclusion, etc.).</p>	<p>Selling and investing in sustainable products and services for our clients was an area that scored highly with all stakeholder groups in our materiality assessment. There are a number of key actions, products and services that are relevant to climate and housing, which are areas that we are striving to make a positive impact on. AIB's actions include:</p> <p><b>Climate</b>  <b>Climate Action Fund of €10bn from 2019 - 2023 (SMART Target 1)</b> – Focused on the delivery of green finance to transition Ireland to a low-carbon economy. We have allocated a total of €11.6bn in green lending to date.  <b>Green Bonds</b> – €0.75bn issued in 2023. The Green Bond proceeds will go towards the financing of projects with climate change and environmental benefits.  <b>Green Mortgage products</b> – AIB is unique in maintaining three distinct mortgage brands – AIB, EBS and Haven. Following the Launch of the AIB Green Mortgage, AIB Green Personal Loan, and Haven Green Mortgage in 2021 we have continued to enhance our mortgage propositions.  <b>Providing finance to produce renewable energy lending</b> – through our multi-disciplinary Energy, Climate Action and Infrastructure team.  <b>Providing finance for retrofitting less energy efficient homes</b> – through our Green Consumer Loan and SBCI retrofitting loans.  <b>ESG Questionnaire</b> – Incorporated into credit applications for borrowers in high climate risk sectors looking to borrow material lending amounts.</p> <p><b>Housing</b>  <b>Social Housing fund of €800m from 2020-2024 (SMART Target 2)</b> – Available to approved housing bodies for social housing units for people who cannot afford to buy a home or rent accommodation privately. We have provided lending approvals of c. €91m representing c. 499 homes.  <b>Social Bonds</b> – €0.75m issued in 2023. The funds raised will lend to projects with clear social benefits across Ireland, and internationally that include social and affordable housing.  <b>First Home Scheme (FHS)</b> – AIB is a participating mortgage lender under the Governments FHS and has played a central role in its initiation, design and delivery. It supports first-time buyers and promotes home ownership in middle to lower-income ranges by bridging the gap between their deposit and mortgage, and the price of their new home.  <b>Mortgage to Rent scheme</b> – Allows customers who can no longer afford a mortgage to continue to live in their home, which they will then rent.  <b>Employee mandatory sustainability and climate risk training</b> - Includes the risks and opportunities to be considered and discussed when engaging with customers.</p> <p>AIB has publicly articulated that addressing affordable housing and providing finance for energy-efficient homes is one of the Bank's priorities. A focus on affordable housing also aligns with AIB's desire to support a fairer society that is socially and economically inclusive, as outlined in AIB's Sustainable Lending Framework.</p>	<p>Responsible Lending and Investments, page 25  Housing, page 35</p> <p>Supporting Information, page 99</p>

## Supporting Information

# UNEPFI PRB: Reporting & Self-Assessment Template continued

Question	Reporting and Self-Assessment Requirements	High-Level Summary of AIB's Response (limited assurance required for responses to highlighted items)	References/Links to AIB's full response/relevant information
<b>PRINCIPLE 4: STAKEHOLDERS</b>			
We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.			
4.1 Stakeholder identification and consultation	<p>Does your bank have a process to identify and regularly engage with stakeholders?</p> <p>Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.</p>	<p>Yes</p> <p>As a financial services group, our identified stakeholders are those who influence our business or are impacted by it. These stakeholders include the customers we serve with support from our employees and suppliers across communities in Ireland, as well as our investors and the Central Bank of Ireland, which is our financial services regulator.</p> <p>In 2023, we completed our most recent materiality exercise; this included completing c. 1,000 interviews across our stakeholder groups of customers, employees, suppliers, investors, regulators, community and trade associations, and the general public.</p> <p>Through this process, we identified the issues of most importance to them as to what should be the focus for AIB strategically. Our SMART Targets in climate and housing are aligned to these outcomes.</p> <p>We also monitor AIB's customer experience via our 'Voice of the Customer' programme, using Net Promoter Scores (NPS) to measure satisfaction.</p>	<p>Stakeholder Engagement, pages 9-10</p> <p>Stakeholder Engagement, pages 9-10</p> <p>Our Material Topics, page 8</p>
<b>PRINCIPLE 5: GOVERNANCE AND CULTURE</b>			
We will implement our commitment to these Principles through effective governance and a culture of responsible banking			
5.1 Governance structure for Implementation of the Principles	<p>Does your bank have a governance system in place that incorporates the PRB?</p> <p>Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about</p> <ul style="list-style-type: none"> <li>which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),</li> </ul>	<p>Yes</p> <p>The AIB Board is responsible for promoting the long-term sustainable performance of the Group, setting the Group's strategic aims and risk appetite to support the strategy.</p> <p>The Sustainable Business Advisory Committee (SBAC) oversees the Group's performance as a sustainable business and delivery of AIB's sustainability strategy, and is the overarching Board Advisory Committee responsible for the guidance of our sustainability agenda.</p> <p>The Board Risk Committee (BRC) receives updates regarding the effectiveness of the Group's policies and programmes, which relate to identifying, managing and mitigating ESG risks, including climate risk, in connection with the Group's operations and ensuring compliance with regulatory requirements and industry standards.</p> <p>The Board Audit Committee (BAC) assists and advises the Board in fulfilling its independent oversight responsibilities. Given the continued evolution of the ESG agenda, a detailed review of the approach to governance and oversight of ESG was completed as part of the new ESG Framework with the Chairs of SBAC, BRC and BAC to support enhanced evidencing of decision-making and ownership of ESG matters at Board level.</p> <p>Key policies that we have in place to manage our impacts and support the PRB can be found on the Our Policies page.</p>	<p>Our Governance section, pages 57-58</p> <p>Other Policies, page 66</p>

## Supporting Information

# UNEPFI PRB: Reporting & Self-Assessment Template continued

Question	Reporting and Self-Assessment Requirements	High-Level Summary of AIB's Response (limited assurance required for responses to highlighted items)	References/Links to AIB's full response/relevant information
	<ul style="list-style-type: none"> <li>details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as</li> </ul>	<p>SBAC is chaired by an independent Non-Executive Director of AIB Group and membership includes three other Independent Non-Executive Directors. It also includes members of the Executive Committee including the Chief Executive Officer, Chief People Officer and the Chief Strategy &amp; Sustainability Officer. To ensure ongoing awareness of the work of the Committee by all Directors, the Committee Chair provides an update to the Board following each meeting on the key items discussed and considered by the Committee. The Committee meets at least four times in every year and also convenes at regular intervals for ESG training.</p> <p>Both our SMART Targets were fully allocated early so the funds were increased to meet demand. Equally, if targets were at risk of not being met then it would be escalated to this group to review and discuss appropriate action.</p>	Our Governance section, pages 57-58
	<ul style="list-style-type: none"> <li>remuneration practices linked to sustainability targets.</li> </ul>	Our remuneration policies and practices support our strategy and values and promote long-term sustainable success.	Our Colleagues, page 46

## PRINCIPLE 5: GOVERNANCE AND CULTURE continued

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.3 Policies and due diligence processes	Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.	<p>AIB has undertaken several initiatives and actions to foster a culture of responsible banking among employees.</p> <p><b>Inclusion &amp; Diversity Code</b> – Sets out the principles we live by and underpins new policies and handbooks introduced on Domestic Violence and Abuse, Menopause and Family Leave, and a year-round employee engagement calendar of diversity awareness and educational events. An Inclusion &amp; Diversity (I&amp;D) Council is in operation to provide ideas, energy, rigour and governance of diversity activity aligned to our strategy, which was approved the Board.</p> <p><b>Gender diversity</b> – We have continued to make progress on our gender diversity target, with female representation on all management currently at 42%, and our ExCo and Board are maintaining ongoing gender balance at 42% and 40% respectively.</p> <p><b>Mandatory training</b> – All our employees are required to complete our annual mandatory online learning curriculum.</p> <p><b>Risk in Conversation' week</b> – Annual week-long series of events where sessions are held for AIB staff to share learnings and thought leadership on how we are embedding risk considerations, including ESG, into our ways of working.</p> <p><b>Leaders Enabling A Difference (LEAD) Programme</b> – This is a development initiative to support and empower our leaders, with c. 3,000 People Leaders taking part. The LEAD 'Leadership for Growth' programme is aimed at our senior leaders and the LEAD 'Leadership Essentials' programme is aimed at our junior and mid-level leaders.</p> <p><b>Domestic Violence and Abuse Handbook</b> – Outlines the support and assistance available to all employees who are experiencing domestic violence or abuse.</p>	Our Colleagues, page 45-48 Supporting Information, pages 94-95
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## Supporting Information

# UNEPFI PRB: Reporting & Self-Assessment Template continued

Question	Reporting and Self-Assessment Requirements	High-Level Summary of AIB's Response (limited assurance required for responses to highlighted items)	References/Links to AIB's full response/relevant information
<b>PRINCIPLE 5: GOVERNANCE AND CULTURE continued</b>			
We will implement our commitment to these Principles through effective governance and a culture of responsible banking			
5.3 Policies and due diligence processes	Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.  Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks	Yes. ESG Framework, Sustainable Lending Framework, Green and Social Bond Frameworks, Excluded Activities List, Energy Policy, Environmental Policy, Modern Day Slavery Statement, Vulnerable Customer Policy, Financial Crime Policy (incl. Anti-Bribery & Corruption), Third Party Risk Management Policy, Data Protection Policy.  <b>ESG Questionnaire</b> – Incorporated into credit applications for borrowers in high climate risk sectors looking to borrow material lending amounts. The questionnaire gets a better understanding of the ESG risk associated with the borrower and creates awareness among customers of the data that will be required from them around where they are in their ESG journey and plans going forward.  <b>Human Rights</b> – In 2022, we broadened the parameters of our human rights due diligence pilot to cover Retail Banking, HR, and IT alongside Corporate Lending and Procurement, recognising our responsibilities as an employer, procurer and provider of banking services. Information was gathered about potential human rights impacts documentation. Over a series of workshops, surveys and interviews with internal and external stakeholders, a longlist and then a shortlist of human rights issues was developed.	Other Policies, page 66  Our Policies and Frameworks, page 92  Climate Change Adaptation, page 31  Corporate Governance, Ethics and Accountability, page 61
Self-assessment summary	Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?	Yes	
	Does the governance system entail structures to oversee PRB implementation?	Yes	
	Does your bank have measures in place to promote a culture of sustainability among employees?	Yes	
<b>PRINCIPLE 6: TRANSPARENCY AND ACCOUNTABILITY</b>			
We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.			
6.1 Assurance	Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?	Yes	Deloitte Assurance, page 106-108
6.2 Reporting on other frameworks	Does your bank disclose sustainability information in any standards and frameworks?	GRI, CDP, TCFD, WEF MSC, UN Global Compact, CSRD	
6.3 Outlook	What are the next steps your bank will undertake in next 12 month-reporting period?	AIB will continue to make progress implementing the six principles over the next 12 months. Additionally, we will continue to focus on identifying the impacts material to our stakeholders, which will be reflected next year in our CSRD disclosures.	
6.4 Challenges	What challenges have you prioritized to address when implementing the Principles for Responsible Banking?	Data availability Data quality Setting targets	

## Supporting Information

# UNEPFI PRB: Basis of Preparation

The 2023 self-assessment for implementation of the Principles for Responsible Banking (PRB) has been prepared in line with the PRB Guidance document and Self-assessment Template, published in November 2021 and September 2022 respectively by the UNEP FI.

