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IRELAND'S JOURNEY TOWARDS A SUSTAINABLE FUTURE

INTRODUCTION

When the Covid-19 pandemic reached Ireland in early 2020, we faced a very uncertain future. Now, some 18 months after the first lockdown, we have a better sense of the impact Covid has had on our customers, society and economy.



Perhaps one of the biggest surprises during the pandemic was the way in which Irish people embraced sustainability. The onset of a major public health crisis might have brought about a ‘back to basics’ focus on financial and other concerns. Yet when it came to living sustainably, many people raised their ambitions to address the climate change challenge even as they adjusted to the impact of Covid-19.

This short note sets out key findings from a series of surveys undertaken for AIB¹ by Amárach Research before and during the Covid-19 pandemic which chart the course of changing Irish attitudes towards a sustainable future.

HOLDING FIRM

In December 2019, just months before the start of the pandemic, 80% of Irish people said that sustainability was ‘very’ or ‘extremely important’ for them personally in their daily lives. Just over six months later, in June 2020 as the first wave of the pandemic receded, the share remained almost static at 78% of adults. One year on – in June 2021 – that share has risen to 84%.

What happened? The obvious answer is the lockdown and subsequent restrictions. Many of us found ourselves living a ‘sustainable lifestyle’ whether we wanted to or not; which meant less driving, less shopping and more time walking and enjoying local amenities. Indeed, almost eighteen months after the initial lockdown and other public health measures, a large majority of us find ourselves doing many more activities than before the start of the pandemic:

% doing selected activities more since the start of Covid-19	% of All Adults
Walking and exercising outdoors	58%
Spending time with your family	51%
Shopping locally (as a choice)	50%
Attempting to reduce food waste	50%
Home cooking	50%
Gardening	44%
Buying fresh food/fresh ingredients	43%
Visiting forests/woodlands for recreation	42%
DIY	41%
Go where I need to go on a bicycle/on foot	39%
Home baking	38%
Mend and make do	36%
Learning new skills	34%
Taking up new hobbies	29%
Growing your own fruit/ herbs/ vegetables	26%
Litter picking while out and about	17%
Be involved in helping out in the local community	16%

Source: AIB Sustainability Index, June 2021

MANY OF US FOUND OURSELVES LIVING A ‘SUSTAINABLE LIFESTYLE’ WHETHER WE WANTED TO OR NOT

¹See more details about the AIB Sustainability Index here: <https://aib.ie/sustainability>

Such significant changes in behaviour are an indicator that Irish people are well able to adjust to the circumstances in which they find themselves. Indeed, the percentage of people who think that ‘each individual’ is responsible for driving changes that tackle environmental issues in Ireland has risen in the past year from 50% to 61%. This is no doubt partly driven by the finding that four in ten (42%) say they are being affected now by climate change.

In the most recent wave of the AIB research (June 2021) we found that:

FOUR IN TEN ADULTS (38%)
are doing more to live sustainably than before the pandemic

THREE IN TEN (29%)
say their quality of life has improved relative to life before the pandemic

ONE IN THREE (34%)
expect that their quality of life will be better after the pandemic is over

However, it is important to acknowledge that not everyone has had a positive experience during the pandemic. In fact, many have found the last 18 months incredibly difficult for a number of reasons, and many have not benefited in terms of a being able to live a more sustainable lifestyle. Indeed, the research points to quite distinct groups in Irish society in relation to sustainability views and behaviours.

THE SUSTAINABILITY DIVIDE

Sustainability is a complex concept and so distinguishing between people’s views on sustainability requires us to look at it from various angles. At the very start of the AIB Sustainability Index research programme – in December 2019 – we identified three distinct groups of people in Ireland. The groups were identified using statistical analysis of responses to a number of questions that helped to differentiate between different segments in the total population.

