

AIB Group plc

Modern Slavery and Human Trafficking Statement 2021



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Our Business

AIB Group plc is a publicly quoted holding company on the main markets of the Euronext Dublin and London Stock Exchanges after undertaking an initial public offering in June 2017.

Our purpose is to back our customers to achieve their dreams and ambitions.

Our Organisation

AIB Group plc operates mainly in the Republic of Ireland, but through its subsidiaries also has branches and undertakes activities in the United Kingdom and the United States.

Our main products and services are mortgages, personal SME and corporate lending, payment and credit card services, and deposits. Where we provide non-core banking products, for example general insurance, we typically partner with market leaders.

We employ 9,356 staff and have 324 locations across Ireland and the UK.

With 2.8 million customers, AIB holds a distinctive role and responsibility in society, with a unique opportunity to make both a meaningful and positive impact in an increasingly challenging and complex world.

Our Supply Chain

Our active supply base comprises approximately 3,500 suppliers, the majority of which are in professional services sectors such as Legal Services, Consultancy, HR, IT, Banking Operations, and Marketing and Communications.

Our supply chains are primarily confined to Ireland and the UK, with a small number of our third parties operating globally.

We do not partner with or buy from organisations which we know to breach human rights or fair practices.



Our Policies

Our Group policies and procedures reflect our commitment to operating responsibly and ethically as a business and as individuals. Our Code of Conduct underpins all our actions and staff are encouraged to report any concerns which Senior Management are expected to act upon.

Our **Code of Conduct** is a core framework that underpins our values and culture. It sets out clear expectations for how we behave and how we do business. It is supported by policies including **Conflicts of Interests**, **Anti-Bribery & Corruption**, Conduct of Personal, Financial and Tax Affairs, Social Media, Diversity & Inclusion and Speak-Up. The intent of the code extends to our supply chain, and in the past year our critical outsourcing suppliers attested to compliance with the Code of Conduct along with 12 other relevant AIB policies.

In 2020, we updated our Code of Conduct to make it more user friendly and accessible for all employees, and the updated code was formally launched in February 2021. Our personal responsibilities to abide by the Code are explicitly called out, as are the responsibilities expected of all People Leaders to support and embed it. Our updated Code of Conduct now contains five core conduct standards that are reflective of those set out by our regulators in the jurisdictions in which we operate. The updated code contains a guiding framework to help staff to make better decisions.

In February 2021, we launched our **Human Rights Commitment**. This statement, which pulls together all the Human Rights commitments across the Group, is designed to support our Code of Conduct.

All employees are required to adhere to our Code of Conduct and are required to complete a declaration of compliance with our code as part of the annual ASPIRE performance management process. Failure to comply with our code is taken seriously and may lead to disciplinary action up to and including dismissal, or in the case of contract staff or suppliers, cancellation of contract. Annual training on the code - delivered through i-Learn, our e-learning tool - is mandatory for all employees, and completion is recorded, monitored and tested by local business teams with central oversight from Human Resources."

The Chief Executive Officer is the policy sponsor of the code. It is reviewed annually by our Group Conduct Committee and the Board Audit Committee and approved by the Board. An annual Code of Conduct activities report is presented to the Board Audit Committee covering a number of key topics.



Raising concerns

We fully support and encourage all employees to **Speak-Up** if they have any concerns of wrongdoing.

Our Speak-Up policy provides guidance on the process for reporting wrongdoing or suspected wrongdoing through a number of channels, without fear of or actual retaliation. In 2020, all guidance requests and concerns raised were successfully concluded by dedicated case managers.

In 2020 we enhanced our Speak-Up process as follows:

A new Head of Speak-Up was put in place and Speak-Up champions were appointed at board level for Group and the UK, and a communications plan was developed in conjunction with the Chief People Officer.

Under our new Responsible Supplier Code, we extended access to whistle-blowing to our suppliers.

We developed a new external portal to allow employees to convey concerns through a digital channel. It will be launched in 2021 and be available 24/7.

The AIB Integrity Line is a secure web based portal for reporting concerns of wrongdoing. It provides the option for the reporter to raise a concern of wrongdoing anonymously while still communicating via the secure inbox within the portal with the AIB Speak Up Team.