The purpose of this document is to provide a self-assessment summary that gives an accurate, balanced and transparent view of AIB's implementation of each of the six principles under the PRB Framework at 31 December 2023. This will allow us to measure progress on implementation in a consistent manner.

The open questions in the Self-assessment Template allow banks the flexibility to disclose the progress they make, considering the diverse business models and various contextual differences in which banks operate.

AIB's 2023 self-assessment for implementation of the PRB makes use of publicly available reporting such as information on our website, in our Sustainability Report 2023 and in our Annual Financial Report 2023, to which we refer throughout this document.

To provide enhanced clarity and understandability of the self-assessment, we provide supplementary information below detailing the basis and methodologies used to prepare selected responses.

**Principle 2.1 | Impact analysis****Principle 2.1a | Scope**

When selecting the scope, which is the basis for our impact analysis, we considered the lending portfolio for our key business units across our markets, as defined in our 'About this Report' section (see page 73). Our impact analysis is based on data from 2023 activities, related to the totality of our primary geographic footprint, i.e. the Republic of Ireland (ROI), which comprises 95% of the Group's Retail Banking activities and c. 20% of Group Business & Corporate activities. A decision was made not to include AIB's UK portfolio (which includes two distinct markets of Great Britain and Northern Ireland) in this return as this portfolio is not a substantial percentage of the UK market.

**Principle 2.1b | Portfolio composition**

In order to analyse our portfolio composition, we used September 2023 month end data for defined scope and applied the PRB Tool and methodology, including its predefined NACE codes used to categorise exposure by segment. We used version 3 of the UNEP FI Principles for Responsible Banking Portfolio Impact Analysis Tool to complete our analysis; this version of the tool did not require reporting by sectors and industries. However, we provide a breakdown of our loan book by sector as at 31 December 2023 on page 105.

**Principle 2.1c | Context**

In analysing key challenges and priorities and determining our most significant impact areas, we applied the PRB tool and methodology, including its context module with guidance on key local societal needs.

We have determined that the two most significant impact areas for AIB to address are climate change and affordable housing. Due to the nature of our business and the breakdown of our loan book, we judged that as a financial institution, we can make the most material impact in climate change and housing.

**Principle 2.1d | Performance measurement**

Housing was rated as an important issue for our stakeholders, while climate- and environment-related issues were ranked in the top six issues for stakeholders and AIB. As such, we have identified that increasing the supply of energy-efficient social housing and financing our clients' transition to a low-carbon economy is a key way to increase our positive impact against these high national needs areas.

For the impact area of climate change, we judged that we needed to set a target that increased our new green and transition lending:

- a. In 2023, new green lending accounted for €3.7bn and represented 30% of all new lending across the Group. (see new green lending on page 99);
- b. As of FY23, we have provided €11.6bn in new green lending (see Climate Change Mitigation indicator in Annex)

Data disclaimer: Because methodologies, data quality and reference scenarios are always evolving, figures presented here may change over time.

Cross-cutting assumptions by sector and assumptions by portfolio are outlined on page 105.

**Principle 2.2 | Target setting****Principle 2.2b | Baseline****SMART Target 1 - Climate:**

In 2019, we launched our Climate Action Fund, progress of which can be seen on page 25, which is a key enabler to drive new green and transition lending. See the Climate Action Fund metrics on page 99.

**SMART Target 2 - Housing:**

In October 2020, we launched our Social Housing Fund, the first tranche of which was fully allocated in 2021. We launched a further tranche of €500m in 2021. See the €800m Social housing Fund section on page 36.

**Indicators:**

For our Financed Emissions Targets, our baseline is 2021. See the Financed Emissions Target section on pages 22 to 23.

## Supporting Information

# Net Zero Transition Plan (NZTP) – Content Index

We have embedded sustainability into our Group-wide strategy through setting targets, empowering colleagues, and developing engagement plans to support our people, customers, and communities. We want to ensure that our ecosystem is aware of our ambitions and are taken on the journey with us to achieve a net zero environment by 2050. As part of this journey, we have commenced with the development of a transition plan, which will evolve over time.

We have indicated below where more information can be found in relation to our transition planning considerations. Please refer to Section 2 (Climate & Environmental Action) above and in addition please also refer to our UNEPFI PRB disclosures in Section 5.

Element of TPT	Description	Section
 <b>Foundations</b>	<b>1.1 Strategic Ambition</b> An entity shall disclose the Strategic Ambition of its transition plan. This shall comprise the entity's objectives and priorities for responding and contributing to the transition towards a low-GHG emissions, climate-resilient economy, and set out whether and how the entity is pursuing these objectives and priorities in a manner that captures opportunities, avoids adverse impacts for stakeholders and society, and safeguards the natural environment.	Section 2: Climate & Environmental Action Section 5: UNEP FI – 1.2
	<b>1.2 Business Model and Value Chain</b> An entity shall disclose a description of the current and anticipated implications of the entity's Strategic Ambition on its business model and value chain.	Section 2: Own Operations + Responsible Lending Section 5: UNEP FI – 1.1
	<b>1.3 Key Assumptions and External Factors</b> An entity shall disclose key assumptions that it has made and external factors on which it depends in order to achieve the Strategic Ambition of its transition plan.	Section 2: Own Operations + Responsible Lending Section 5: UNEP FI – 1.1
 <b>Implementation Strategy</b>	<b>2.1 Business Operations</b> An entity shall disclose information about the short-, medium-, and long-term actions it is taking or plans to take in its business operations in order to achieve the Strategic Ambition of its transition plan.	Section 2 – Own Operations Section 5: UNEP FI – 2.1
	<b>2.2 Products and Services</b> An entity shall disclose information about short-, medium-, and long-term actions it is taking or plans to take to change its portfolio of products and services in order to achieve the Strategic Ambition of its transition plan.	Section 2: Responsible Lending Section 5: UNEP FI – 2.1
	<b>2.3 Policies and Conditions</b> An entity shall disclose information about any policies and conditions that it uses or plans to use in order to achieve the Strategic Ambition of its transition plan.	Section 2: Responsible Lending Section 5: UNEP FI – 3.1
	<b>2.4 Financial Planning</b> An entity shall, to the extent the financial effects of its transition plan are separately identifiable, disclose information about the effects of its transition plan on its financial position, financial performance and cash flows over the short-, medium-, and long-term, including information about how it is resourcing or plans to resource its activities in order to achieve the Strategic Ambition of its transition plan.	Section 2: Financed Emissions Section 5: UNEP FI – 1.2 & 2.1
 <b>Engagement Strategy</b>	<b>3.1 Engagement with Value Chain</b> An entity shall disclose information about any engagement activities with other entities in its value chain that it is undertaking or plans to undertake in order to achieve the Strategic Ambition of its transition plan.	Section 2: Climate & Environmental Action Section 5: UNEP FI – 3.1 & 4.1
	<b>3.2 Engagement with Industry</b> An entity shall disclose information about any engagement and collaborative activities with industry counterparts (and other relevant initiatives or entities) that it is undertaking or plans to undertake in order to achieve the Strategic Ambition of its transition plan.	Section 2: Climate & Environmental Action Section 5: UNEP FI – 4.1
	<b>3.3 Engagement with Government, Public Sector and Civil Society</b> An entity shall disclose information about any direct and indirect engagement activities with the government, regulators, public sector organisations, communities, and civil society that it is undertaking or plans to undertake in order to achieve the Strategic Ambition of its transition plan.	Section 2: Responsible Lending Section 5: UNEP FI – 4.1

## Supporting Information

## Net Zero Transition Plan (NZTP) – Content Index continued

Element of TPT	Description	Section
 <b>Metrics and Targets</b>	<b>4.1 Governance, Business and Operational Metrics and Targets</b> An entity shall disclose information about the governance, engagement, business and operational metrics and targets that it uses in order to drive and monitor progress towards the Strategic Ambition of its transition plan, and report against these metrics and targets on at least an annual basis.	Section 1: Introduction Section 2: Climate & Environmental Action Section 5: UNEP FI – 5.1
	<b>4.2 Financial Metrics and Targets</b> An entity shall disclose information about any financial metrics and targets, relevant to its business, sector, and strategy, that it uses in order to drive and monitor progress towards the Strategic Ambition of its transition plan, and report against these metrics and targets on at least an annual basis.	Section 1: Introduction Section 2: Climate & Environmental Action Section 5: UNEP FI – 2.1
	<b>4.3 GHG Metrics and Targets</b> An entity shall disclose information about the GHG emissions and removals metrics and targets that it uses in order to drive and monitor progress towards the Strategic Ambition of its transition plan, and report against these metrics and targets on at least an annual basis.	Section 2: Financed Emissions Section 5: UNEP FI – 2.2
	<b>4.4 Carbon Credits</b> An entity shall disclose information about how it uses or plans to use carbon credits to achieve the Strategic Ambition of its transition plan, and report on the use of carbon credits on at least an annual basis.	Section 5: UNEP FI – 2.2
 <b>Governance</b>	<b>5.1 Board oversight and reporting</b> An entity shall disclose information about the governance body(s) (which can include a board, committee, or equivalent body charged with governance) or individual(s) responsible for oversight of the transition plan.	Section 2: Financed Emissions Section 4: Governance & Responsible Business Section 5: UNEP FI – 5.1
	<b>5.2 Roles, Responsibility and Accountability</b> An entity shall disclose information about management's role in the governance processes, controls, and procedures used to monitor, manage, and oversee the transition plan, as well as how it is embedded within the entity's wider control, review, and accountability mechanisms.	Section 4: Governance & Responsible Business Section 5: UNEP FI – 5.1
	<b>5.3 Culture</b> An entity shall disclose information about how it aligns or plans to align its culture with the Strategic Ambition of its transition plan.	Section 4: Governance & Responsible Business Section 5: UNEP FI – Principle 5
	<b>5.4 Incentives and Remuneration</b> An entity shall disclose information about how it aligns or plans to align its incentive and remuneration structures with the Strategic Ambition of its transition plan.	Section 5: UNEP FI – 5.1
	<b>5.5 Skills, Competencies and Training</b> An entity shall disclose information about actions it is taking or plans to take to assess, maintain, and build the appropriate skills, competencies, and knowledge across the organisation in order to achieve the Strategic Ambition of its transition plan.	Section 2: Responsible Lending Section 5: UNEP FI – 5.2

## Supporting Information

# Equator Principles

The Equator Principles is a risk management framework for financial institutions for determining, assessing and managing environmental and social risk in projects. The Equator Principles is primarily intended to provide a minimum standard for due diligence to support responsible decision making. In October 2021, AIB signed up to the Equator principles. As a signatory to the Equator Principles, all lending under AIB's Group Project Finance Policy is required to comply with the Equator Principles, and, therefore, the applicable procedures have been updated for in-scope project-related finance transactions to consider all aspects of Equator Principles in the identification, assessment, categorisation, management, and reporting requirements of the principles. Under the Equator Principles, projects can be categorised into A, B+, B or C. Projects that are deemed to be a Category A & B+ are projects with potential significant environmental and social risk, whereas Category B & C projects have limited adverse and minimal adverse environmental and social risk, respectively. AIB successfully implemented the Equator Principles across the relevant business units in the Bank and submitted an Implementation Plan to the Equator Principles Association in July 2023. AIB is submitting Equator Principles reporting for FY2023 for all of the applicable loan commitments made in the period.

