

AIB Group plc

Modern Slavery and Human Trafficking Statement 2022





AIB Group plc Modern Slavery Act Statement 2022

This Statement is made in accordance section 54(1) of the UK's Modern Slavery Act 2015. It sets out the steps taken by AIB Group plc during year ending 31st December 2021 to prevent modern slavery and human trafficking ("Modern Slavery") in our business and supply chain and its subsidiaries. Board sign off and approval is included on the last page of this Statement.

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01

Our Business

Ownership

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

Operations

Our most significant operations are in Ireland and the United Kingdom where we operate a retail, corporate and business banking offering.

Scale of Organisation

- 9,154 Employees
- €119,695m Total average assets
- €15,216m Total capital resources
- €2,384m Total operating income
- €1,534m Total operating expenses
- €1bn Operating Contribution by segment:
 - 47% Retail Banking
 - 43% Capital Markets
 - 10% AIB UK

Purpose

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

Values

Be one Team, Own the Outcome, Drive Progress, Show Respect, Eliminate Complexity.

Main Products and Services

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.

Source of Information :

AIB Group plc
Sustainability Report
For the Financial Year
Ended 31 December 2021.



02

Our Policies & Codes



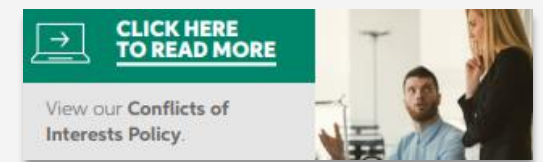
Our Code of Conduct is a core framework that underpins our values and culture. It sets out clear expectations for how we behave and how we do business. It is supported by policies including [Conflicts of Interests](#), [Anti-Bribery & Corruption](#), Conduct of Personal, Financial and Tax Affairs, Social Media, [Inclusion & Diversity](#) and [Speak-Up](#).

In reference to Human Rights and Slavery our code of conduct reads “We actively avoid causing, financing or contributing to any business activity that is known to breach human rights or fair practices, including taking steps to address any situations we become aware of where this has occurred. We don’t partner with or buy from organisations which we know to breach human rights or fair practices“. 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 February 2021, we formally launched our revised Code of Conduct. 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.

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.



On our Sustainability Website, we host some more of our key policies and codes such as; [Our Remuneration Policy](#) and [Our Recruitment Policy](#) You can review these here: <https://aib.ie/sustainability>

02

Our Policies & Codes

Our Responsible Supplier Code '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.

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.

The code also sets 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

During 2021 we implemented the code into our RFP process. By submitting an RFP, any potential supplier agrees to comply with the principles of the code. It is mandatory for suppliers to agree and comply with the principles of the Code or they are precluded from participation in our RFP process. We also increased the focus of sustainability within our supply chain, ensuring that our Responsible Supplier Code is referenced as part of all our purchasing transactions.

The Responsible Supplier Code is published on our dedicated supplier website <https://aib.ie/suppliers>



**CLICK HERE
TO READ MORE**

Learn more by reading our
Responsible Supplier Code.



03

Our Supply Chain

We maintain a database c.4,000 suppliers and transacted with 2,128 of them in 2021. Our suppliers are predominantly in Ireland (63%) and the UK (26%), however we have a small number elsewhere, mostly in other European countries, USA, and India. In 2021, our spend on suppliers was circa €1.0bn.

Our suppliers are mainly professional services, business services, and IT service providers, and include (but is not limited to) categories such as consultants, contractors, sub-contractors, re-sellers, and brokers. We segment our supplier base into five tiers based on the criticality of suppliers proportionately and the potential risks involved in provision of the services. 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.

As a regulated Financial Institution, we recognise that there is potential exposure to modern slavery within our supply chain. We take a risk-based approach to managing our suppliers. Due diligence and risk assessments are carried out during the onboarding stage with all suppliers. We complete due diligence for supplier selection prioritized according to the nature, value, complexity, and criticality of the service being procured. For high value or high risk services, specific diligence checks are performed on the supplier and the proposed service model. Lower value/risk suppliers are subject to company financial and sanction scanning checks. All suppliers must adhere to all legal obligations in each jurisdiction in which they operate or provide services (e.g. environmental and labour law). Our risk assessment process evaluates multiple aspects of supplier risk, including determination of financial risks or sanctions in place against a supplier, or negative media commentary associated with a supplier. In 2021 we completed third party risk assessments for our Tier 1-4 External Third Parties.