The three groups are as follows:

ACTIVE DOERS



These are the people who are most vocal – and active – about sustainability in Ireland, they ‘walk the talk’ of sustainable lifestyles and embrace the prospect of more changes in the future. They tend to be older than average and have a higher share of females than the total population. Currently they make up 21% of the adult population in Ireland.

ECO ASPIRERS



Members of this segment tend to be younger, less active in terms of sustainable lifestyles (e.g. recycling, owning an electric vehicle), but are nevertheless engaged with and interested in sustainability issues. They are a crucial group in terms of engaging them in real changes to lifestyles and choices, not least because they make up half the population (50%).

EXPLORERS



Our third group tends to have lower incomes than average, and to be much more concerned about the cost or affordability of sustainable lifestyles and options. They are an important reminder that not everyone is in a position to be ‘on board’ with the sustainability agenda, and while ‘Explorers’ don’t deny the importance of sustainability and related issues, they do have other, more pressing priorities. Currently they make up 29% of all adults in Ireland.



Our research (June 2021) shows that:

HALF OF ADULTS (48%)
say living sustainably can be a financial burden

FOUR IN TEN (39%)
say living sustainably is convenient for them personally

NEVERTHELESS 47% OF ADULTS
say they could live more sustainably even within their current financial means.

The findings have been relatively stable since the first survey in 2019.

LIVING SUSTAINABLY

The link between sustainability, the economy and living costs is something that will become even more important in the years ahead. Over a third of people in our most recent survey (35%) expect to pay much more for sustainable products (another 48% expect to pay a little more). One potential ‘cost’ is that of carbon offsets, where an action or activity takes carbon from the environment or prevents it being released. Just under half (48%) of adults know what a carbon offset is – and one in ten of these has bought one or more before. However, there is a high degree of openness to carbon offsets in the future. Some 60% of adults would be ‘quite’ or ‘extremely likely’ to buy carbon offsets directly tied to purchases they make in relation to travel, shopping, energy usage etc.

There are, of course, more direct costs associated with living sustainably. For example, making your home more energy efficient. Some 60% of people agree that their home would need a deep retrofit to significantly improve its energy efficiency. In fact, people have a clear set of priorities when it comes to enhancing the energy efficiency of their homes (assuming it is affordable):

Home Improvement	Ranked
Install solar panels	53%
Replace your windows with more energy efficient ones (double/triple glazing)	43%
Upgrade your boiler to one that is more energy efficient	38%
Draught-proofing existing doors/windows	31%
Replace your bulbs/light fittings with more energy efficient ones	30%
Install a heat pump	27%
Install external wall insulation	24%
Insulate your loft	20%
Install internal wall insulation	15%
Install cavity wall insulation	13%

Source: AIB Sustainability Index, June 2021

We see that over half of all adults would consider installing solar panels if they were affordable, with the second most popular home improvement the upgrade of their windows. Beyond the home, there are a number of key lifestyle changes that all of us could possibly make in order to reduce CO2 emissions. The most recent wave of the AIB research asked if people are doing any of a number of things known to significantly reduce emissions, or whether they will do them in future if not already doing so. These two numbers combined give us a sense of the future potential for lifestyle changes to reduce Ireland’s emissions:

	% Already doing	% Will do in next 3 Years
Use more energy efficient appliances	51%	43%
Buy fewer clothes or previously owned clothes	52%	21%
Use electricity produced with renewable sources	27%	34%
Install insulation/ double glazing to reduce energy use in your home	41%	17%
Install a heat pump/ solar panels at home	14%	26%
Take one less flight a year (when you have a choice)	25%	12%
Drive an all-electric car	6%	30%
Live without a car	18%	2%
Switch to a vegan/ vegetarian diet	13%	6%

Source: AIB Sustainability Index, June 2021

While energy efficient appliances top the list on a ‘combined potential’ of 94%, other lifestyle changes have considerable potential as well, including more than one in three of us (36%) driving EVs in the future.