In June, we published our first Protected Disclosures report. It is publicly available along with our Speak-Up Policy at www.aib.ie/sustainability.

Other mechanisms for raising concerns include:

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

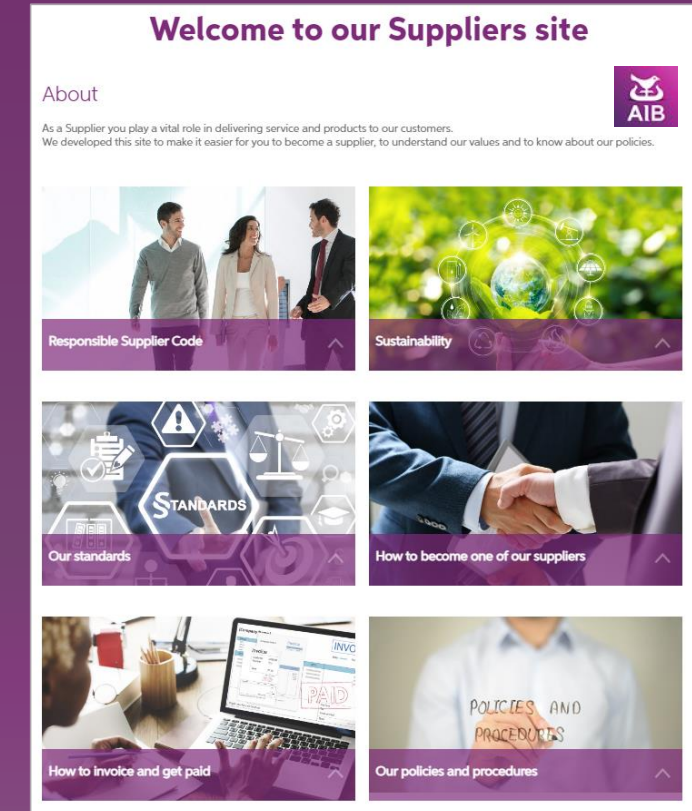
Complaints – we operate a comprehensive complaints process designed to provide our customers with the opportunity to be heard, have concerns investigated, and make good where needed.



In 2020 we launched a dedicated Supplier Portal. Here the supplier can review all applicable policies and procedures including our Speak-Up Policy.

Visit the site to find out more:

www.aib.ie/suppliers



Our Culture

Fostering a strong culture of accountability, integrity and openness, supported through appropriate governance and regulatory frameworks is a key tenet for our future. Here are some of the initiatives we took over in 2020.

Over the last 18 months we have spent considerable time looking at our culture. In 2019 we diagnosed the current state of our culture to understand the positives and negatives. This led us to develop a new set of company values, underpinned by behaviours that we can all believe in and abide by. Through March – August 2020 we launched the values, which are:

BE ONE TEAM , OWN THE OUTCOME, DRIVE PROGRESS, SHOW RESPECT, ELIMINATE COMPLEXITY.

COMMUNITY INVOLVEMENT

In 2020 AIB provided €14.1m in support of our Group-wide community programme of core partnerships, volunteering, corporate giving, and fundraising. The support is provided in different ways – commercial initiatives, community investment, and charitable donations. To continue tackling the enormous environmental issue of food waste, and to support local communities across Ireland, AIB has renewed its partnership with Food Cloud for another three years, investing €1.5 million to support the social enterprise's ambitious 2021–23 strategy. AIB's investment with Food Cloud to date has meant that in the past 3 years 6,300 tonnes of surplus food were redistributed: the equivalent of 15.1 million meals provided to those in need, and 20,353 tonnes of CO2-eq avoided.

OPEN DOORS

We are a founding member of Open Doors, an initiative aiming to increase access to employment for marginalised groups through work experience placements, employability training, and other structured supports. In 2020 Open Doors launched its recent research on Barriers to Employment for Marginalised People which contains ten recommendations to support people into employment. In addition, in 2020 as part of our INVEST IN YOU WEEK – DO MORE SERIES we shone the spotlight on a AIB employee who has been seconded to Open Doors, they shared their experiences to date, and the series was available to all employees.

