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AIB GROUP AT A GLANCE

AIB Group operates predominantly in Ireland and the United Kingdom. Our shares are quoted on Euronext Dublin and the London Stock Exchange and we are a member of the FTSE4Good Index. Our three core operating segments are Retail Banking, Capital Markets and AIB UK. Whether it's adapting to a greener way of living, planning for the future, growing a business or simply navigating day-to-day life, our ambition as a Group is to be at the heart of our customers' financial lives.



RETAIL BANKING
2.9m
Active Customers¹
€34.1bn
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, AIB Merchant Services, Payzone, Nifti and AIB life.



CAPITAL MARKETS
Relationship-driven
model
€18.5bn
Net loans

Capital Markets serves AIB's large and medium-sized business customers as well as our private banking customers, providing deep-sector expertise combined with our comprehensive product offering. In 2021, Goodbody became part of Capital Markets.



AIB UK
279k
Active Customers¹
£6.2bn
Net loans

AIB UK operates in the 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.

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.



Payzone, a subsidiary of AIB Group, provides comprehensive payment solutions to more than 7,500 retail stores, over 100 clients and over 400,000 app users across Ireland.



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



AIB Merchant Services is a joint venture with 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.



A joint venture with Autolease Fleet Management, NiftiBusiness and Nifti Personal Leasing promote mobility solutions. NiftiBusiness assists companies in achieving their fleet management goals; Nifti offers personal car leasing to consumers.



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.

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

Operating contribution by segment



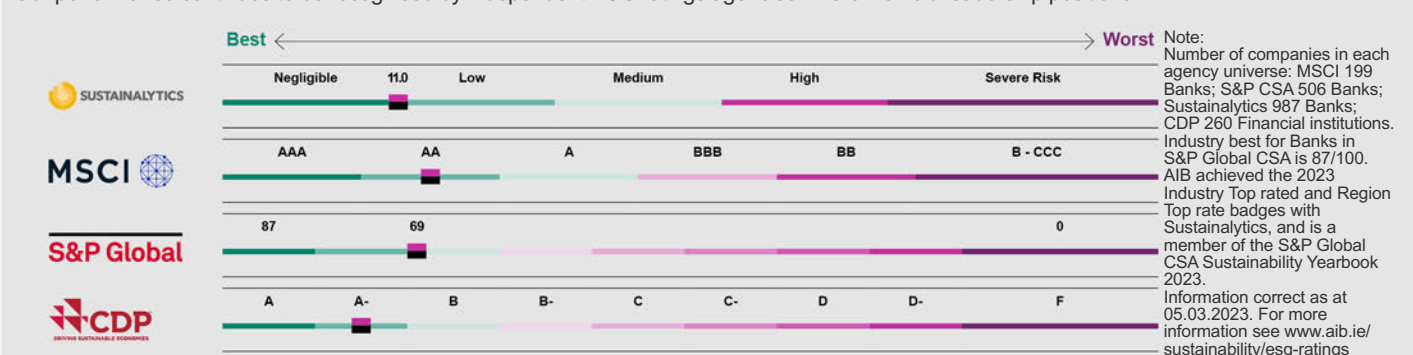
Operating contribution before impairments and exceptional items and excludes Group segment of €40m. For further information see Segment Reporting on pages 56 to 70 in the Operating and Financial Review, Annual Financial Report 2022.

Credit ratings

Moody's: **A3**
S&P Global: **BBB-**

AIB's ESG performance assessed by key agencies

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



CONTINUING TO BUILD MOMENTUM



In conversation with CEO Colin Hunt on our progress from 2022 and our 2023 priorities

Q. What were the highlights in driving the Sustainability agenda forward in 2022?

CH: By any measure, 2022 was a year of enormous change. In light of the difficult global environment and its cost-of-living impacts, it was imperative that AIB provide financial stability to our customers as well as deliver continuous support for the broader Irish economy. Sustainability sits at the heart of our Group strategy, and in 2022 we consolidated our position as the unrivalled champion of sustainability in Irish financial services by continuing to deliver significant progress.

We firmly believe that enabling our customers to lower their carbon footprint is a priority that can only be achieved through major investment in energy and climate action infrastructure. AIB's green lending book accounted for 26% of all new lending, while our green mortgage products represented 28% of new mortgage lending. This reflects our focus on giving customers more choice and making it easier for them to go green.