But there is only so much that people can do on their own. There is a growing expectation that businesses will play an increasing part in Ireland’s journey towards sustainability in the years ahead.

THE ROLE OF BUSINESS

The proportion of people who expect ‘big businesses’ to be responsible for driving change to tackle Ireland’s environmental issues rose from 35% in June 2020 to 49% in June 2021. Indeed, over the past 18 months, the percentage of people in the AIB survey who say that a business’s sustainability credentials have a big impact on their decision to buy from that business has reached 63% recently.

Therefore there are high expectations about the role of businesses in helping Irish consumers, for example in June 2021 we found that:

- 57% agree strongly that businesses should ‘help me make environmentally friendly choices’
- The same proportion agree strongly that they ‘prefer to buy food from Ireland than food transported from around the world’
- Over four in ten (44%) agree strongly that ‘when I spend my money I want to know it isn’t harming the environment’
- One in three (33%) agree strongly that ultimately ‘in order to live more sustainably we will have to do and buy less’

Moreover, over half of adults (53%) agree that the role of banks is very or extremely important in the fight against climate change. The top ten things they would like to see their banks doing to reduce their own carbon footprint follows, along with what actions AIB undertakes to reduce our own and Ireland’s carbon footprint.

Things your bank could do to reduce its own carbon footprint	% Prefer	What AIB Has Done So Far
Providing funding to renewable energy projects	34%	AIB has funded large scale energy and infrastructure projects
Funding the energy retrofit of Irish homes	34%	AIB has launched a green mortgage and Green Loan to make owning and retrofitting a more energy efficient home cheaper
Funding building of new energy efficient homes	30%	AIB supports the building of social and private home building through personal and corporate lending
Allow staff to work from home as much as is possible	25%	80% of staff are currently working from home and we have policies in place to allow working from home in future
Do not fund the fossil fuel industry	24%	AIB has a list of excluded activities to which we will not lend new funds
Reducing international business travel as much as is possible	23%	AIB will continue to use digital technology to limit the need for international travel
Reducing paper usage in the office environment	23%	AIB’s paper usage was down 17% in 2019 vs 2018*
Turning off paper statements and go to e-statements for all written communications	20%	AIB offers digital alternatives to customers who want to get their statements through our mobile and online channels
Funding the purchase of electric cars	19%	The AIB Green Personal Loan enables people to purchase new EV’s at a reduced rate compared to our standard personal loan. We also partner with Nissan through the Power of Zero to encourage EV purchase

Source: AIB Sustainability Index, June 2021

Of course, most people accept that it will take time for businesses to make the necessary adjustments to play their part. Indeed, a third (32%) expect it will take up to ten years for large businesses in Ireland to become carbon neutral, and a similar proportion think it will take even longer: 10-20 years.



WE PLEDGE TO DO MORE

We hope that this brief summary of the key findings from AIB's sustainability research helps you in your own journey towards a sustainable future. We are trying to make the subject of sustainability, what it means to us as individuals and as a society more accessible to anyone interested in reading about it. We want to highlight the demands consumers are placing on businesses to enact change and how they see themselves participating in that change. AIB is inextricably linked to the success of the economy, society, and the communities where we work and live and we are committed to taking such bold action, making a positive, sustained impact through our business, guided throughout by our purpose: to back our customers to achieve their dreams and ambitions.

Colin Hunt CEO of AIB Group said:

“Climate change is the greatest challenge facing this generation, so it is heartening to see widespread public support behind the drive to limit global warming. Our own research shows 57% of people think Irish businesses should help them make environmentally-friendly choices. At AIB we are committed to doing more to ensure a greener tomorrow by backing those building it today. We are playing our role in supporting the drive towards decarbonisation by accelerating the rollout of products and services that assist our customers in reducing their carbon emissions and by reducing the bank's own carbon footprint.”

TO FIND OUT MORE JOIN US AT: [HTTPS://AIB.IE/SUSTAINABILITY](https://aib.ie/sustainability)