OUR REVISED VALUES



Our Culture

To ensure we are driving a purpose led culture, in 2020, we evolved our purpose wheel to communicate our values and behaviours – with three core elements:

WHY

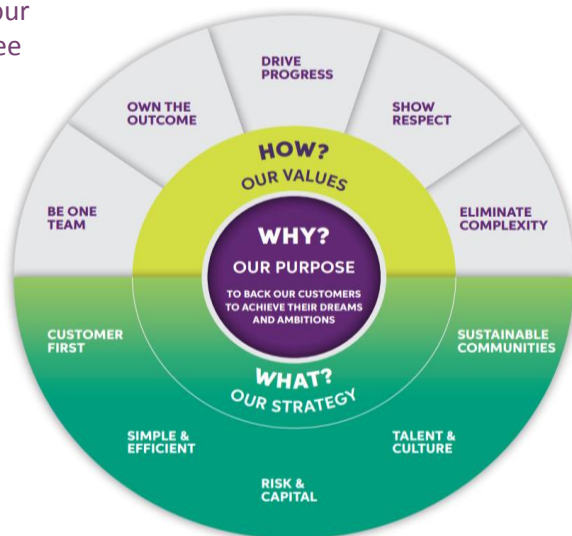
We do business - to back our Customers to achieve their dreams and ambitions.

WHAT

Is our strategy under the five pillars.

HOW

we live our values and behaviours.



Our culture is the key enabler of our strategy and purpose, and we are very proud of that. As we look at what best describes all elements of our culture – ‘It’s Who We Are’ is the manifestation of everything we do – the products and services that we build and deliver for customers; how we support our communities, and how we continue to support our colleagues across the organisation to grow learn and develop. Our culture is the sum of all the parts of these aspects of our work. As we continue our journey, we focus on the sustainment of culture evolution.

WELLBEING

Our wellbeing program launched in January 2020. It is proactive and holistic in nature, and focuses on four key pillars – physical, mental, social, and financial wellbeing. Our four wellbeing channels are our advocate community, our intranet site, the Sports & Social Committee, and our PepTalk app which has over 3,500 users. Furthermore, recognising that poor financial health can be a key stressor, we recorded six financial wellbeing podcasts, facilitated by one of our Senior Economists and our Head of Customer Financial Planning, to give employees the low down on a range of financial matters. When our employees have issues that affect their work or home life, they have the option to use our Employee Assistance programme – an independent and confidential work-based support service that is available free to all employees. The programme gained significant traction amongst employees and the key to its success is our ‘wellbeing for staff by staff’ approach. We have 120 advocates who promote the programme and they keep their teams up to date, and have organised on average 305 wellbeing activities per month.

EMPLOYEE ENGAGEMENT

During November 2020 we ran our INVEST IN YOU WEEK accessible to all employees. We were invited to invest in ourselves, grow our capabilities and connect with others throughout the week, via conversations, workshops and the Do More web series.

DIVERSITY AND INCLUSION

We strive to create a workplace that reflects the communities that we serve and where everyone feels included to ensure we all bring our best selves to work. To support this we have six employee-led resource groups, covering Family, Women, Men, Roots, Ability and Pride matters helping us to create a sense of inclusion for all. Some of the many events marked virtually in 2020 included Pride Month, Diwali and Black History Month.

The Women Matters group also coordinate successful peer-to-peer mentoring across the business. Our Diversity & Inclusion Code operates as part of a suite of standards that support our Code of Conduct.



Our Risk Management

As a regulated Financial Institution, we recognise that the greatest exposure to modern slavery exists within our supply chain. We take a risk-based approach to managing our Suppliers and annually require key Suppliers to attest to their compliance with key policies.

We continue to refresh our Risk Framework to mitigate risks within our organisation, including the risk of Human Rights breaches both within our business and supply chain. There are two key documents that outline our approach to risk. They are i) the **Third Party Management Policy** and ii) the **Supplier Relationship Management (SRM) Standards**. We take a risk based approach to our Supplier engagements.