In terms of our own operations and achieving Net Zero by 2030, we signed a Corporate Power Purchase Agreement (CPPA) with NTR plc to source energy generated from two new solar farms in Co Wexford. We're the first Irish company to do so, and, as a result, up to 80% of AIB Group's electricity needs will be met, while also providing additional generation capacity into the national grid.

As the demands for greater transparency and accountability for ESG targets continue to grow, we made great progress last year against our two headline SMART targets under the UNEP FI Principles for Responsible Banking. We have also now set Financed Emissions Targets for 75% of our loan book.

I was particularly pleased with the successful launch of our AIB Community €1 Million Fund, which benefited over 70 local charities, nominated by customers and colleagues, and the Gold 'Investors in Diversity' Accreditation AIB received from the Irish Centre for Diversity.

Q. How central is finance in advancing the sustainability agenda?

CH: Sustainable finance is the greatest enabler of climate action and has a pivotal role to play in building a more sustainable economy and society. As highlighted at COP27 in Egypt, climate finance globally is running significantly below what is required to support the Paris agreement. Put simply – we all need to up the pace on the required transition – identifying new ways of doing business and speed to market in supporting our customers with products and services.

We are continuing to do more in this space, and last year AIB issued our fourth green bond raising €750 million, amounting to a combined €3.25 billion of issuances since becoming the first Irish bank to issue a green bond in 2020. With the IMF estimating that the climate action agenda in Ireland alone will require an investment of €20 billion per annum to 2030, AIB is continuing to lead the way with over

€7.9 billion in green finance provided to our customers since 2019.

In 2022, we also raised €1 billion in the first social bond in Ireland followed by a second in early 2023 for €750 million, with the proceeds to be invested in projects with clear social benefits in communities across Ireland including social and affordable housing, healthcare and education. At the time, AIB was only the 19th bank in the world to have launched both green and social bonds.

Q. What are AIB's plans for 2023 to advance this agenda and continue to support customers?

CH: The year ahead is all about continued implementation of our strategy – delivering on our commitments and ambitions through action – not words. Specifically this includes continuing to embed ESG across the organisation to advance our internal transformation while enabling the essential transition for our customers.

The war in Ukraine, which is having an enormous human toll, is redefining the concept of energy security and will accelerate efforts to decarbonise and quicken the pace of transition globally, including Ireland. We are a key enabler of that transition and will continue to play a leading role in funding renewable energy and infrastructure development.

As we do so, we are ever mindful of the role we play in supporting our customers and the wider economy. In 2022, against the backdrop of a rapidly evolving banking market in Ireland, we added a record new c.450,000 customer accounts. Looking to the future, we believe there is a very significant opportunity for AIB to continue to lead the sustainability agenda more widely across the economy and society.

In reflecting on what was a highly successful year across multiple fronts for AIB, we also acknowledge that the year was not without its challenges, including our decision to reverse our

plan to withdraw some cash services as part of a wider branch repurposing project. Notwithstanding our enhanced 'AIB at An Post' arrangement, we accepted that we got it wrong and have committed to remain alert and sensitive to the ongoing needs of our customers.

The impact of this issue has been reflected in our Transactional Net Promoter Score and, as part of our learnings, we need to listen more carefully to what our stakeholders have to say about our plans going forward and to respond effectively.

In summary, notwithstanding current global uncertainties, we are optimistic about the future, and steadfast in our commitment to continue to lead the sustainability agenda within our business, including using our influence more widely across the economy and society as a pioneer of change.

“We are ever mindful of the role we play in supporting our customers and the wider economy”

Colin Hunt Chief Executive Officer



CONTINUING TO BUILD MOMENTUM

CONTINUED



Helen Normoyle SBAC Chair discusses the role of the committee in the oversight of our strategy and ambitions for 2023

Q. What is the role of SBAC in furthering AIB's sustainability agenda?

HN: Since its establishment in 2016, SBAC has been the guardian of AIB's social licence to operate. The sheer breadth and depth of our relationships across our customer base and in our communities keeps us mindful of our responsibilities and focused on delivering sustainable pathways for all our stakeholders. It is a focus which has found expression in our comprehensive sustainability agenda, where we have built a track record of progress over recent years and are acknowledged as a leader in this space in Ireland. The urgency of the climate and social agendas, however, means there is no room for complacency, and we are very aware that there is much more that we and others need to do.