Project Finance Transactions				Group 2023	
	Note	Cat. A	Cat. B	Cat. C	
Sector	Mining				
	Infrastructure				
	Oil & Gas				
	Power			11	3
	Other				
Region	Americas			6	1
	Europe, Middle East, Africa			5	2
Country designation	Designated country			11	3
	Non-designated country				
Independent review	Yes			10	3
	No			1	0
Total number of projects				11	3

**2023 Projects:**

1. Low Carbon Solar Operations Ltd

## Supporting Information

## Our Policies and Frameworks

Code/Policy/Framework Name	Name of Statement provided publicly (1)	Link to Website if publicly available
Anti-Bullying & Harassment Policy		<a href="https://aib.ie/sustainability">https://aib.ie/sustainability</a>
Code of Conduct		<a href="https://aib.ie/suppliers/our-policies-and-procedures">https://aib.ie/suppliers/our-policies-and-procedures</a>
Inclusion & Diversity Code		<a href="https://aib.ie/sustainability">https://aib.ie/sustainability</a>
Regulatory Accountability Policy		Not publicly available
Remuneration Policy		<a href="https://aib.ie/sustainability">https://aib.ie/sustainability</a>
Speak-up Policy		<a href="https://aib.ie/sustainability">https://aib.ie/sustainability</a>
AIB Group Energy Policy	AIB Group Energy Policy	<a href="https://aib.ie/sustainability">https://aib.ie/sustainability</a>
AIB Group Environmental Policy	AIB Group Environmental Policy	<a href="https://aib.ie/sustainability">https://aib.ie/sustainability</a>
Health & Safety Policy	Health & Safety Policy	<a href="https://aib.ie/suppliers/our-policies-and-procedures">https://aib.ie/suppliers/our-policies-and-procedures</a>
AIB Responsible Supplier Code		<a href="https://aib.ie/suppliers/our-policies-and-procedures">https://aib.ie/suppliers/our-policies-and-procedures</a>
Modern Slavery Statement	Modern Slavery Statement	<a href="https://aib.ie/suppliers/our-policies-and-procedures">https://aib.ie/suppliers/our-policies-and-procedures</a>
Green Bond Framework		<a href="https://aib.ie/investorrelations/debt-investor">https://aib.ie/investorrelations/debt-investor</a>
Social Bond Framework		<a href="https://aib.ie/investorrelations/debt-investor">https://aib.ie/investorrelations/debt-investor</a>
Socially Responsible Investment Bond Framework		<a href="https://aib.ie/sustainability">https://aib.ie/sustainability</a>
Tax Policy	Tax Principles	<a href="https://aib.ie/sustainability">https://aib.ie/sustainability</a>
Root Cause Analysis of Complaints & Errors Policy		Not publicly available
Sustainable Lending Framework		Not publicly available
Environmental, Social & Governance Framework		Not publicly available

Code/Policy/Framework Name	Name of Statement provided publicly (1)	Link to Website if publicly available
AIB Group Data Protection Policy	Group Data Protection Statement	<a href="https://aib.ie/sustainability">https://aib.ie/sustainability</a>
Conflicts of Interest Policy	Conflicts of Interest Statement	<a href="https://aib.ie/sustainability">https://aib.ie/sustainability</a>
e Privacy Policy		Not publicly available
Financial Crime Policy	Financial Crime Statement	<a href="https://aib.ie/sustainability">https://aib.ie/sustainability</a>
Group Commercial Investment Policy		Not publicly available
AIB Group Conduct Risk Framework		Not publicly available
Group Credit Risk Policy		Not publicly available
Group Forbearance Policy		Not publicly available
AIB Group Lobbying Policy		Not publicly available
Group Project Finance Policy		Not publicly available
Group Residential Development Policy		Not publicly available
Group Social Housing Policy		Not publicly available
Information Security Policy		Not publicly available
People & Culture Risk Framework		Not publicly available
Regulatory Compliance Risk Management Framework		Not publicly available
Risk Management Framework		Not publicly available
ROI Residential Mortgage Policy (PDH & BTL)		Not publicly available

## Our Policies and Frameworks Notes

1. When a policy isn't publicly available but a statement is, the name of the statement is noted.
2. These policies are approved by the relevant governance fora on a regular basis, or when material changes are made, in accordance with the governance pathway.
3. Training requirements for all Policies and Frameworks are covered under the appropriate governance pathway.

## Supporting Information

## ESG Supporting Data

## Employee Data

FTEs @ 31 December		Notes	2023	2022	2021	2020	2019
<b>FTEs by gender</b>							
Female			5,520	5,009	4,654	5,017	5,200
Male			4,529	4,126	3,828	4,078	4,229
<b>FTEs - Permanent and temporary by gender</b>							
Permanent	Female		5,347	4,875	4,313	4,612	4,647
	Male		4,297	3,923	3,500	3,682	3,693
Temporary	Female		173	134	341	405	553
	Male		232	203	328	396	536
<b>FTEs - Permanent and temporary by region</b>							
Permanent	Ireland		8,931	8,106	7,052	7,330	7,370
	United Kingdom		679	662	724	964	970
	United States of America		34	30	37	-	-
Temporary	Ireland		372	318	662	779	1,056
	United Kingdom		33	19	7	22	33
	United States of America		0		0	-	-
<b>FTEs - Full-time and part-time by gender</b>							
Full-time	Female		5,008	4,536	4,176	4,453	4,573
	Male		4,500	4,101	3,809	4,054	4,209
Part-time	Female		512	473	477	564	628
	Male		29	25	20	23	20
<b>FTEs - Full-time and part-time by region</b>							
Full-time	Ireland		8,808	7,968	NR	NR	NR
	United Kingdom		667	640	NR	NR	NR
	United States of America		33	29	NR	NR	NR
Part-time	Ireland		495	456	NR	NR	NR
	United Kingdom		45	41	NR	NR	NR
	United States of America		1	1	NR	NR	NR
<b>Total</b>		10,049	9,135	8,482	9,095	9,429	
<b>Average FTEs in FY</b>		Notes	2023	2022	2021	2020	2019
Country	Ireland		9,009	8,069	7,978	8,210	8,755
	United Kingdom		681	672	922	997	1,026
	United States of America		34	32	44	54	59
<b>Total</b>		9,724	8,773	8,944	9,261	9,840	

Employee turnover data		2023		2022		2021		2020		2019	
		#FTEs	% #FTEs								
<b>Hires</b>											
Age	<30 years	1182	59 %	1360	65 %	639	71 %	312	79 %	811	
	30-50 years	729	37 %	680	32 %	237	26 %	73	19 %	327	
	>50 years	85	4 %	56	3 %	28	3 %	9	2 %	63	
Gender	Female	1064	53 %	1072	51 %	417	46 %	172	44 %	546	
	Male	932	47 %	1024	49 %	487	54 %	222	56 %	655	
Region	Ireland	1904	96 %	1989	95 %	894	99 %	370	94 %	1113	
	United Kingdom	89	4 %	106	5 %	10	1 %	24	6 %	88	
	United States of America	3	— %	1	— %	0	— %	0	— %	0	
<b>Total hires</b>		1996		2096		904		394		1201	
<b>Leaves</b>											
Age	<30 years	682	55 %	683	46 %	668	41 %	397	50 %	663	
	30-50 years	417	34 %	639	43 %	574	36 %	252	34 %	657	
	>50 years	135	11 %	165	11 %	374	23 %	125	16 %	320	
Gender	Female	646	52 %	734	49 %	876	54 %	416	52 %	877	
	Male	588	48 %	753	51 %	740	46 %	378	48 %	763	
Region	Ireland	1158	94 %	1310	88 %	1313	81 %	737	93 %	1507	
	United Kingdom	72	6 %	168	11 %	293	18 %	51	6 %	133	
	United States of America	4	— %	9	1 %	10	1 %	6	1 %	0	
<b>Total leaves</b>		1234		1487		1616		794		1640	
<b>Annual turnover rate</b>			13.5 %		17.5 %		17.8 %		8.4 %		16.7 %

## Supporting Information

## ESG Supporting Data continued

## Employee Data

Diversity by employee category @ 31 December	Note	2023		2022	
		Female	Male	Female	Male
<b>Gender</b>					
Senior management - Revenue generating functions		33 %	67 %	33 %	67 %
Senior management - Non-revenue generating functions		41 %	59 %	41 %	59 %
Senior management (total)		37 %	63 %	37 %	63 %
Junior management - Revenue generating functions		45 %	55 %	45 %	55 %
Junior management - Non-revenue generating functions		43 %	57 %	43 %	57 %
Junior management (total)		44 %	56 %	45 %	55 %
All management - Revenue generating functions		42 %	58 %	42 %	58 %
All management - Non-revenue generating functions		43 %	57 %	43 %	57 %
All management (total)		42 %	58 %	42 %	58 %
Non management - Revenue generating functions		63 %	37 %	63 %	37 %
Non management - Non-revenue generating functions		53 %	47 %	53 %	47 %
Non management (total)		59 %	41 %	59 %	41 %
ExCo		42 %	58 %	42 %	58 %
All FTEs		55 %	45 %	55 %	45 %

Diversity by employee category @ 31 December	Note	2023			2022		
		<30 yrs	30-50 yrs	>50 yrs	<30 yrs	30-50 yrs	>50 yrs
<b>Age</b>							
Senior management - Revenue generating functions		–%	61%	39%	–%	63%	37%
Senior management - Non-revenue generating functions		1%	64%	35%	1%	68%	31%
Senior management (total)		–%	63%	37%	–%	65%	35%
Junior management - Revenue generating functions		1%	69%	30%	–%	70%	30%
Junior management - Non-revenue generating functions		2%	69%	29%	1%	73%	26%
Junior management (total)		1%	69%	30%	1%	71%	28%
All management - Revenue generating functions		–%	67%	32%	–%	68%	32%
All management - Non-revenue generating functions		1%	68%	31%	1%	72%	27%
All management (total)		1%	68%	32%	1%	70%	29%
Non management - Revenue generating functions		26%	58%	17%	24%	59%	17%
Non management - Non-revenue generating functions		28%	57%	14%	27%	58%	15%
Non management (total)		27%	57%	16%	25%	59%	16%
ExCo		–%	58%	42%	–%	42%	58%
All FTEs		20%	60%	20%	18%	62%	20%

## Supporting Information

## ESG Supporting Data continued

## Employee Data

Training hours and expenditure	Note	2023	2022
<b>Average training hours</b>			
Female		32.1	34.8
Male	26	29.2	35.3
All FTEs		30.8	35
<b>Training and development expenditure</b>			
Average per FTE		854	880

Mandatory training	Note	2023 %	2022 %
<b>Completion rates</b>			
Speak Up		99	100
Anti-Money Laundering & Terrorism		98	90
Information Security		98	90
Data Protection		98	90
Health & Safety		97	93
Code of Conduct		98	94
Conflicts of Interest		98	96
Sustainability		97	97
Inclusion & Diversity	15	—	91