Third Party Due-diligence is carried out as part of the Supplier On-Boarding process to ensure we identify only appropriate and reputable Suppliers to provide a service. When all potential Suppliers have been shortlisted a further, more comprehensive risk assessment is carried out prior to signing a contract. The contract itself contains terms that our Suppliers are required to adhere to in relation to human rights.

The contract and risk assessments are reviewed on an on-going basis to ensure they remain accurate and up to date. The approx. 850 Suppliers, with whom we have a larger spend and have a rating of Tier 1-4, are governed under the SRM standards, requiring enhanced, on-going, due diligence by the designated Accountable Owner and Business Owner.

Activity that does not require the direct involvement of the AIB Sourcing Team must adhere to the self-managed sourcing guide, which provides an overview of the key steps required to be undertaken by any AIB personnel charged with engaging in self-managed sourcing and/or contracting activities on behalf of AIB with any third party. AIB only permits business units to engage in self-managed sourcing in instances where the outcome of a Third Party Management (TPM) Service Triage and/ or Service Assessment has resulted in a Tier 5 rating and where the anticipated annual spend will not exceed €100,000.

AIB subscribes to external services to help manage Third Party risk. For example, FSQS is a community of financial institutions including banks, building societies, insurance companies, and investment services, collaborating to agree on a single standard for managing the increasing complexity of third and fourth-party information needed to demonstrate compliance to regulators, policies, and governance controls.

The Suppliers with whom we have a greater spend and have a rating of Tier 1 – 4 are primarily located in jurisdictions with a traditionally low risk of modern slavery such as the UK & Ireland, Western Europe and the USA. Additionally, the type of services provided by these Third Parties would not be commonly associated with modern slavery, such as:

Legal Services - 36%
Banking Support & Payment Services - 28%
Software service & networks - 20%
Consultancy, HR and Marketing - 11%

Responsible Supplier Code

We expect our suppliers to conduct business in a fair and honest manner with all their stakeholders, employees, subcontractors, and any other third parties.

In October 2020 we published our first Responsible Supplier Code to our supplier facing website. To coincide with the first publication, our top tier suppliers were invited to a Sustainability Supplier event, hosted virtually, where we introduced the code. Throughout 2021 we are designing implementation of the code across our broader supplier network.

The Code sets out the minimum standards we expect of our suppliers. The term 'Supplier' as used in the code refers to suppliers, vendors, contractors, consultants, agents, and other providers of goods and services who do, or seek to do business with AIB Group.



In section 1 of the code we outline our approach to responsible and sustainable business, highlighting AIB's pledge to do more. The code sets out expectations for suppliers, and the key social, ethical, and environmental values to abide by. We want to support an inclusive ethical supply chain, and ensure that individuals and companies throughout our supply chain work responsibly, sustainably, and safely. This Code is based on AIB's internal Code of Conduct which incorporates these commitments, our values and responsible business approach to support the delivery of our business objectives.

In addition to the Code of Conduct, the Responsible Supplier Code references some of our policies which are intrinsically linked with ethical and responsible behaviour such as: Anti-Bribery and Corruption policy, Conflicts of Interest policy, the Modern Slavery Statement, and our Speak-Up policy.

In section 2 of the code, we set the minimum expectations we have of our suppliers under the following headings:

- Human Rights
- Health safety and Welfare
- Supply Chain
- Diversity and Inclusion
- Doing Business Responsibly
- Doing Business Sustainably

The final section of the code details our commitment, and how we will support the supplier to align to our values and principles.

Human Rights

We are committed to the protection and preservation of human rights. We respect human rights in accordance with internationally accepted standards. Our commitment to human rights is embedded in the culture and values that define our company, and is reflected in our policies and actions toward our customers, employees, suppliers, and the communities and countries where we do business.

Throughout 2020 stakeholders collaborated to execute our Human Rights Commitment document. This commitment was implemented and published in February 2021. The commitment has been shaped by the United Nations Guiding Principles on Business and Human Rights. The purpose of this commitment is fundamental in guiding the organisation in its strategic vision, operations, and relationships with stakeholders.