Governance of our 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 Sustainability & Corporate Affairs Officer and the Head of Energy, Climate Action and Infrastructure. Our sustainable communities strategy is implemented by the Group Sustainability Committee, a sub-committee of our Executive Committee. We believe our robust governance structure around this agenda demonstrates how serious and committed we are as an organisation to advancing our sustainability ambitions and plans.

Q. How is AIB using its position to influence wider change and transition?

HN: At AIB, we believe climate change presents an existential threat to sustainability, so we have positioned it as our most urgent priority. With the Government's climate action plans and the introduction of carbon budgets, systemic change is now underway in Ireland which will lead to a transformation of our economy and society. Climate change is a collective problem that requires a collective response so collaboration among different stakeholders is vital if we are to deliver the solutions required to meet these challenges.

We believe business has a key role to play in supporting this wider agenda being set by policymakers and regulators. For AIB, we are leading by example through our target for Net Zero in our own operations by 2030 enabled through initiatives such as the partnership to build a solar farm which will provide 80% of our electricity needs (page 28). Our key responsibility is to provide sustainable finance to enable our customers make that transition in a planned manner. We also believe we must use our influence more widely, through training, awareness programmes and the sharing of best practice from local and global experts as we did in our 6th Annual Sustainability Conference in November. All the time we are focused on driving systemic and positive change.

However, it is a transition that extends beyond climate. The social and governance agendas have been transformed in recent years with the Covid-19 pandemic accelerating pre-existing trends in the domain of ways of working with fundamental shifts to working from home and hybrid working, an expansion of the Inclusion & Diversity agenda, digitalisation and cyber security. At AIB, we have been raising new funds and delivering sustainable finance to advance social and economic inclusion, with a particular focus on social and affordable housing – a problem that needs fixing not just in Ireland but internationally too.

Q. What are your main reflections on 2022?

HN: As we enter the final year of our three-year strategy, we continue to focus on the delivery of our targets and priorities to progress the ESG agenda as outlined on page 12. In 2022 we were also pleased to receive independent, external validation of our progress to date as we maintained a leading ESG rating with ratings agency Sustainalytics, achieving their 2023 Industry Top Rated and 2023 Regional Top-Rated badges. We also received confirmation last year of our A– rating leadership status being maintained by the Carbon Disclosure Project (CDP) for the seventh consecutive year. In addition, AIB was the recipient of a number of ESG awards in recognition of the work that is being done across the Group, and which are outlined throughout this report.

As Chair of SBAC, I am pleased to present our Sustainability Report 2022, which has been assured by Deloitte with reference to GRI. This is our seventh annual detailed report, a measure of the Group's ongoing commitment to developing the sustainability agenda and our determination to embed ESG across the organisation as part of our core business strategy.

Finally, as the Group continues to make progress and deliver on our 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 our agenda of building a sustainable business that backs a sustainable future for all.

“All the time we are focused on driving systemic and positive change.”

Helen Normoyle Chair of Sustainable Business Advisory Committee (SBAC)



Investors in
Diversity

GOLD

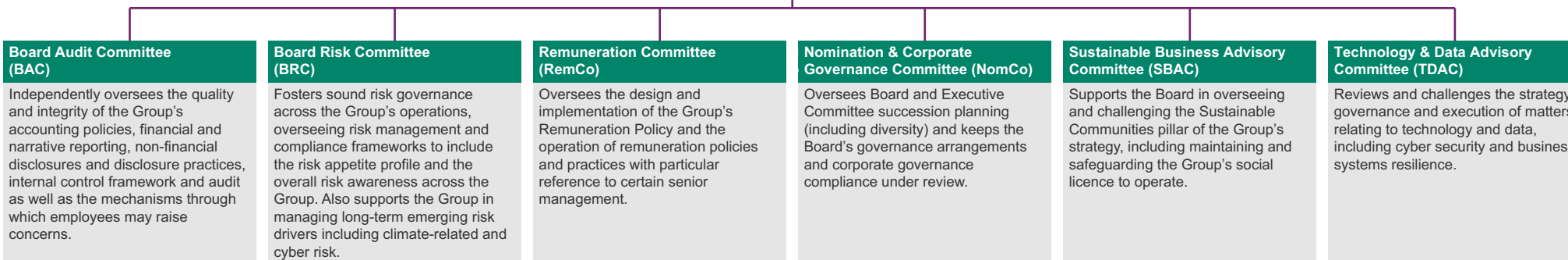
'Investors in Diversity' Gold Accreditation from Irish Centre for Diversity

OUR GOVERNANCE STRUCTURE

Our strong governance structures and frameworks are key to delivering our strategy. AIB's Board of Directors established a number of Board and Board Advisory Committees to oversee specific areas of the Group's operations while the Board retains ultimate responsibility, ensuring a robust approach.