Anti-corruption training	Note	2023				2022			
		Group Number	Ireland	UK	USA Rate	Group Number	Ireland	UK	USA Rate
<b>Number and rate</b>									
FTEs (total)		10,137	9,389	715	33	98%	98%	98%	100%
Business partners		3,606	2,961	75	7	97%	97%	92%	57%

Compensation	Note	2023				2022			
		Ireland	Northern Ireland	Great Britain	London	Ireland	Northern Ireland	Great Britain	London
<b>Wage level @ 31 December</b>									
Standard entry level wage		€28,000	€20,393	€20,393	€22,418	€28,000	€19,159	€20,393	€22,418
Local minimum wage (per hour)		€12.70	€10.42	€10.42	€10.42	€10.50	€9.50	€9.50	€9.50
Local minimum wage (based on hours worked in year (37x52))		€24,435	€20,048	€20,048	€20,048	€20,202	€18,278	€18,278	€18,278
Ratio of standard entry level wage compared to local minimum wage	16	1.15	1.02	1.02	1.12	1.39	1.05	1.12	1.23

Annual compensation	Note	2023	2022
		Group	Group
Title of our highest paid individual		CEO	CEO
Annual total compensation of the CEO		€500,000	€500,000
Median annual total compensation for all of our employees excluding the highest-paid individual	23	€52,577	€52,035
Percentage increase in annual total compensation for our highest-paid individual	24	—%	—%
Ratio of the annual total compensation of the CEO to the median annual total compensation of all employees, except the CEO (%)		9:51	9:61

## Supporting Information

# ESG Supporting Data continued

## Employee Data Notes

### Employee Data

1. Employee data excludes Payzone and Goodbody.

### FTEs @ 31 December Notes

- Information is collected on employees through our internal HR systems. Data at 31 December 2023. Excludes 115 FTEs in Payzone and 387 FTEs in Goodbody. The actual number of FTEs as at 31.12.2023 reported in our Annual Financial Report (AFR) was 10,551, which includes Payzone and Goodbody employees. Source: Company information.
- There are no significant seasonal variances.
- Data reporting for 2020 - 2019 for permanent and temporary FTEs - Ireland data includes FTEs in our US operations (2020: 51 (2019: 53)).
- The average number of FTEs in the financial year excludes employees on career breaks and other unpaid long-term leaves, as well as Payzone employees in 2019 and 2020, and from 01.09.2021, Goodbody employees. The Average FTEs for 2023 reported in our AFR was 10,200, which includes 107 Payzone employees and 369 Goodbody employees. Source: AFR 2023 page 313, AFR 2022 page 342, AFR 2021 page 355, AFR 2020 page 350, AFR 2019 page 364, and AFR 2018 page 362 and Company information.

### Employee Turnover Notes

- In an enhancement to our reporting, figures for NI and GB are amalgamated (previously they were reported separately). In addition, we have changed our age diversity reporting categories from <30, 30 - 49, 50+ to <30, 30 - 50, >50. Our reporting for 2020 reflects the new categories. Reported figures for 2019 has not been amended to align with the new categories.
- Employee turnover rate is calculated based on the total number of leavers divided by the number of FTE staff at the start of the year. Leavers include voluntary attrition, contract expirations, retirements and voluntary severance.
- Source: Internal Company information.

### Diversity by Employee Category Notes

- For employee category we report under revenue-generating functions (Retail, Treasury, AIB UK and Capital Markets) and non-revenue generating (all remaining areas).
- For 2023, we measured this diversity data on 31 December 2023.
- Source: Internal company information.

### Training Notes

- Mandatory training data covers all employees and business partners (includes advisory partners and contractors).
- AIB does not split training data by employee category.
- Average male training hours in 2022 benefited from the rollout of the LEAD Programme, this reverted back in line with the longer-term trend in 2023.
- I&D course is only mandatory for new joiners - it is mandatory for all staff every 2 years therefore suggest rates for 2023 are not included as it is not comparable.
- Our approach to Anti-corruption is covered in our Anti-Bribery & Corruption Policy and our Conflicts of Interest Policy. Our Anti-corruption training is included in our Conflicts of Interest training course.
- Source: Internal Company information.

### Wage Level Notes

- Sources of 'Local Minimum Wage per hour' are: Ireland ([www.gov.ie/en/publication/e1f12-national-minimum-wage-will-increase-on-1-january-2021/](http://www.gov.ie/en/publication/e1f12-national-minimum-wage-will-increase-on-1-january-2021/)) and the UK ([www.gov.uk/national-minimum-wage-rates](http://www.gov.uk/national-minimum-wage-rates)).
- Standard entry level wage is the entry point of our lowest level position and it is equal across female and male employees.
- Our significant locations of operation are Ireland and the UK.
- Data reported is as at 31 December 2023.
- Total compensation includes total remuneration paid to employees, excluding pension contribution. Source: CEO's salary, see AFR page 106.
- All data, excluding minimum wage levels, is Internal Company data.

### Total Compensation

- Median annual total compensation for all employees (excluding the highest-paid individual): The median of a sequence is the middle number when sorting all numbers from low to high. This calculation excludes the annual total compensation for our CEO, who is the highest-paid individual in AIB.
- We are not providing a figure for median percentage increase in annual total compensation for all of the organisation's employees, excluding the highest-paid individual. We will look to how we can provide this level of information in the future.
- Source: Internal Company data.

## Supporting Information

## ESG Supporting Data continued

## Finance Data

		Group 2023	Group 2022
Direct economic value generated and distributed	Note	€m	€m
<b>Direct economic value generated</b>			
Net interest income	1	3,841	2,095
Other income	1	881	818
Income from equity accounted investments	1	12	37
Loss on disposal of business	1	(26)	-
Net credit impairment charge	1	(172)	(7)
<b>Direct economic value generated</b>		<b>4,536</b>	<b>2,943</b>
<b>Direct economic value distributed</b>			
Operating costs (excluding community investments)	2	(739)	(759)
Employee wages and benefits	3	(912)	(797)
Payments to providers of capital:			
Distributions paid on ordinary shares	4	(166)	(122)
Distributions paid to other equity interests	4	(65)	(65)
Distributions paid to non-controlling interests	4	-	-
Buyback of ordinary shares	4	(215)	(91)
Payments to government:			
Current tax charge	5	(77)	(33)
Bank levies and regulatory fees	3	(185)	(155)
Community investments	2	(11)	(11)
<b>Direct economic value distributed</b>		<b>(2,370)</b>	<b>(2,033)</b>
<b>Economic value retained</b>		<b>2,166</b>	<b>910</b>

		Group 2023	Group 2022
Financial investment contribution	Note	€m	€m
<b>CapEx less Depreciation</b>			
Additions to property, plant and equipment	6	34	32
Additions to intangible assets	7	206	174
Depreciation of property, plant and equipment	6	(39)	(39)
Amortisation for the year intangible assets	7	(220)	(218)
<b>Total</b>		<b>(19)</b>	<b>(51)</b>
<b>Share buyback less Dividends</b>			
Dividends paid on ordinary shares	4	166	122
Distributions paid to other equity interests	4	65	65
Buyback of ordinary shares	4	215	91
<b>Total</b>		<b>446</b>	<b>278</b>

		Ireland	UK	USA	Group 2023	Group 2022
Tax paid and collected	Note	€m	€m	€m	€m	€m
<b>Tax paid</b>						
Corporate income taxes		1	70	—	71	19
Property taxes	8	7	1	—	8	8
Non-creditable VAT and other sales taxes		132	5	—	137	127
Employer-paid payroll taxes		76	7	1	84	75
Other taxes that constitute costs to the Company, by category of taxes:						
Bank levy		37	—	—	37	37
Taxes related to customer redress		12	—	—	12	10
Interest on taxes paid / repaid		—	—	—	—	—
<b>Total global tax borne by AIB</b>		<b>265</b>	<b>83</b>	<b>1</b>	<b>349</b>	<b>276</b>
<b>Tax collected</b>						
<b>Tax collected by AIB from customers, employees and shareholders</b>		<b>256</b>	<b>15</b>	<b>2</b>	<b>273</b>	<b>273</b>
<b>Total tax paid and collected</b>		<b>521</b>	<b>98</b>	<b>3</b>	<b>622</b>	<b>549</b>

## Supporting Information

## ESG Supporting Data continued

## Finance Data Notes

## Notes on Our Finance Data

1. Refer to the consolidated income statement in AFR 2023. The Group has changed the presentation of interest income and expense on certain derivatives and has restated the 2022 comparatives. This has resulted in a € 64 million decrease in net interest income and a € 64 million increase in other income.
2. Refer to note 11 in AFR 2023. Includes general and administrative expenses and restitution and associated costs (less community investments, which are presented separately).
3. Refer to note 11 in AFR 2023. For employee wages and benefits refer to personnel expenses.
4. Refer to consolidated statement of changes in equity in AFR 2023.
5. Refer to note 14 in AFR 2023.
6. Refer to note 25 in AFR 2023. Excludes right-of-use assets.
7. Refer to note 24 in AFR 2023.
8. The scope of property taxes has been changed to include rates paid to local authorities, and the figures for the prior year have been restated accordingly.

## World Economic Forum Stakeholder Capitalism Metrics - Prosperity - Employment &amp; Wealth Generation

**Metric A - Economic Contribution:** Direct economic value generated and distributed, on an accruals basis, covering the basic components for AIB's global operations, ideally split out by: revenues; operating costs; employee wages and benefits; payments to providers of capital; payments to government; community investment..

**Response A** - Refer to note 3 in AFR 2023 for Revenue. Revenue, as disclosed in note 3, and Direct economic value generated may be reconciled as follows:

	2023	2022
	€m	€m
Revenue	4,722	2913
Net credit impairment charge	(172)	(7)
Income from equity accounted investments	12	37
Loss on disposal of business	(26)	0
Direct economic value generated	4,536	2,943

AIB's breakdown of Direct Economic Value Distributed covering its basic components is disclosed in the Direct Economic Value Generated & Disclosed table on page 97.

**Metric B - Economic Contribution:** For details on Financial assistance received from the government: total monetary value of financial assistance received by AIB from any government during the reporting period.

**Response B** - AIB did not receive financial assistance (including tax relief and tax credits, subsidies, investment grants, research and development grants, financial assistance from export credit agencies, financial incentives, or other financial benefits received/receivable) from any government in 2023. The nature of the Group's relationship with the Irish Government is set out in AFR note 47(f) Related party transactions – Summary of the relationship with the Irish Government.

**Metric C - Financial Investment Contribution:** For details on total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.

**Response C** - For FY2023, total CapEx minus depreciation and amortisation was (€19m). CapEx for the year included additions to property and plant of €34m, additions to intangibles of €206m, depreciation charge for the year on property, plant and equipment of (€39m) and amortisation for the year on intangible assets of (€220m). AIB continues to invest significantly to transform itself into a market-leading technology-driven bank with infrastructure that is both secure and resilient. As the Bank enters a new strategic cycle there is an enhanced focus on enhancing the customer experience. The current investment strategy approach encompasses i) regulatory change; ii) cyber resilience; and iii) strategic transformation; and includes the following areas:

- transforming the Bank's business and personal credit processes and technologies;
- best-in-class personal and business mobile app and payments platform, and,
- continuing to streamline and digitalise the mortgage customer journey
- significant investment and enhancement of the control environment
- implementing our sustainability agenda to become a market leader in green lending.