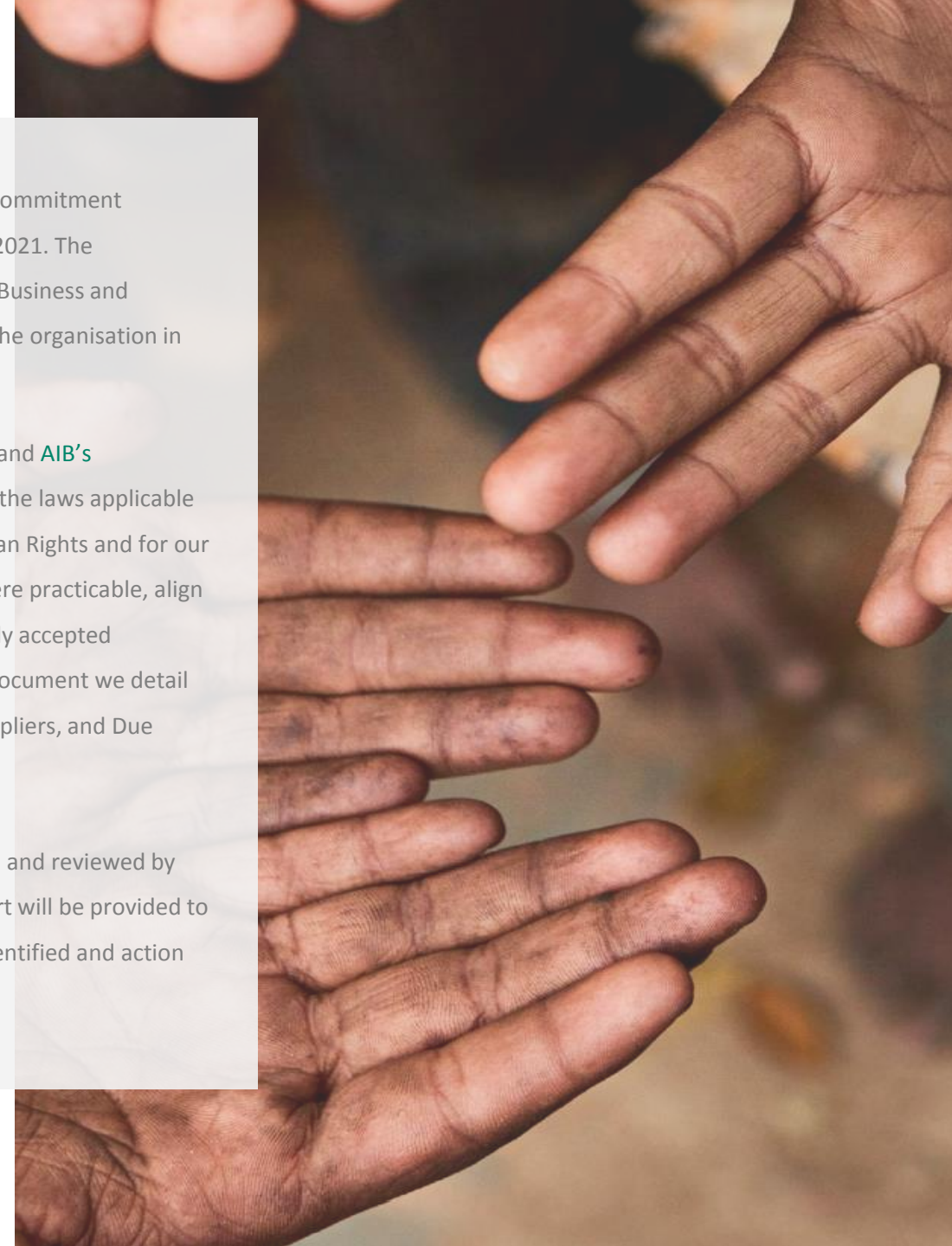
Our Human Rights Commitment operates alongside [AIB's Code of Conduct](#) and [AIB's Responsible Supplier Code](#), and are aligned to the commitments laid out in the laws applicable to the jurisdictions in which we operate, the European Convention on Human Rights and for our business in Ireland the EU Charter of Fundamental Rights. We will also, where practicable, align ourselves to the provisions of international treaties and other internationally accepted declarations and principles intended to protect Human Rights. Within the document we detail our Human rights commitment under the headings; Our Principles, Our Suppliers, and Due Diligence in Human Rights.