AIB GROUP BOARD

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



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

Key sub-committees of ExCo that support in the execution of our Group strategy:

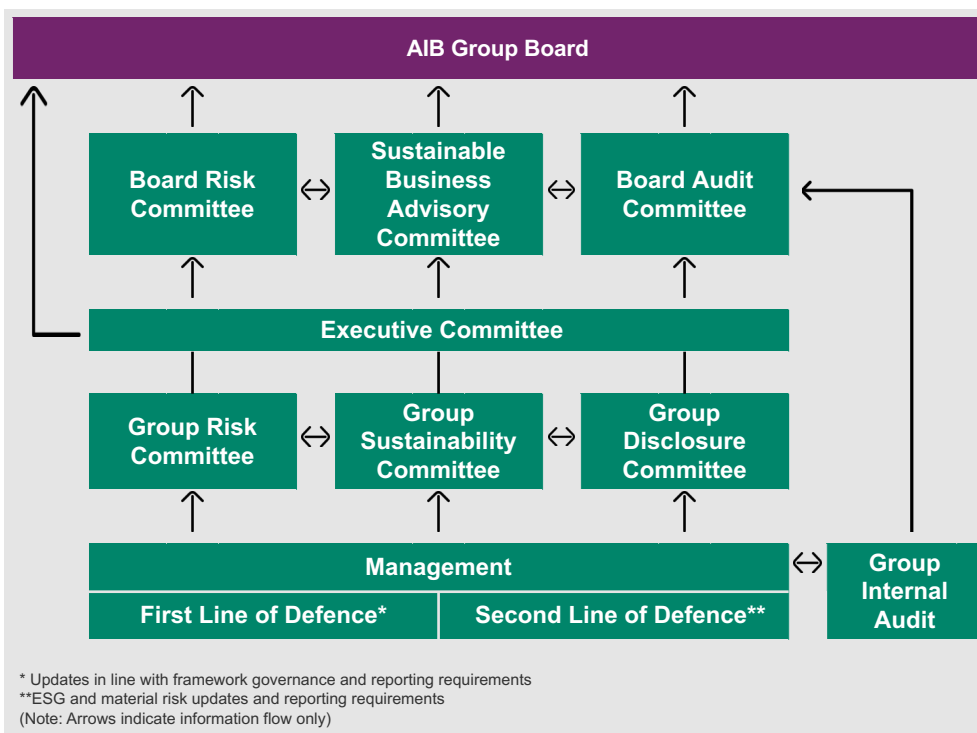


OUR GOVERNANCE STRUCTURE

ESG GOVERNANCE

ESG Governance

The responsibilities for the management and oversight of ESG activities are organised according to the Bank's governance and function structures, and are set out in our **ESG Governance Structure & Information** chart below. Specific details of the activities of our Committees on ESG matters are also outlined on the following pages.



Board and Board Committees

The 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. The Board is responsible for approving the Group's strategic plans (including divestments and acquisitions), capital investment and financial plans which includes the consideration of ESG and climate factors. These strategic considerations are expressed in the Sustainable Communities pillar of the Group strategy, where Sustainability is a fifth Pillar.

The Board is responsible for the approval of the Sustainability Report and considers the sustainability targets for the Group. The Board ensures that an appropriate system of internal controls is maintained and appointed the Sustainable Business Advisory Committee (SBAC) to assist 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 both the green bond and social bond transactions.

In 2022 the Board approved our ESG Framework, the purpose of which is to ensure that our overall approach to the management of key components of the agenda are clearly defined and well understood. This is to enable 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. Our ESG framework is focused on Business strategy and processes, Governance and Risk management (see table on page 10).