In addition, the bank's property strategy has re-focused on reducing the carbon footprint of our physical infrastructure to align to our carbon reduction targets.

**Metric D - Financial Investment Contribution:** Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders..

**Response D** - For FY2023, there were €166m dividends paid on ordinary shares, €215m buyback of ordinary shares and €65m of distributions paid on other equity instruments (AT1 coupons). The company's strategy for ordinary shareholder distributions is a policy of 40-60% payout of attributable earnings, subject to Board and regulatory approval. Any decision on the balance between dividends and buybacks in any year will be assessed at the appropriate time. Subject to a supportive economic environment and annual Board and required regulatory approvals, in the coming years, AIB will seek to move towards the CET1 target by prudently increasing levels of distributions, supplementing cash dividend with share buybacks where appropriate.

## Supporting Information

## ESG Supporting Data continued

## Sustainable Finance Data

	Notes	Group 2023 €bn	Group 2022 €bn	Group 2021 €bn	Group 2020 €bn
<b>Green and other lending</b>					
<b>New green lending</b>					
New Green Mortgages		1.8	1.3	0.7	0.3
New renewable energy and green buildings		1.8	1.9	1.3	1.1
Other		0.1	0.0	0.0	0.0
<b>Total new green lending</b>	1	3.7	3.3	2.0	1.5
<b>Climate Action Fund</b>					
Cumulative green lending		11.6	7.9	4.6	2.7
<b>Other lending</b>					
New mortgage lending		4.0	4.6	3.1	2.4
Total new lending		12.3	12.6	10.4	9.2
	Notes	Group 2023 %	Group 2022 %	Group 2021 %	Group 2020 %
<b>Total new green lending / All new lending</b>		30%	26%	19 %	16 %
<b>New Green Mortgages / All new mortgage lending</b>		45%	28 %	23 %	14 %

## Green and Other Lending Notes

- In H2 2023, our new green lending definition was expanded to include new mortgage lending to energy-efficient homes (BER A1-B2 / EPC A-B), aligned to our Sustainable Lending Framework (SLF). Our Green Mortgage products may include lending to homes with a B3 BER rating. The SLF is an internal AIB Framework that outlines the key parameters on which a transaction can be classified as green. This expanded definition has been applied to all relevant lending activity for the full year.
- Figures are rounded to one decimal place.

	Notes	Group 2023 €bn	Group 2022 €bn	Group 2021 €bn	Group 2020 €bn
<b>ESG Bonds</b>					
<b>ESG Bond issuances</b>					
Green Bond		0.75	1.50	0.75	1.00
Social Bond		0.75	1.00	0	0
<b>Total</b>		<b>1.50</b>	<b>2.50</b>	<b>0.75</b>	<b>1.00</b>
<b>Cumulative issuances</b>		<b>5.75</b>	<b>4.25</b>	<b>1.75</b>	<b>1.00</b>
<b>Eligible Green Bond Assets</b>					
Renewable energy		2.41	1.98	1.32	1.16
Green buildings		2.96	2.68	1.23	1.07
Clean transportation		0.04	0.03	0.02	-
<b>Total Green Bond allocation</b>	2	<b>5.41</b>	<b>4.69</b>	<b>2.57</b>	<b>2.24</b>
<b>Eligible Social Bond Assets</b>					
Access to education		0.41	0.23		
Social and affordable housing		0.76	0.52		
Access to healthcare		1.37	1.00		
SME financing in deprived areas		0.62	0.59		
Affordable Basic Infrastructure - Fibre broadband		0.01	-		
<b>Total Social Bond allocation</b>	3	<b>3.17</b>	<b>2.34</b>		

## ESG Bonds Notes

- Figures are rounded.
- Data for our Green Bonds is independently assured by Mazars. Copies of our assurance reports are available at [www.aib.ie/investorrelations/debt-investor/green-bonds/impact-and-allocation-reports](http://www.aib.ie/investorrelations/debt-investor/green-bonds/impact-and-allocation-reports).
- Data for our Social Bonds is independently assured by Mazars. Copies of our assurance report is available at [www.aib.ie/investorrelations/debt-investor/social-bond-framework/impact-and-allocation-reports](http://www.aib.ie/investorrelations/debt-investor/social-bond-framework/impact-and-allocation-reports).

## Supporting Information

## ESG Supporting Data continued

## Operations Data

Absolute GHG emissions (detailed)	Note	Group				Ireland				United Kingdom				United States of America			
		2023	2022	2021	2019	2023	2022	2021	2019	2023	2022	2021	2019	2023	2022	2021	2019
<b>Gross Scope 1: Direct emissions (tCO<sub>2</sub>e)</b>																	
Stationary energy – Natural gas		1,372	1,715	2,281	3,421	1,232	1,566	2,099	3,213	127	136	164	188	13	14	18	21
Stationary energy – Kerosene		321	313	471	299	230	292	455	283	91	22	16	16	0	0	0	0
Stationary energy – Gas oil (fuel oil / diesel oil)		225	345	533	403	225	314	428	331	0	31	104	72	0	0	0	0
Stationary energy – Diesel (Generator use)		19	38	13	0	19	37	12	0	0	1	1	0	0	0	0	0
Stationary energy – Biomethane or Biogas (N <sub>2</sub> O and CH <sub>4</sub> only)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mobile combustion – Fleet		670	781	505	574	670	781	505	568	0	0	0	7	0	0	0	0
Refrigerants		63	8	176	86	63	8	176	86	0	0	0	0	0	0	0	0
<b>Total Scope 1 emissions (tCO<sub>2</sub>e)</b>		<b>2,670</b>	<b>3,200</b>	<b>3,978</b>	<b>4,784</b>	<b>2,440</b>	<b>2,997</b>	<b>3,674</b>	<b>4,481</b>	<b>218</b>	<b>190</b>	<b>286</b>	<b>282</b>	<b>13</b>	<b>14</b>	<b>18</b>	<b>21</b>
<b>Gross Scope 2: Energy indirect emissions (tCO<sub>2</sub>e) (Location-based)</b>																	
Purchased electricity		4,909	5,963	5,945	10,025	4,530	5,493	5,453	9,366	316	423	448	564	63	47	43	94
<b>Total Scope 2 emissions (tCO<sub>2</sub>e) (location-based)</b>		<b>4,909</b>	<b>5,963</b>	<b>5,945</b>	<b>10,025</b>	<b>4,530</b>	<b>5,493</b>	<b>5,453</b>	<b>9,366</b>	<b>316</b>	<b>423</b>	<b>448</b>	<b>564</b>	<b>63</b>	<b>47</b>	<b>43</b>	<b>94</b>
<b>Gross Scope 2: Energy indirect emissions (tCO<sub>2</sub>e) (Market-based)</b>																	
Purchased electricity		480	226	101	64	262	173	57	0	155	7	0	0	63	47	43	64
<b>Total Scope 2 emissions (tCO<sub>2</sub>e) (market-based)</b>		<b>480</b>	<b>226</b>	<b>101</b>	<b>64</b>	<b>262</b>	<b>173</b>	<b>57</b>	<b>0</b>	<b>155</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>63</b>	<b>47</b>	<b>43</b>	<b>64</b>
<b>Gross Scope 3: Other indirect emissions (tCO<sub>2</sub>e)</b>																	
Purchased goods and services		see notes	2,584	2,319	488	see notes	2,556	2,159	435	see notes	27	160	50	see notes	0	0	3
Capital goods		see notes	1,045	926	129	see notes	1,018	926	115	see notes	8	0	13	see notes	19	0	1
Fuel- and energy-related activities (not in Scope 1 & 2)		see notes	3,342	3,906	5,512	see notes	3,145	3,642	4,993	see notes	179	240	466	see notes	17	25	53
Waste generated in operations		see notes	35	39	199	see notes	31	34	150	see notes	3	4	47	see notes	0	1	2
Business travel		see notes	1,556	342	3,845	see notes	1,339	273	3,116	see notes	183	41	650	see notes	33	28	79
Employee commuting		see notes	5,346	2,008	4,287	see notes	5,072	1,719	3,441	see notes	248	271	785	see notes	26	18	61
Investments		see notes	2,200,000	2,579,540	14,460	see notes	NR	NR	NR	see notes	NR	NR	NR	see notes	NR	NR	NR
<b>Out of scope biogenic emissions</b>																	
Group Scope 1: direct emissions - biogenic		36	31	12	16	36	31	1	0	0	0	11	16	0	0	0	0
Group Scope 3: other indirect emissions - biogenic		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total out of scope biogenic emissions</b>		<b>36</b>	<b>31</b>	<b>12</b>	<b>16</b>	<b>36</b>	<b>31</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Scope 1 &amp; 2 emissions (location-based)</b>		<b>7,579</b>	<b>9,163</b>	<b>9,923</b>	<b>14,808</b>	<b>6,970</b>	<b>8,490</b>	<b>9,128</b>	<b>13,847</b>	<b>534</b>	<b>613</b>	<b>734</b>	<b>846</b>	<b>76</b>	<b>61</b>	<b>61</b>	<b>115</b>
<b>Total Scope 1 &amp; 2 emissions (market-based)</b>		<b>3,150</b>	<b>3,426</b>	<b>4,079</b>	<b>4,848</b>	<b>2,702</b>	<b>3,170</b>	<b>3,732</b>	<b>4,481</b>	<b>373</b>	<b>197</b>	<b>286</b>	<b>282</b>	<b>76</b>	<b>60</b>	<b>61</b>	<b>85</b>
<b>Change in Scope 1 &amp; 2 emissions (location-based) (yoy)</b>		<b>(17)%</b>	<b>(8)%</b>	<b>(16)%</b>		<b>(18)%</b>	<b>(7)%</b>	<b>(17)%</b>		<b>(13)%</b>	<b>(16)%</b>	<b>9 %</b>		<b>25 %</b>	<b>(1)%</b>	<b>(16)%</b>	
<b>Change in Scope 1 &amp; 2 emissions (location-based) (versus 2019 baseline)</b>		<b>(49)%</b>	<b>(38)%</b>	<b>(33)%</b>		<b>(50)%</b>	<b>(39)%</b>	<b>(34)%</b>		<b>(37)%</b>	<b>(28)%</b>	<b>(13)%</b>		<b>(34)%</b>	<b>(47)%</b>	<b>(47)%</b>	