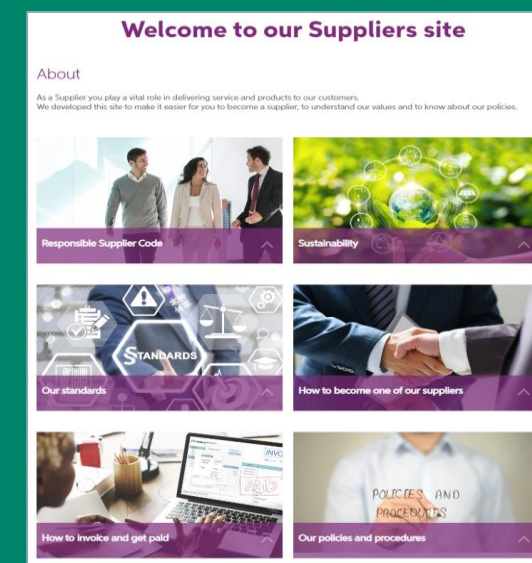
Key suppliers must attest annually to AIB's key policies (or clauses in them that are relevant to our supply chain). These includes our Code of Conduct, Conflict of Interest Policy, Anti Bribery and Corruption Policy, and Data Protection Policy. We also require that (where relevant) suppliers conform to the UK Modern Slavery Act. By the nature of AIB's 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 those linked to low-skilled industries - e.g., textile manufacturing, construction, or agriculture) that appropriate checks and measures are completed.

Source of Information :
AIB Sustainability Report 2021

Our Third Party Management and Strategic Sourcing teams maintain the policy and standards in place to ensure our suppliers are managed with the correct level of risk management and oversight during the lifecycle of the contract.

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.

In 2021 we integrated an external supplier risk monitoring tool. We can now receive real time updates on Key Suppliers and their 4th / 5th parties, allowing us to act promptly when potential threats occur.



Learn More

about our
Supplier Standards
Visit our Suppliers
website at
www.aib.ie/supplier

04

Raising Concerns

During 2021 there was no instances of Modern Slavery or Human Rights breaches reported through our Speak up Channels..



All staff have a responsibility and are encouraged to [Speak Up](#) and to raise concerns of wrongdoing or suspected wrongdoing.

We are committed to complying with our legal and regulatory obligations and all staff have a personal responsibility to champion the behaviours outlined in the Bank's Code of Conduct. Staff also have a responsibility to escalate concerns regarding breaches of the Code or suspected or actual wrongdoing initially through their People Leader or if they are not comfortable, through the Speak Up processes. Speak Up is a core supporting pillar of the Code to ensure that wrongdoing is detected and addressed quickly to protect the Bank's customers, staff and business. All reports of wrongdoing will be taken seriously, treated confidentially and investigated with the utmost professionalism.

[Our Speak Up Policy](#) sets out how staff can safely and confidentially raise a concern about suspected or actual wrongdoing in work, without fear of penalisation.

[During 2021, we enhanced our Speak Up process as follows:](#)

- We ran a successful Speak Your Mind awareness campaign in November when large scale engagement with staff took place
- We launched a digital portal in March which allows staff to report concerns online, either anonymously or confidentially
- We revised, redesigned and launched the Speak Up Policy and FAQs
- We published a Protected Disclosures report which is publically available, together with the Speak Up policy on 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

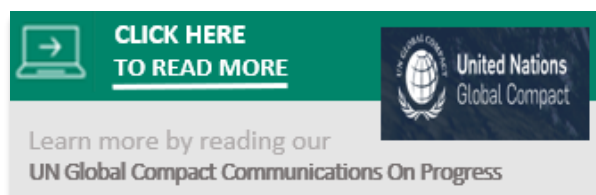
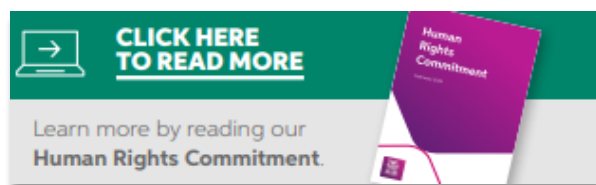
Complaints – we operate a comprehensive complaints process designed to provide our customers with the opportunity to be heard, have concerns investigated, and make good where needed.