Sustainable Business Advisory Committee (SBAC)

The 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. The 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. 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. Its responsibilities include:

- Supporting the Board in the execution of the Group's sustainability strategy in accordance with the approved Group Strategic and Financial Plan; and,
- Considering and advising the Board in the three strategic pillars of Climate & Environment, Economic & Social Inclusion and Future Proof Business.
- Overseeing the external reporting of the Group's sustainability strategy including objectives, policies, measures and progress of implementation as well as review and challenge the Group's Sustainability Report for onward recommendation to the Board for approval.

Board Risk Committee (BRC)

As part of discharging its overall responsibility, 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 risk, in connection with the Group's operations and ensuring compliance with regulatory requirements and industry standards.

OUR GOVERNANCE STRUCTURE ESG GOVERNANCE

CONTINUED

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;
- The effectiveness of the Group's internal control, risk management, and accounting and financial reporting systems;
- The adequacy of arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters; and
- The independence and performance of the internal and external auditors.
- The role of the BAC with regard to the review of certain additional non-financial disclosures included in the Annual Financial Report has been clarified, with the BAC undertaking a detailed review of the disclosures contained in this Annual Financial Report.

Executive Committee (ExCo)

Our ExCo is the most senior management committee of the Group and is accountable to the CEO. Under the stewardship of the CEO,

the ExCo has responsibility for the day-to-day management of the Group's operations, excluding those matters which are reserved specifically for the Board. They operate within the financial and risk limits set by the Board. Led by the CEO, the ExCo has primary authority and responsibility for the day-to-day operations of, and the development of strategy, for the Group.

Key Executive level committees on ESG matters include our Group Sustainability Committee, Group Risk Committee and our Group Disclosure Committee.

Group Sustainability Committee (GSC)

The GSC is a sub-committee of and comprises of members of the Executive Committee in addition to some senior stakeholders from across the business. It is tasked with approval and oversight of aspects of the Group's Sustainable business strategy, including ESG activities, and how the Group responds to our ESG commitments. A key role of the committee is to review and assess current and emerging ESG risks and trends that may materially affect the business, operations, performance or reputation of the Group, and make recommendations to the SBAC on any matters requiring escalation, with interaction with the GRC on relevant matters.

The GSC is chaired by the Chief Sustainability & Corporate Affairs Officer who is the bank's

executive sponsor for Sustainability. Its responsibilities include:

- Overseeing the development and implementation of the Group's Sustainability Strategy
- Monitoring performance and progress on the Group's objectives, goals, initiatives and activities relating to ESG activities and the overall sustainability agenda
- Reviewing and monitoring compliance with relevant policies, targets and metrics
- Reviewing and assessing current and emerging ESG risks and trends that may materially affect the business, operations, performance or reputation of the Group
- Overseeing internal and external communications and engagement with stakeholders regarding the Group's position on or approach to ESG matters as appropriate in relation to all material public and non-public disclosures related to sustainability/ESG matters, including the Group's Sustainability Report
- Monitoring compliance with sustainability and ESG laws, regulations and guidelines and provide oversight of any sustainability driven regulatory change agenda including effective fulfilment of regulatory obligations and reporting

- Reviewing the Group's relationships with key sustainability and ESG stakeholders including sustainability assessment bodies
- Considering and providing input on the design principles and features of "green" products to ensure consistency and alignment to the Group's ESG and sustainability agenda.

Group Risk Committee (GRC)

As part of discharging its overall responsibilities, the GRC receive updates regarding the effectiveness of the Group's policies and programmes, which relate to identifying, managing and mitigating ESG risks, including climate risk financial risks, in connection with the Group's operations, and ensuring compliance with regulatory requirements and industry standards.

Group Disclosure Committee (GDC)

In discharging its responsibilities, the GDC provides oversight of material Group disclosures and market announcements and supports consistency of key messaging made to the public including the Annual Financial Report, Pillar 3 Disclosures and Sustainability Report.

ESG Framework GOVERNANCE

BUSINESS STRATEGY & PROCESSES

Considering ESG factors in strategy setting

ESG Targets, objectives and limits

Current and future investment and lending activities

Sustainable Product Development

Counterparty & Supplier Management

ESG Framework: Ownership, Applicability & Management

ESG Governance Structure

Three lines of defence in relation to ESG

Internal ESG Reporting

Communication & Training

RISK MANAGEMENT

ESG Risk definitions

ESG Risk appetite integration

Policy & framework integration of ESG

Incorporation of ESG within Risk Management Approach

ESG Systems & data

ESG PROGRESS

In AIB, we have been continuously building our approach to sustainability since 2016. In that time, we have made progress across all key areas of the Economic, Social and Governance agendas. Placing sustainability at the heart of our Group strategy - as we did in 2019 - accelerated our focus and determination to lead on this critical issue. This focus has allowed us to build a programme of activity, to international best practice, which is already making a difference to our business, our customers, our staff and many other stakeholders. In the execution of our strategy, we are guided by robust Governance and held to account through both mandatory and voluntary disclosures which assist us in continuing to meet our stakeholders' expectations of us.