## Supporting Information

## ESG Supporting Data continued

## Operations Data

Energy, water and waste in our operations	Note	Group			Ireland		United Kingdom			United States of America			
		2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
<b>Energy consumption (megawatt hours)</b>													
Renewable energy purchased/generated for own consumption		21,290	24,933	29,683	19,879	22,916	27,657	1,411	2,017	2,026	0	0	0
Green electricity supply		21,290	24,874		19,879	22,916		1,411	1,958		0	0	
Biogas (Stationary)		0	59		0			0	59		0	0	
Non-renewable energy consumption		14,083	16,951	18,515	12,558	15,306	17,097	1,285	1,373	1,137	239	272	280
Electricity		1,901	363		1,411	191		327			164	172	
Stationary energy - Natural Gas		9,374	12,493		8,554	11,497		744	896		76	100	
Stationary energy - Fuel Oils		2,808	4,095		2,593	3,618		215	477				
<b>Total energy consumption</b>		<b>35,373</b>	<b>41,884</b>	<b>48,197</b>	<b>32,437</b>	<b>38,222</b>	<b>44,754</b>	<b>2,696</b>	<b>3,390</b>	<b>3,163</b>	<b>239</b>	<b>272</b>	<b>280</b>
<b>Waste consumption (metric tonnes)</b>													
Total waste used/recycled/sold		587	522	1,117	551	486	1,023	36	35	93	0	1	1
Total waste disposed		216	216	10	211	201	0	4	14	8	1	1	2
Waste landfilled		1	1		0			0			1	1	
Waste incinerated with energy recovery		213	212		211	201		2	11		0		
Waste incinerated without energy recovery		0	0		0			0			0		
Waste otherwise disposed		0	0		0			0			0		
Waste with unknown disposal method		2	3		0			2	3		0		
<b>Total waste generated</b>		<b>803</b>	<b>738</b>	<b>1,127</b>	<b>762</b>	<b>688</b>	<b>1,023</b>	<b>40</b>	<b>49</b>	<b>101</b>	<b>1</b>	<b>1</b>	<b>3</b>
Hazardous waste generated		1	1	NR	1	1	NR	1	1	NR	0	0	NR
<b>Water use - Operations</b>													
Water consumed & withdrawn (megalitres)		81	77	112	76	72	102	4	3	9	0	2	2
Total % of water use in regions with high/extremely high baseline water stress - Operations		1 %	1 %	2 %	— %	— %	— %	24 %	20 %	20 %	— %	— %	— %
Emissions to water generated (tonnes)		0	0	NR	0	0	NR	0	0	NR	0	0	NR
<b>Land use and ecological sensitivity</b>													
<b>Sites adjacent to protected areas and/or key biodiversity areas</b>													
Owned offices		0			0								
Leased offices		1	Office		0.08244		824.42	ASSI and SPA		Terrestrial and Marine		Northern Ireland	
Managed offices		0			0								

Group  
2023

## Supporting Information

## ESG Supporting Data continued

## Operations Data Notes

## Environmental Data

## GHG Emissions Notes

1. A GHG source is any physical unit or process that releases GHG into the atmosphere:
  - Direct (Scope 1) GHG emissions are from sources that are owned or controlled by AIB. AIB's Direct (Scope 1) emissions include combustion fuels, biomass (CH<sub>4</sub> and N<sub>2</sub>O), fleet and fugitive emissions.
  - Energy indirect (Scope 2) GHG emissions can result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed. AIB Scope 2 emissions include consumption of all purchased electricity.
  - Scope 3 covers indirect AIB GHG emissions from the following categories: purchased goods and services, capital goods, waste generated in operations, business travel, employee commuting, fuel- and energy-related activities (WTT and T&D) and investments.
  - Gross Biogenic Emissions are emissions of CO<sub>2</sub> from the combustion or biodegradation of biomass.
2. Our carbon reporting is aligned with our financial reporting. Our Scope 1 & 2 emissions for 2023 are 7,579 tCO<sub>2</sub>e. Verification was based on data extrapolation to account for the 12 months of the reporting period. For further information, see our verification report. Scope 3 emissions are reported one year in arrears. Our 2023 Scope 3 emissions will be disclosed in our CDP 2024 report.
3. The AIB carbon footprint was calculated using the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol); the UK Government's conversion factors for greenhouse gas reporting; the Sustainable Energy Authority of Ireland energy emissions factors; and other emissions factors as required.
4. The GWPs used in the calculation of CO<sub>2</sub>e are based on the Intergovernmental Panel on Climate Change (IPCC) Assessment Reports over a 100-year period
5. We have adopted the operational control approach on reporting boundaries.
6. In line with the GHG Protocol, our emissions are presented in tonnes of carbon dioxide equivalent units (tCO<sub>2</sub>e) and cover the Kyoto 'basket' of seven greenhouse gases when available: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).
7. These Group figures reflect gross location-based absolute emissions, unless flagged otherwise.
8. To coordinate with net zero commitments, AIB set 2019 as its operational emissions base year. 2021 was chosen as baseline for our financed emissions (Cat 15 investments).
9. A third party independent verification, based on ISO 14064-3, was completed for reported Scope 1 & 2 emissions, as well as Scope 3 categories 1, 2, 3, 5, 7 and 8 for 2019 - 2023. Our verification statements are publicly available at [www.aib.ie/sustainability](http://www.aib.ie/sustainability). A copy of our historical GHG verification statements is available in our annual CDP submissions.
10. 2022 figures have been updated as per last re-statement, issued in 2023. This exercise was completed in accordance with the GHG Protocol guidance and allowed the incorporation of 12 months of actual data.
11. Terms/abbreviations used: NR = not reported; WTT = Well to Tank; and T&D = Transport & Distribution.
12. For carbon accounting purposes, GHG emissions from our subsidiary AIB Mortgage Bank are incorporated into the operational boundary of Allied Irish Banks.
13. Figures are rounded.
14. Source: Independently verified GHG emissions and Company information.
15. In 2023, AIB refined its market-based methodology to reflect updated information on third party energy suppliers.
16. Within a) Scope 3 (Cat 1) AIB reports emissions from data centres (co-located facilities not operated by AIB), supplied water and paper for own use; b) Scope 3 (Cat 2) AIB reports emissions for IT equipment (laptops, monitors, etc); c) Scope 3 (Cat 3) - WTT & T&D emissions associated with AIB's energy use; d) Scope 3 (Cat 5) - Waste emissions generated from the following waste streams: MSW mixed municipal waste, dry mixed recyclables, food & compost waste C&D waste, C&I waste, cardboard waste, timber waste, paper waste, metal waste, water treatment waste, WEEE waste, grease trap waste, waste refrigerant gases and used cooking oil; e) Scope 3 (Cat 6) business travel emissions generated from hotel stays and the following modes of transport: air, bus, taxi, rail, ferry and car mileage; f) Scope 3 (Cat 7) emissions from employee commuting (WFH emissions not included); g) Scope 3 (Cat 15) investments covers emissions associated with AIB's customer loan book and other relevant investments

## Energy Notes

17. Energy consumption sources are considered to be electricity, natural gas, biogas, fuel oils (diesel, kerosene and gas oil). To align with historical reporting of data, fuels & energy related to fleet and business travel activities are excluded.
18. Renewable energy consumption sources are considered to be electricity and biogas only. It is not currently possible to split the sources of green electricity supply.
19. 2022 figures have been updated to allow the incorporation of 12 months of actual data for all our subsidiaries. Data for 2022 incorporates Goodbody locations.
20. For this report, purchased electricity on green tariffs from our utility suppliers is considered renewable energy. Sole traceability to certified renewable energy sources is not available to us due to the singularities of Ireland's Single Electricity Market. Therefore, these figures do not count towards our net zero renewable sourcing targets. AIB has entered into a vCPPA which will enable us to report fully traceable renewable electricity in future years.
21. Figures are rounded.
22. Source: Company information.

## Supporting Information

## ESG Supporting Data continued

## Operations Data Notes

## Waste Notes

23. Data is not yet available for FY 2023. Increase of ROI waste production in 2022 due to the inclusion of the Goodbody waste data along with the return to office of non-essential staff post pandemic and the resumption of catering services at many head office locations
24. AIB is a financial institution operating through branches and offices in Ireland, the UK and the USA. Based on the nature of these operations, AIB's main source of hazardous waste is discarded WEEE and the removal of refrigerants from air-conditioning units. In 2022, hazardous waste generated by AIB operations was 1.3 tonnes kg (<1% of our total waste volumes). This waste was treated in waste recycling facilities. AIB does not generate radioactive waste.
25. Prior to 2021, incinerated waste with energy recovery was reported under 'waste used or recycled'. In 2021, AIB updated its waste reporting methodology in line with GRI requirements and this disposal method is now accounted for under waste disposed.
26. Data is reported one year in arrears.
27. Figures are rounded.
28. Source: Company information.

## Water Notes

29. Water data is not yet available for FY2023. Data for 2022 incorporates Goodbody locations.
30. We are reporting discharged water as water consumed. We rely on municipal water networks for our water demand. There are no other sources of withdrawals. Water use is measured based on utility bills from water utility providers. Where data is not available it is extrapolated using intensity figures.
31. In 2022, 1.3% of AIB's water withdrawn and consumed was from high water-stressed regions in GB (according to the WRI Aqueduct water risk atlas tool). As at 5 December 2023, the tool did not indicate that any of our operations in GB were in an extremely high-stressed region. None of our operations in Ireland (where we operate predominantly), the USA or Northern Ireland are located in a region of high/extremely high water stress. The tool is available at [www.wri.org/applications/aqueduct/water-risk-atlas/](http://www.wri.org/applications/aqueduct/water-risk-atlas/).
32. AIB has no emissions to water. AIB is a financial institution operating through branches and offices in ROI, the USA and the UK. Based on the nature of these operations, AIB relies on municipal water networks for our water demand and uses waste water networks controlled by a sanitary authority for the disposal of water.
33. Following on from the COVID-19 pandemic, in 2022, AIB non-critical staff returned to the office under the Group's adopted hybrid working model. As a result, catering operations were resumed in head office buildings. Both are a contributing factor in the increase in our water consumption volumes.
34. Figures are rounded.
35. Source: Company information.

## Land Use and Ecological Sensitivity Notes

36. AIB does not have any sites in protected areas and/or key biodiversity areas.
37. Our mapping covers the majority of our business operations in Ireland, the UK and the USA.
38. AIB only has office operations. We do not have production/manufacturing or extractive operations.
39. Key Biodiversity Area status - Area of Specific Scientific Interest (ASSI) and Special Protection Area (SPA).
40. Source: Company information.