05

Our Commitment to 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.



Our UN Human Rights Commitment was implemented and published in February 2021 after approval by our Executive Committee and CEO, and reviewed by our Sustainability Business Advisory Committee and Board. 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.

[Our UN Human Rights Global Compact Communication on Progress](#) was published in March 2022 and includes details of a pilot process conducted in Q3 2021 to model the identification of our salient human rights issues, recognising our responsibilities relating to our role as an employer, as a procurer of goods and services, and a provider of retail banking and corporate lending. The pilot built internal awareness on human rights as an issue for the business and identified priority 'salient' human rights relevant to us for future action. In 2022, we intend to examine a number of prioritised issues in more detail, to assess materiality and to agree any relevant actions to address. We also hope to broaden the parameters of the pilot across the business.

06

Our Customers

As a Financial Institution, AIB is obliged to take a risk-based approach to customer due diligence (“CDD”) when assessing the underlying AML risk associated with each customer.



Our **Business Customers** are subject to a **Financial Crime Risk Assessment**. We conduct **adverse media** searches on the business accounts we open and on an ongoing basis to help identify any information which is in the public domain that may indicate modern slavery or breaches of employment law, such as breaking minimum wage requirement.

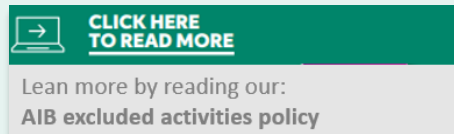
For our **UK Business Customers** Modern Slavery is considered as part of our customer account opening process. We seek evidence of the customers Modern Slavery Statement if they are required to produce one in accordance with the UK Modern Slavery Act 2015. Secondly through the Modern Slavery section of the business customer risk assessment we consider the risks of modern slavery where it is identified that a business may employ a high proportion of low paid/seasonal/migrant workers, involved in sectors such as:

- construction
- catering
- agriculture
- Recruitment agencies
- (Temporary/Contractor/hospitality) where the employer may not pay minimum wage

Should we identify or have reason to believe a relationship presents the potential of modern slavery or the exploitation of low paid workers, the business would be rejected.

In December 2021, a **Financial Crime Bulletin** was shared to all ROI bank staff in which covered the topic of Forced Labour / Modern Slavery. The purpose of these bulletins is to raise awareness of specific topics and to set out what action staff should take where they have a suspicion of a financial crime occurring, as well as to refer staff to other training resources.

We publish an Excluded Activities Policy. The rules apply to all business customers with a Gross Connected Exposure of >£/€300k and who are relationship managed.



07 Our Culture

Our purpose, values and our people are the cornerstones on which our culture is built. Empowering our leaders and encouraging them to live our organisation's values and associated behaviours is key to evolving our culture.

VALUES



Drive progress



Show respect



Be one team



Own the outcome



Eliminate complexity

CONTINUING OUR CULTURE JOURNEY IN 2021

In 2021 we continued our culture journey, and embedding our 5 values, through key initiatives. One of those key initiatives was the Employee value awards, see case study below. AIB also launched a people leaders development programme (LEAD) for leaders across the organisation, with specific modules for embedding values. We also broadened our understanding of our speak up process, with the launch of our “speak your mind” campaign. There was also a continued focus on colleagues wellbeing and engagement.

EMPLOYEE VALUE AWARDS

AIB launched a new set of values and behaviours in July 2020. We wanted to celebrate the way in which our colleagues have embraced and lived our values in their everyday interactions with one another, our customers and the communities in which we operate, especially since the pandemic. The Employee Value Awards are about recognising our colleagues who have demonstrated the behaviours that underpin our values and really brought them to life. It was important for us to be able to hold these awards. Since the COVID pandemic began, our people have worked tirelessly and these awards allows us to recognise our people who have gone above and beyond to help their colleagues and our customers and is a true celebration of who we are in AIB. We received over 3,200 nominations from colleagues across Ireland, Great Britain, Northern Ireland and New York. Over a third of our colleagues received a Nomination, with over 4,000 colleagues voting, casting over 14,000 votes, to select the top 4 from each group. 15 of our colleagues were announced as Employee Value Award winners for 2021.