The commitment has been approved by our Executive Committee and CEO, and reviewed by our Sustainability Business Advisory Committee and Board. An annual report will be provided to the Board on any aspects for review, and any breaches which have been identified and action taken.



**CLICK HERE
TO READ MORE**

Learn more by reading our
Human Rights Commitment.



Our Training

On an annual basis, staff are required to complete online training on key internal policies.

Here are details of some of the training that took place across the organisation in 2020.

We have a dedicated suite for e-learning named **COMET**, which facilitates compliance and regulatory training across topics such as ethics, risk, compliance, IT security, health and safety plus many more.

Our HR and I-Learn teams partner with Compliance, Risk, and Organisational Effectiveness to design and implement the courses. Such courses are mandatory for all AIB staff, contractors, and consultants within the AIB Group.

Annual training on the **Code Of Conduct**, delivered through **I-Learn**, is mandatory for all employees, and completion is recorded, monitored, and tested by local business teams with central oversight from HR. In 2020 93.2% of our employees completed code of conduct training furthermore in 2020 bespoke conduct training was provided to 350 employees.

All staff are required to complete mandatory annual training in **Financial Crime**, which incorporates **AML, CTF, and Sanctions**. In addition, any staff involved in processes that pose a higher risk – such as customer facing staff, staff involved in the investigation of suspicious activity, and compliance staff – are required to complete additional bespoke training for their roles. The Board receive bespoke AML/CFT and Sanctions training which includes Human Trafficking.

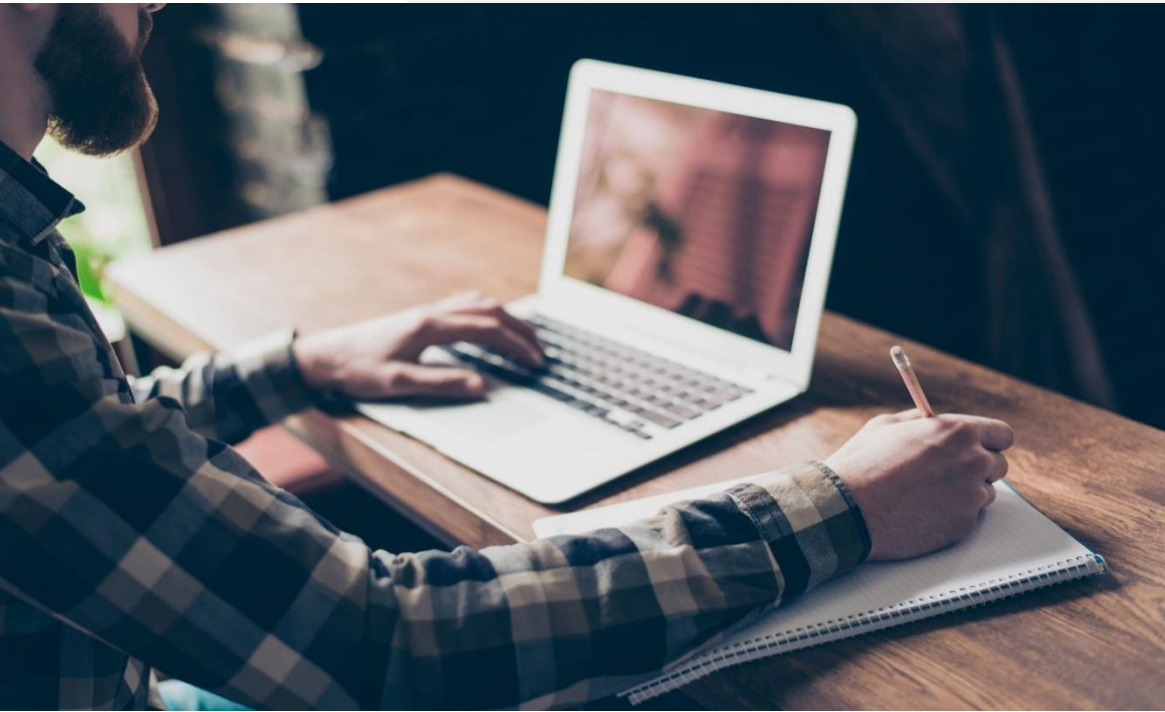
In 2020 **AML and Terrorist Financing** training was completed by 90.4% of employees. One key objective of the training is to understand red flags for Human Trafficking and Terrorist Financing under the headings: Behavioural, Transactional and Demographic/account.