## Supporting Information

## ESG Supporting Data continued

## Other ESG Data

Digital accessibility	Note	2023 #	2022 #
Daily interactions	1&4	3.62m	3.26m
Digitally active customers	2	2.2m	2.1m
Mobile interactions	3&4	3.37 m	3.0m
Active on mobile app	4	1.91 m	1.79m
Daily internet banking logins	4	89 k	117k
ATM transactions	4	86 k	75k
Daily branch transactions	4	53 k	47k
Daily contact centre calls	4	14.4k	18k
Daily kiosk/table logins	4	8.8k	11k

Board diversity @ 31 December	Note	2023 %	2022 %
<b>Gender</b>			
Male		60 %	60 %
Female		40 %	40 %
<b>Age</b>			
<30 Years		- %	- %
30 – 50 Years		13 %	13 %
>50 Years		87 %	87 %

Board anti-corruption training	Note	Number	2023 Rate %	Number	2022 Rate %
AIB Group Board		15	100 %	15	100 %

Customer satisfaction	Note	2023	2022	2021	2020
Relationship – Personal Relationship NPS		+31	+20	+27	+25
Relationship – SME Relationship NPS		+19	+16	+22	+25
Transactional – Homes NPS		+58	+52	+50	+45
Transactional – SME NPS		+57	+58	+64	+65
Transactional NPS		+45	+39	+45	+49

Suppliers	Note	Number	2023 Value €bn	Number	2022 Value €bn
Ireland		1,493	0.940	1,327	0.944
United Kingdom		544	0.133	510	0.121
United States of America		66	0.033	145	0.057
Rest of the World		424	0.046	89	0.001
Total		2,527	1.152	2,071	1.124

Work-related injuries	Note	Number	2023 Rate	Number	2022 Rate
Fatalities from work-related injury		—	—	—	—
High-consequence work-related injuries (excl. fatalities)		—	—	NR	NR
Recordable work-related injuries		5	0.3	14	0.64

## Supporting Information

## ESG Supporting Data continued

## Other ESG Data Notes

AIB Group Loan Portfolio by Sector	2023		2022	
	Gross Carrying amount (€bn)	% of loan book	Gross Carrying amount (€bn)	% of loan book
Natural Resources	3.6	5.4 %	3.0	4.9 %
of which Renewables	2.9	4.3 %	2.2	3.6 %
Leisure	2.7	4.0 %	2.9	4.7 %
Manufacturing	2.5	3.7 %	2.8	4.6 %
Health, Education & Social Work	2.0	3.0 %	2.0	3.3 %
Services	2.1	3.1 %	1.8	2.9 %
Agriculture, Forestry and Fishing	1.8	2.7 %	1.7	2.8 %
Retail & Wholesale Trade	1.8	2.7 %	1.8	2.9 %
Transport & Storage	1.7	2.6 %	1.7	2.8 %
Telecomms, Media & Technology	1.4	2.1 %	1.2	2.0 %
Financial, insurance and other government activities	0.5	0.8 %	0.5	0.8 %
Total Non-property business	20.1	30.1 %	19.4	31.7 %
Property & Construction	9.2	13.7 %	8.8	14.4 %
Residential Mortgages	34.8	51.9 %	30.3	49.5 %
Other Personal	2.9	4.3 %	2.7	4.4 %
<b>Total</b>	<b>67.0</b>	<b>100.0 %</b>	<b>61.2</b>	<b>100.0 %</b>

## Other ESG Data Notes

## Digital Accessibility Notes

- Daily interactions include internet banking logins, branch transaction, ATM interactions, contact centre calls, kiosk logins and mobile interactions.
- Definition of digitally active customers refers to a customer who has logged into mobile, IB or iBB in the past 90 days.
- Mobile interactions include quick balance checks and logins. In previous years, when a customer completed a quick balance check followed by a full login to mobile banking within a short period of time, this was counted as one interaction; however, since 2020, this is counted as two interactions.
- Data relates to AIB ROI information only.
- Source: Internal Company Information.

## Board Data Notes

- Board data relates to the Group Board.
- Business partners includes advisory partners and contractors.
- Source: Internal Company Information.

## Suppliers Notes

- 2022 Data excludes Goodbody and Payzone suppliers.
- 2023 Data includes Goodbody suppliers but excludes Payzone suppliers.
- Source: Internal Company information.

## Customer Satisfaction Notes

- NPS is Net Promoter Score. 2020-2023 are aggregated yearly scores.
- Transactional NPS is an aggregation of 20 Homes, Personal, SME, Digital, Retail, Direct and Day-to-Day Banking journeys in ROI.
- Source: Internal Company Information.

## Health and Safety Notes

- The main types of employee work-related injuries recorded in 2023 were: Slips/Trips/Falls, Hit against something fixed or stationary, and Lifting/Carrying.
- The main types of workers who are not employees but whose work and/or workplace is controlled by the organisation work-related injuries recorded in 2023 were: Hit against something fixed or stationary, Slips/Trips/Falls and Hot liquid spills.
- Rate of recordable work-related injuries for 2023 determined using estimated number of hours worked x 1,000,000.

## Loan Portfolio by Sector Notes

- In 2023, the Group undertook a review of the sector codes included under the non-property business asset class. These changes in presentation provide more relevant information on the Group's non-property business exposures. The 2022 comparative period has also been restated.

## Supporting Information

## Independent Assurance

**Deloitte.**

**Independent limited assurance engagement on the preparation of the Sustainability Report by AIB Group plc (the "Group" or "AIB") for the year ended 31 December 2023 (the "Sustainability Report"), with reference to the Global Reporting Initiative Standards (the "GRI Standards").**

**What we looked at: scope of our work**

Our assurance engagement was conducted in accordance with 'International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)") issued by the International Auditing and Assurance Standards Board ("IAASB") on the preparation of the Selected Information included in the Sustainability Report by AIB for the year ended 31 December 2023 (the 'Subject Matter') with reference to the Global Reporting Initiative ('GRI') Standard's reporting guidelines (the 'Applicable Criteria' (the 'Services').

Please note that this scope did not include assurance of the underlying data.

**Limited assurance conclusion****What we found: our assurance conclusion**

Based on the limited assurance procedures set out below, and the evidence we obtained, nothing has come to our attention that causes us to believe that the Selected Information included in AIB's Sustainability Report for the financial year ended 31 December 2023 has not been prepared, in all material respects, with reference to the GRI Standards.

**What standards we used: basis of our work, criteria used and level of assurance**

We carried out limited assurance procedures in accordance with ISAE 3000 (Revised) on whether the Selected Information in the Sustainability Report is compliant with the application of the relevant requirements of the GRI Standards when preparing a report with reference to the GRI Standards.

For the purpose of the Services, the Selected Information in scope of our engagement is the information referred to within the GRI Content Index in the Report.

Our understanding of the systems and controls relevant to the Selected Information was obtained through inquiry and formed the basis of our assurance approach. Internal controls comprise your control environment and the control procedures.

Our work on a limited assurance engagement does not involve testing the operating effectiveness of controls over the underlying data, nor do we seek to obtain an understanding of systems and controls beyond those relevant to the Report.

As this was a limited assurance engagement, the nature, timing and extent of evidence-gathering procedures were less in extent than for a reasonable assurance engagement, and therefore substantially less assurance is obtained than in a reasonable assurance engagement. Our procedures did not constitute an audit performed in accordance with International Standards of Auditing (Ireland) and accordingly we do not express an audit opinion on any elements of the Sustainability Report.

**What we did: key limited assurance procedures**

To form our conclusion, the procedures we performed included the following:

- Interviewed management and those with operational responsibility for sustainable business performance to assess if the Selected Information in the Sustainability Report was prepared with reference to the GRI Standards;
- Gained an understanding of the key structures, processes, procedures and controls relating to the preparation of the Selected Information in the Sustainability Report;
- Performed procedures to analyse and assess the key structures, processes, procedures and controls relating to the preparation of the Selected Information in the Sustainability Report
- Evaluated whether the approach undertaken by management for the material sustainability issues presented in the Selected Information is consistent with our overall knowledge and experience of sustainability management and performance at AIB; and

- Assessed the completeness and accuracy of the disclosure of Selected Information with reference to the GRI Standards including review of reasons for omission;
- Reviewed the content of the Selected Information included in the Sustainability Report against the findings of the above procedures.

**Inherent Limitations**

The Applicable Criteria and the nature of the Subject Matter allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

The procedures performed only related to the period under review, and do not provide assurance in relation to any future period or past dates outside of this period as changes to systems or controls subsequent to the period covered by our report may alter the validity of our conclusion.

**Our independence and competence in providing limited assurance to AIB**

In conducting our engagement, we complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) related to assurance engagements issued by the International Ethics Standards Board for Accountants ("IESBA Code"). This code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. The fundamental principles of ethics establish the standard of behaviour expected of a professional accountant.

We applied the International Standard on Quality Management 1 ("ISQM 1"), issued by the International Auditing and Assurance Standards Board (IAASB). Accordingly, we maintained a comprehensive system of quality including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

**Roles and responsibilities****AIB:**

AIB are responsible for the provision of information and decision-making in connection with the Services provided as per the section above. As such, the Directors are responsible for the following:

- The preparation of the Sustainability Report, and the statements contained within it, with reference to the GRI Standards.
- Determining AIB's objectives in respect of sustainability performance and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.
- Provision of sufficient access and making available all necessary records, correspondence, and information to allow the successful completion of the Services.
- Provision of such explanations and evidence that we consider necessary to carry out our work, which may include written representations in the form of a management representation letter from AIB's senior executives.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Sustainability Report to ensure that it is free from material misstatement, including whether due to fraud or error.
- Ensuring that adequate procedures are put in place to complete the 2023 Sustainability Report in a complete and accurate fashion.

**Deloitte:**

Our responsibility is to:

- Independently express conclusions on whether anything has come to our attention regarding the reliability of the disclosures made by management in the Selected Information within the Sustainability Report based on the Applicable Criteria based on our assurance procedures including: Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on AIB's compliance with reference to the GRI Standards within the Selected Information in the Sustainability Report.
- Communicate matters that may be relevant to the compliance of the Selected information in the Sustainability Report with the GRI Standards to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and any unsupported bias in the preparation of the Selected Information in the Sustainability Report.
- Report our conclusion in the form of an independent limited Assurance Report to AIB.

## Supporting Information

## Independent Assurance continued

**Use of our report**

Our Assurance Report will be made solely to the Directors of AIB, for the purpose of the Directors' governance and stewardship in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work was undertaken so that we might state to the Directors of AIB those matters we have agreed to state to them in our report and for no other purpose. Without assuming or accepting any responsibility or liability in respect of our report to any party other than AIB, we acknowledge that the Directors of AIB may make our Assurance Report publicly available for others wishing to have access to it strictly on a non-reliance basis to the extent of a need to know only and for information purposes only (and without creating any duty or liability to them on Deloitte's part), which does not and will not affect or extend for any purpose or on any basis our responsibilities. It is AIB's responsibility to ensure that any and all such publications truly, accurately and completely reflect Deloitte's Assurance Report.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than AIB for our reports or for the conclusions we will form in same.



John McCarroll  
Partner  
For and on behalf of Deloitte Ireland LLP

Date: 5 March 2024

**Deloitte.****Independent limited assurance engagement on AIB Group plc Bank's Reporting and Self-Assessment Template under the United Nations Environment Program Finance Initiative Principles for Responsible Banking Framework****What we looked at: scope of our work**

AIB engaged Deloitte to perform independent limited assurance reporting (the "Services") over the Selected Information included within the Reporting and Self-Assessment Template required by the United Nations Environment Program ("UNEP") Finance Initiative ("UNEP FI") Principles for Responsible Banking ("PRB") Framework prepared by AIB Group plc ("AIB", the "Group") (the "Report and Self-Assessment Template") for the year ended 31 December 2023.

**Limited Assurance Conclusion****What we found: our assurance conclusion**

Based on the limited assurance procedures set out above and the evidence we obtained, nothing has come to our attention that causes us to believe that the Selected Information is not prepared, in all material respects, in accordance with the Applicable Criteria and the Basis of Reporting.