		PLEDGE TO DO MORE 2019	NET ZERO TARGETS & AMBITIONS 2020	ESG LEADERSHIP RATINGS (MSCI, SUSTAINALYTICS & S&P) 2021	DELIVERING ON OUR STRATEGY 2022
E	OWN FOOTPRINT	Property migration & retrofit	Reducing energy - Heating, ventilation & air conditioning programme	Group-wide LED lighting retrofit programme	Agreement for Corporate Power Purchase Agreement to support 80% of AIB energy needs
	SETTING TARGETS	€5bn Climate Action Fund	- Net Zero commitment by 2030. 70% new lending to be green or transition by 2030	- Doubling to €10bn Climate Action Fund - Internal emission reduction targets	Set Financed Emissions Targets for 75% of our loan book
	GREEN PROPOSITIONS	Green Mortgage	- Electric Vehicle - Sustainability Linked Loans	- Green Consumer Loans - Electric vehicle leasing - Green Mortgage across brands	- Expansion of Green Living Hub - Dedicated sustainability sector guides - SBCI Energy Efficient Loan Scheme
	GREEN FINANCE	€1.2bn Green lending - Green Bond Framework	€1.5bn Green lending 1st Irish Bank – Green Bond €1bn	€2bn Green lending 2nd Green Bond issued - €750m	- Issued 2 Green bonds, with a total of €3.25bn to date, to support green lending €3.3bn in new Green Lending
S	HOUSING	Redesign of Mortgage customer experience journeys	€300m Social Housing Fund	- Social Housing fund committed - addl. €500m launched - AIB Social Bond Framework launched	€91m invested in social housing projects enabling c.570 new homes - Raised €1bn via first Irish Social Bond issuance
	FINANCIAL LITERACY FOCUS	Vulnerable Customer Programme	Secondary Schools Programme - focus on financial literacy	Secondary Schools Programme - focus on financial literacy	- Ongoing engagement and reach for AIB Future Sparks education programme to c.341K students - Ongoing Vulnerable Customer engagement
	BACKING ENTREPRENEURS	- Women in Enterprise Programme - Brexit Advisors	Covid-19 Payment breaks & supports	Covid-19 Payment breaks & supports	Expansion of the Credit Guarantee Scheme
	COMMUNITY PARTNERSHIPS	Volunteering Programme	- AIB Together Matched Funding €2.4m Covid-19 research	- It's My Business JAI - GOAL Mile partnership launched	€10.7m Community support, including launch of AIB Community €1 Million Fund to support 70 local charities
G	GOVERNANCE COMMITTEES		Continued Board focus via Board subcommittee	Establishment of Group Sustainability ExCo Committee	Approval for ESG Framework to detail our overall approach to ESG matters
	STRATEGY & THOUGHT LEADERSHIP	Sustainable Communities – embedded in strategy	Sustainability 101 Training	Climate Risk Training	6th Annual Sustainability Conference attracting over 6,000 attendees
	COMMITMENTS	- Supporter of Taskforce on Climate-related Financial Disclosures (TCFD) - Founding signatory of UNEP FI Principles for Responsible Banking (PRB)		- UN Global Compact, - WEF Stakeholder Capitalism Metrics. - Net Zero Banking Alliance - Equator Principles	2nd disclosures against voluntary commitments
	REPORTING	3rd Detailed Sustainability Report published	1st disclosures – TCFD and PRB	1st disclosures - EU Taxonomy, - WEF metrics and UN Global Compact	Inclusion of enhanced TCFD disclosures within our Annual Financial Report for the 1st time
	POLICIES & CODES	Project Finance	- Excluded Lending Activities - Responsible Supplier Code - Code of Conduct refreshed - Human Rights Commitment	- Sustainable Lending Framework - ESG Questionnaire - Initial Climate Risk Quantification	- Salient Human Rights topics identified - Enhanced ESG Questionnaire
	INCLUSION & DIVERSITY	Culture Programme	Gender balanced Board and ExCo	LEAD (Leaders Enabling A Difference) Programme	- Gold 'Investors in Diversity' accreditation from Irish Centre for Diversity & Inclusion - Enhanced Inclusion and Diversity Strategy launched