An information mail on **Anti-bribery and Corruption** is issued at least once annually to all employees. In October we emailed all employees to notify them of the update to the **Conflicts of Interest** policy and remind them to complete their annual mandatory e-learning course, which also includes anti-bribery & corruption matters. In 2020, 91.5% of employees completed the training.

It is important that all employees are aware of our **Speak-Up** process. Annually they are required to complete mandatory online training on Speak-Up. The training module notifies employees about Speak-Up policies and processes as well as the contact details and channels for raising a concern. In 2020, 92% of employees completed this training. Training has also been provided to managers on how to handle concerns appropriately.

Supplier Relationship Management and Business Continuity Management delivered **SRM** and **BCM and EXIT** training throughout 2020. The training was delivered across the business to 450 owners of third party relationships. Third party relationships are managed in accordance with policies and standards that dictate a treatment strategy which the business must adhere to ensuring appropriate oversight and governance of our third parties.

We developed **Sustainability** training which is mandatory for all employees, and is focused on ensuring an understanding of sustainability and its importance for business and for AIB. It outlines the role of banks and the financial sector in enabling the environmental and social objectives through sustainable finance. The course also covers AIB's sustainability strategy, our journey to date and areas of focus to integrate sustainability across the organisation. There is a specific module on climate change and climate risks, covering the urgency with which all stakeholders need to act, an overview of relevant climate policies, an outline of business risks as a result of climate change and prompting relevant ESG questions for consideration for customers in different sectors. It is the first step in climate risk training which will be followed up with more in-depth training in the upcoming period for the various employee groups aligned to their role.



Summary In 2020 we:

- ✓ Launched our first Responsible Supplier Code
- ✓ Documented our Human Rights commitment
- ✓ Revised and updated all relevant internal policies, including an enhanced Code of Conduct
- ✓ Completed a full risk review of all our Suppliers
- ✓ Received attestation from critical outsource Third Parties in our top Tier of compliance with 13 key policies, including our Code of Conduct
- ✓ Refreshed our onboarding processes to expand on disclosure requirements around human slavery and trafficking



Looking ahead

Throughout 2021 and beyond:

We will continue to review our supply chain policies and protocols, and endeavour to develop specific measures to ensure that our obligations under the Modern Slavery Act are disseminated through our supply chain. These measures will include:

- Continuing to identify and assess any key risk areas in our supply chains and strengthen our governance and controls
- Use the tools that we have invested in to increase visibility and enable robust supplier screening, due diligence and monitoring
- Continuing to safeguard whistle-blowers through our Speak up policy
- Ensure suppliers are living up to our Responsible Supplier Code
- Promote and provide training to our staff

We pledge to **DO MORE.**

This statement has been published in accordance with the UK Modern Slavery Act 2015.

It sets out the steps taken by AIB Group plc during year ending 31st December 2020 to prevent modern slavery and human trafficking ("Modern Slavery") in our business and supply chain.



This statement is issued on behalf of the following AIB Group entities:

Allied Irish Banks Plc
AIB Group (UK) Plc
AIB Mortgage Bank
AIB Insurance Services Ltd
AIB Leasing Ltd
EBS Designated Activity Company
EBS Mortgage Finance
Haven Mortgages Ltd
AIB Corporate Finance Ltd

Date of Board Approval: 05/05/2021

A handwritten signature in black ink, appearing to read 'Colin Hunt', written over a horizontal line.

Name: Colin Hunt
Position: Executive Director
AIB Group plc