How Allied Irish Banks, p.l.c. (AIB) approaches sustainability risks in the advice we give you about savings, investment and pensions products

Regulation (EU) 2019/2088 and supplementing Regulation on sustainability-related disclosures in the financial services sector

("SFDR")

Allied Irish Banks, p.l.c. (AIB) is authorised as an insurance intermediary by the Central Bank of Ireland.

This document was updated in May 2023 to reflect AIB's new tied relationship to AIB life.

In this document when we say 'we' or 'our' we're referring to AIB.

AIB is tied to Saol Assurance d.a.c., trading as AIB life for life and pension products and we provide advice to customers in relation to these products. Separate to this AIB also provides advice to our Private Banking customers through our Private Banking relationship team.

For information on how AIB approaches sustainability risks when we provide advice in relation to AIB life products, see below. For more information on how sustainability risks are integrated into the advice provided to our Private Banking customers, please see the AIB Private Banking section of our website.

The AIB approach to sustainability risks and sustainability factors in its advice processes is driven by the products and investment options of AIB life. AIB life works with investment managers, primarily Irish Life Investment Managers (ILIM) in relation to the investment funds it makes available.

1. How AIB approaches the integration of sustainability risks when we give you advice about products

When we say 'sustainability risk' here we mean an environmental, social or governance (ESG) event or condition that could cause an actual or a potential negative impact on the value of a product we recommend to you.

We give advice on products provided by AIB life. You can see how AIB life approach sustainability risks for their investment products in their product disclosures and on their website, www.saolassurance.ie/company/responsible-investing//, where you will also find a statement on AIB life's Principal Adverse Impacts of their investment decisions on sustainability factors.

When we give you advice we use a range of information to help you make an informed decision, this includes:

- How long you want to save or invest your money for;
- Whether you need your money in an emergency;
- Your attitude to investment risk – i.e. the potential for losses and gains and the volatility of investments;
- Explaining to you how the funds we may recommend are invested and their features, including how sustainability risks are considered in the management in relation to those funds.
- Your sustainability preferences for insurance based investment products (IBIPs).

AIB does not currently take specific account of sustainability risks in its advice process. However the core funds provided by AIB life are managed by Irish Life Investment Managers (ILIM). ILIM is committed to managing these assets responsibly, with the objective of delivering long- term sustainable returns. ILIM has a Sustainability Risks Policy that sets out how these risks are managed. This is available on their website at https://www.ilim.com/responsible-investing/policies/. This policy explains that ILIM acts in the best interests of its clients, this includes considering how sustainability risks could impact clients' investments.

How we include sustainability factors in our advice process will develop over time. This will be largely driven by the products and investment funds available from AIB life and how these products factor in sustainability risks.

Our Statement on principal adverse impacts of investment advice on sustainability factors is available on our website at https://aib.ie/content/dam/aib/personal/docs/our-products/savings-and-deposits/PAI-statement.pdf . Principal Adverse Impacts (PAIs) are negative, material or likely to be material effects on sustainability factors that are caused, compounded by or directly linked to investment decisions and advice performed by a legal entity.

2. How we integrate sustainability risk into our remuneration policies

For the vast majority of employees, AIB currently operates a fixed remuneration policy without variable remuneration. It is intended that the introduction of any Group wide future variable remuneration policy in AIB will incorporate policies and practices to stimulate behaviour consistent with AIB's Sustainability Strategy and commitments. For those limited numbers of employees who currently participate in business specific commission schemes, sustainability risk is considered as part of the determination of final award outcomes.

Allied Irish Banks, p.l.c. is tied to AIB life for life and pensions business.

Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland.

Saol Assurance d.a.c., trading as AIB life, is regulated by the Central Bank of Ireland.