SUSTAINABLE COMMUNITIES – TARGETS, PERFORMANCE AND PROGRESS

Sustainable Communities is one of AIB's five strategic pillars. We are continuing to embed our approach to this agenda throughout our business. Our Group sustainability strategy is overseen by the Sustainable Business Advisory Committee (SBAC), while our ESG agenda is also informed by our stakeholder engagement. To ensure progress is made, the Group has set clear targets which are actively monitored and measured and set out annually in this report. Looking forward, we believe the global ESG agenda will continue to widen and deepen. Our focus remains on leading this agenda and we will remain responsive by further developing and rolling out our plans and activities. In delivering on our ESG strategy, we create the conditions for a sustainable and regenerative business model, while boosting our resilience and risk profile.



CLIMATE & ENVIRONMENT

We're actively integrating risks and opportunities relating to climate change into our business to accelerate our understanding, strengthen our strategy and clarify our actions. We're reducing our own carbon footprint and committing to being Net Zero by 2030. We're supporting our customers and communities in their transition to a low-carbon economy with an ambition that green and transition products will account for 70% of all our new lending by 2030.

TARGETS

2023	2030	2040
€10bn CLIMATE ACTION FUND	NET ZERO IN OUR OPERATIONS	NET ZERO AMBITION
In new green & transition lending (€2bn per year)	Ambition of 70% of new lending to be green	Customer portfolio lending (Agri. 2050)

2022 PERFORMANCE

€7.9bn Green lending since 2019	10% reduction in operational emissions ³ in 2022	FINANCED EMISSIONS TARGETS SET FOR 75% OF LOAN BOOK ⁴
€3.3bn green lending in 2022	40% reduction since 2019 26% of new lending was green	

PRIORITIES FOR 2023

- Continue to support all AIB customers in the transition to a low-carbon future through product & proposition development and engagement
- Complete the energisation of our Power Purchase Agreement with NTR plc, with energy generation due to commence in Autumn 2023
- Continue to execute AIB operational emissions reduction programme
- Ongoing focus on embedding Climate Risk management into the business



ECONOMIC & SOCIAL INCLUSION

We recognise the responsibility that comes with the scale and impact of our business. We aspire to contribute and advocate for a fairer society that is socially and economically inclusive. We do this by investing and raising awareness in access, education and innovation for our customers, our colleagues and our communities.

TARGETS

2024	2023	ONGOING
€800M	500K	AIB in our community
Finance for social housing	Customers supported financial literacy	Ongoing strategic focus

2022 PERFORMANCE

€437m Allocated against target since 2020	341k	€10.7m
€91m in 2022	Secondary schools programme since 2021	Supporting community causes in 2022

PRIORITIES FOR 2023

- Deliver further progress towards our 2024 target for social housing construction
- Deepen our community support through the AIB Community €1 Million Fund and partnerships including TASC, GOAL & FoodCloud
- Continue progress to embed identified AIB salient human rights impacts into relevant processes
- Enhance focus on the delivery of financial literacy through current customer activities



FUTURE PROOF BUSINESS

Our future sustainability depends on our ongoing investment in our business, people and processes. We want to give our customers the best possible banking experience – we're always learning and improving. In an increasingly digitalised world, we are focused on keeping our systems resilient and our data secure.

TARGETS

2023	2023	ONGOING
+53	>2.25m	GENDER BALANCED²
Transactional NPS ¹	Digitally active customers	All Management

2022 PERFORMANCE

+39	2.1m	GENDER BALANCE MAINTAINED
Transactional NPS 2022	Digitally active customers	

PRIORITIES FOR 2023

- Deliver enhanced banking experiences, focusing on priority customer journeys
- Continue to embed Inclusion & Diversity through enterprise-wide campaigns, and partnerships including Open Doors and AsIAm
- Ongoing focus on compliance for incoming cyber legislation (DORA)
- Continued focus on gender balance throughout the organisation
- Ongoing focus on ESG governance

1. Transactional Net Promoter Score (NPS) is an aggregation of 20 customer journeys across Homes, Personal, SME, Digital, Retail, Direct and Day-to-Day Banking.