The overwhelming sentiment of our people, acknowledging their peers and what we have done for each other as colleagues in AIB before and since the pandemic began, was a tribute to all who were nominated.



INCLUSION & DIVERSITY - A KEY STRATEGIC PRIORITY

Our focus on diversity takes gender, race, family status, and other traditional diversity areas into account but also adopts a contemporary view of diversity, including life experiences, and thinking styles. Encompassing external commitments and internal actions, our efforts are concentrated on fostering sustainable Inclusion & Diversity from the classroom to the boardroom, addressing important talent opportunities such as recruitment, participation, pay, promotions and retention. Recruitment and selection policies are designed to ensure that there is no bias, either in favour of, or against, any applicant. Our Inclusion and Diversity Code sets out the principles we live by and underpins new policies and handbooks introduced on Domestic Violence & Abuse, Menopause and Family Leave, and a year-round employee engagement calendar of diversity awareness and educational events. An Inclusion and Diversity (I&D) Council is in operation to provide ideas, energy, rigour and governance of diversity activity aligned to our strategy, which was approved by the Board.



**CLICK HERE
TO READ MORE**

Learn More about our
Inclusion and Diversity Code



08

Our Training

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 Talent Development team, partners with Compliance, Risk, and relevant business areas 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 2021 95% of our employees completed code of conduct training.

All staff are required to complete mandatory annual training in [Financial Crime](#), which incorporates [AML, CTF, and Sanctions](#). In 2021 AML and Terrorist Financing training was completed by 94% of employees.

An information mail on [Anti-bribery and Corruption](#) is issued at least once annually to all employees. All employees are required to complete their annual mandatory e-learning course, which also includes anti-bribery & corruption matters. In 2021, 90% of employees completed Anti bribery and corruption 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 2021, 95% of employees completed Speak Up training.

[Sustainability](#) training is mandatory for all employees, and is focused on ensuring an understanding of sustainability and its importance for business and. In 2021, 94% of employees completed sustainability training.

Owners of third party relationships to the bank must attend [Supplier Relationship Management \(SRM\)](#) training. This training is designed to equip the business with the knowledge and understanding required to manage their third party relationships ensuring an appropriate level of risk management and ongoing oversight is maintained. In 2021, 86% of applicable employees had attended SRM training.

09

Summary

During 2021

We took the following actions that improved our processes



- ✓ Implemented our responsible supplier code to our RFP processes via reference on all AIB purchases orders
- ✓ Completed third party risk assessments for Tier 1 -4 external third parties
- ✓ Received attestation from critical outsource third parties in our top tier of compliance with 13 key policies, including our Code of Conduct
- ✓ Integrated an external supplier risk monitoring tool as part of our third party management operations
- ✓ Enhanced our Speak Up processes
- ✓ Conducted a pilot to identify salient human rights issues

10

Looking Ahead

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.

We pledge to **DO MORE.**



Our Values



**BE ONE
TEAM**



**OWN THE
OUTCOME**



**DRIVE
PROGRESS**



**SHOW
RESPECT**



**ELIMINATE
COMPLEXITY**

During 2022

and beyond we will :

- Expand the focus of this statement to reflect KPI reporting where applicable
- Continue our pilot on salient human rights issues that was conducted in 2021 and expand the focus to other areas of our business
- Develop and increase an ESG and Sustainability focus across our third parties
- Review and update our responsible supplier code



Sign off

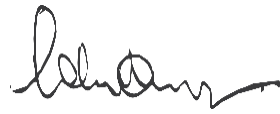
This statement has been published in accordance with the UK Modern Slavery Act 2015.

It sets out the steps taken by AIB Group plc during year ending 31st December 2021 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

Date of Board Approval: 04/05/2022



Name: Colin Hunt
Position: Executive Director
AIB Group Plc