**Selected information**

The requirements for the preparation and publishing of Selected Information within a Reporting and Self-Assessment Template in respect of the PRB Framework are established by the [Guidance for banks \(February 2021\)](#) and [Reporting and Self-Assessment Template \(September 2022\)](#) (the "Applicable Criteria") published by the UNEP FI. Under this guidance, the following requirements from the reporting and self-assessment template forms part of this independent limited assurance engagement:

- Principle 2.1: Impact analysis.
- Principle 2.2: Target setting.
- Principle 2.3: Plans for target implementation and monitoring.
- Principle 5.1: Governance structure for implementation of the principles.

The Selected Information for AIB is presented on pages [78 – 87] of the Sustainability Report for the year ended 31 December 2023, along with the Basis of Reporting on page [88].

The following requirements from the Reporting and Self-Assessment template did not form part of this independent limited assurance engagement:

- Principle 1: Alignment.
- Principle 2.4: Progress on implementing targets.
- Principle 3: Clients and customers.
- Principle 4: Stakeholders.
- Principle 5.2: Promoting a culture of responsible banking.
- Principle 5.3: Policies and due diligence process
- Principle 6.1: Progress on implementing the Principles for Responsible Banking.

The Reporting and Self-Assessment Template together with AIB's Basis for Reporting relating to the Report and Self-Assessment Template will be published within the 2023 Sustainability Report (the "Report") by AIB.

**What standards we used: basis of our work, criteria used and level of assurance**

Our assurance engagement was conducted in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 (Revised)") issued by the International Auditing and Assurance Standards Board ("IAASB"). ISAE 3000 (Revised) requires that we review the processes, systems and competencies used to compile the Selected Information within the Report, on which we provide limited assurance. Our understanding of the systems and controls relevant to the Selected Information was obtained through inquiry and formed the basis of our assurance approach. Internal controls comprise your control environment and the control procedures.

## Supporting Information

## Independent Assurance continued

Our work on a limited assurance engagement does not involve testing the operating effectiveness of controls over the underlying data, nor do we seek to obtain an understanding of systems and controls beyond those relevant to the Selected Information.

As a limited assurance engagement, the nature, timing and extent of evidence-gathering procedures is less in extent than for a reasonable assurance engagement, and therefore substantially less assurance is obtained than in a reasonable assurance engagement. Our procedures did not constitute an audit performed in accordance with International Standards of Auditing (Ireland) and accordingly we do not express an audit opinion on any elements of the Sustainability Report.

#### What we did: key limited assurance procedures

Our procedures were informed by the Guidance for assurance providers – Providing limited Assurance for report - Version 2 (October 2022) published by UNEP FI in November 2022. To form our conclusion, the procedures we performed included the following:

- Obtained an understanding of AIB, its environment, the processes and information systems relevant to the preparation of the Selected Information sufficient to identify and assess risks of material misstatement in the Selected Information through inquiries of management, and provide a basis for designing and performing procedures to respond to assessed risks and to obtain limited assurance to support a conclusion.
- Obtained an understanding of internal controls relevant to the Selected Information, the quantification on process and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information through inquiries of management. We did not evaluate the design of particular internal control activities, obtained evidence about their implementation or tested their operating effectiveness.
- Inspected documents relating to the Selected Information, including board committee minutes and, where applicable, internal audit outputs to understand the level of management awareness and oversight of the Selected Information.
- Evaluated whether the data within the Selected Information has been appropriately consolidated.
- Assessed on a sample basis whether the underlying data had been collected and reported in accordance with the Applicable Criteria, including checking to source documentation.
- Assessed management's assumptions and estimates within the Selected Information in so far as they relate to the Applicable Criteria.
- Performed additional procedures as considered necessary to be able to conclude on the Subject Matter with respect to the Applicable Criteria.

#### Inherent Limitations

The Applicable Criteria, Basis of Reporting and the nature of the Selected Information allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

Further, the procedures performed only related to the period under review, and do not provide assurance in relation to any future period or past date as changes to systems or controls subsequent to the period covered by our report may alter the validity of our conclusion.

#### Our independence and competence in providing limited assurance to AIB

In conducting our engagement, we complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) related to assurance engagements issued by the International Ethics Standards Board for Accountants ("IESBA Code"). This code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. The fundamental principles of ethics establish the standard of behaviour expected of a professional accountant.

We applied the International Standard on Quality Management 1 ("ISQM 1"), issued by the IAASB. Accordingly, we maintained a comprehensive system of quality including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

#### Roles and responsibilities

##### AIB:

AIB are responsible for the provision of information and decision-making in connection with the Services. In addition, AIB are also responsible for:

- The preparation and approval of the Reporting and Self-Assessment Template published within the AIB 2023 Sustainability Report.
- Selecting and establishing the Applicable Criteria underpinning the Selected Information and as set out in the UNEP FI Reporting and Self-Assessment Template and Guidance for banks - Reporting.
- The preparation and approval of the Basis for Reporting published within your 2023 Sustainability Report.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria and the Basis of Reporting.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services.

If AIB publish or distribute the Sustainability Report electronically, AIB are responsible for ensuring that any such publication properly presents the Sustainability Report and any report by us thereon and for the controls over, and security of, the website. Our engagement does not provide assurance on the maintenance and integrity of the website. AIB are also responsible for establishing and controlling the process for electronically distributing such reports.

##### Deloitte:

Our responsibility is to:

- Plan and perform procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicate matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and any unsupported bias in the preparation of the Selected Information.
- Report our conclusion in the form of an independent limited Assurance Report to AIB.

##### Use of our report

Our Assurance Report is made solely to the Directors of AIB, for the purpose of the Directors' governance and stewardship in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the Directors of AIB those matters we have agreed to state to them in our report and for no other purpose. Without assuming or accepting any responsibility or liability in respect of our report to any party other than AIB, we acknowledge that the Directors of AIB may make our Assurance Report publicly available for others wishing to have access to it strictly on a non-reliance basis to the extent of a need to know only and for information purposes only (and without creating any duty or liability to them on Deloitte's part), which does not and will not affect or extend for any purpose or on any basis our responsibilities.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than AIB Group plc and the Directors of AIB Group plc as a body, for our work, for this report, or for the conclusions we have formed.

The Applicable Criteria and Basis of Reporting were designed for the purposes of AIB Group plc preparing and publishing a Reporting and Self-Assessment Template under the UNEP FI Principles for Responsible Banking ("PRB") Framework, and as a result the Selected Information may not be suitable for another purpose.



John McCarroll  
Partner  
For and on behalf of Deloitte Ireland LLP

Date: 5 March 2024

## Supporting Information

## Acronyms Used in this Report

**A**

ABC	Anti-Bribery & Corruption
ADMA	Assisted Decision-Making Capacity Act
AFR	Annual Financial Report
ALCO	Asset & Liability Management Committee
AML	Anti-Money Laundering

**B**

BAC	Board Audit Committee
BER	Building Energy Rating
BRC	Board Risk Committee

**C**

CapEx	Capital Expenditure
CC&O	Customer Care and Outcomes
CCA	Climate Change Adaptation
CCPC	Competition and Consumer Protection
CCTP	Customer Credit Transformation Programme
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CFT	Countering the Financing of Terrorism
CO2	Carbon Dioxide
COO	Chief Operating Officer
CRE	Commercial Real Estate
CRO	Chief Risk Officer
CSA	Corporate Sustainability Assessment
CSRD	Corporate Sustainability Reporting Directive
CTO	Chief Technology Officer

**D**

DDoS	Distributed Denial of Service Protection
DFS	Department of Financial Services
DORA	Digital Operational Resilience Act
DPC	Data Protection Commission
DPN	Data Protection Notice
DPO	Data Privacy Officer/Data Protection Office

**E**

EBA	European Banking Authority
ECB	European Central Bank
ECAI	Energy, Climate Action and Infrastructure
EELS	Energy Efficiency Loan Scheme
ENACT	Enabling Commercial Retrofit

**E**

EP	Equator Principles
EPC	Energy Performance Certification
ESG	Environmental, Social, and Governance
ESRS	European Sustainability Reporting Standards
EU	European Union
EWI	Early Warning Indicator
ExCo	Executive Committee

**F**

FCA	Financial Conduct Authority
FHS	First Home Scheme
FRED	Full Related Exposure Defined
FOS	Financial Ombudsman Service
FSPO	Financial Services and Pensions Ombudsman
FTE	Full-time Employee

**G**

GBF	Green Bond Framework
GDC	Group Disclosure Committee
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
GIA	Group Internal Audit
GRC	Group Risk Committee
GPG	Gender Pay Gap
GRI	Global Reporting Initiative
GSC	Group Sustainability Committee
GSLs	Growth and Sustainability Loan Scheme
GWh	Gigawatt-hour

**H**

HR	Human Resources
HPI	Home Performance Index

**I**

I&D	Inclusion & Diversity
IBEC	Irish Business and Employers Confederation
ICO	Information Commissioner's Office
IEA	International Energy Agency
IGBC	Irish Green Building Council
IHF	Irish Hotels Federation
IMI	Irish Management Institute
IoB	Institute of Bankers
ISO	International Organization for Standardization

**J**

JAI	Junior Achievement Ireland
JAM	Just A Minute

**K**

KPI	Key Performance Indicator
KWh	Kilowatt hours

**L**

LEAD	Leaders Enabling a Difference
L&D	Leadership and Development

**M**

MAC	Market Announcements Committee
MLRO	Money Laundering Reporting Officer
MRA	Material Risk Assessment
MREL	Minimum Requirements for own Funds and Eligible Liabilities
MSCI	Morgan Stanley Capital International
MTR	Mortgage to Rent

**N**

NALA	National Adult Literacy Agency
NFRD	Non-Financial Reporting Directive
NIST	National Institute of Standards and Technology
NOMCO	Nomination & Corporate Governance Committee
NPEs	Non-performing exposure
NPS	Net Promoter Score
NZBA	Net Zero Banking Alliance
NZEB	Net Zero Energy Building

**P**

PCAF	Partnership for Carbon Accounting Financials
PHEV	Plug-in hybrid Electric Vehicle
PRB	Principles for Responsible Banking

**R**

RAS	Risk Appetite Statement
RMF	Risk Management Framework

**S**

S&P	Standard & Poor's
SBAC	Sustainable Business Advisory Committee
SBCI	Strategic Banking Corporation of Ireland
SBTi	Science Based Target Initiative
SDA	Sector Decarbonisation Approach
SDG	Sustainable Development Goal
SEAI	Sustainable Energy Authority of Ireland
SFDR	Sustainable Finance Disclosure Regulation
SLF	Sustainable Lending Framework
SMART	Specific, Measurable, Achievable, Realistic, and Time-bound
SME	Small and Medium-sized Enterprises
SPO	Second Party Opinion
SRI	Socially Responsible Investments

**T**

TCFD	Task Force on Climate-Related Financial Disclosures
TCO <sub>2</sub> E	Tonnes of Carbon Dioxide equivalent
TDAC	Technology & Data Advisory Committee
TPM	Third Party Management

**U**

UCGS	Ukraine Credit Guarantee Scheme
UNPRI	UN Principles for Responsible Investment
UNEP FI	United Nations Environment Programme Finance Initiative

**V**

vCPPA	virtual Corporate Power Purchase Agreement
VCS	Vulnerable Customer Support
VOC	Voice of the Customer

**W**

WEF	World Economic Forum
3LOD	3rd Line of Defence

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