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

3. Absolute Scope 1 & 2 GHG emissions.

4. As at 31.12.2021



ENGAGING

- 14** STAKEHOLDER ENGAGEMENT
- 16** ENGAGING OUR CUSTOMERS ON THEIR SUSTAINABILITY JOURNEY
- 17** OUR MATERIAL TOPICS
- 18** OUR SUPPLY CHAIN

STAKEHOLDER ENGAGEMENT

As a Group operating predominantly in Ireland, we are deeply rooted in our economy and society with market leading franchises and an extensive range of relationships. Engaging systematically and effectively with our stakeholders is a responsibility and the focus of AIB's approach to ESG. Our stakeholder management and engagement programme is a continuous process which is overseen by our Executive Committee (ExCo).

Global events of recent years – the Covid-19 pandemic, war in Ukraine, energy security, cost of living pressures, and the existential threat posed by climate change – mean that truly meaningful engagement with stakeholders has never been more important.

In our most recent materiality exercise, which we completed in 2021, our stakeholders told us that climate change, cyber security and responsible lending were among their most pressing priorities. In 2023, we will once again conduct an independent biennial ESG materiality exercise. In engaging formally with stakeholders this year, we will do so against the backdrop not only of global uncertainties, but also of a significantly evolving and changing banking landscape in Ireland with the departure of a number of competitor banks.

Set against this narrative of change, and as we seek to continuously improve our knowledge, we will engage widely and use the forthcoming independent ESG materiality exercise to listen intently to our stakeholders and respond effectively.

In this report, we demonstrate how we continued to respond in 2022 to the issues raised by our stakeholders and how on an ongoing basis we use this engagement to back our customers and stakeholders towards a sustainable future for all.

	 OUR EMPLOYEES	 OUR CUSTOMERS	 OUR SUPPLIERS
Key areas of interest	- Engagement, Inclusion & Wellbeing - Recognition - Future of work - Our own operations - Net Zero plan	- Access to banking facilities - Cost of Living - Responsible Lending - Climate Action supports - Data and Cyber Security	- Responsible Supplier Code - Supply Chain support - Geopolitical impacts
How and when we engaged	- Face to face interactions - Employee surveys - Employee resource groups - Programme of Leadership Engagement & Development - AIB Connect (internal communications channel) - Performance review process - Speak-up and Grievance process - Industrial Relations partner engagement - Net Zero awareness campaigns	- Average Branch footfall per day - 38K - Voice of the Customer surveys - 70K - Incoming digital customer messages - 160K - Digital customer conversations - 53K - Interviews with consumers to better understand banking needs - 35K - Dedicated Focus Groups held - 40	- Face to Face interactions - ongoing - Third Party Management - Annual attestation for larger suppliers - Information requests and direct approaches and campaigns
Key outcomes	- Flexible hybrid working model enabled by clear principles and best in class technologies 1 in 10 employees certified as mental health advocates - Agreement with Financial Services Union on a three-year pay deal that provides certainty on pay to 2025 - Additional support to assist with the cost-of-living impact	- Ongoing customer engagement - Amended branch repurposing approach - Local branch customer digital training evenings - Dedicated Fraud support - Green Living Hub expansion - SME lending schemes - Onboarding of Ulster Bank/KBC customers	- Completion of supplier attestations - Response to information requests and direct approaches and campaigns - Engagement of CDP programme to support suppliers
Measuring our progress	- Hybrid working available to 78% of employees 77% satisfied with AIB as a place to work - First Irish Bank to achieve Gold Investors in Diversity accreditation	- Customer NPS Score: +39 - Customer engagement with everyday supports - Growth in Green lending	- Ongoing supplier engagement - Increase in suppliers reporting under CDP - Increase in suppliers availing of supports

STAKEHOLDER ENGAGEMENT

CONTINUED

	 OUR INVESTORS	 REGULATORS	 SOCIETY & COMMUNITY	RESPONSIBLE ENGAGEMENT
Key areas of interest	- Changing operating environment (interest rates and inflation), inorganic initiatives, new customer onboarding, closing out legacy items and balance sheet resilience - ESG alignment with and integration into business strategy and processes	- Consumer support in a consolidating market - Strategy execution - Impact of economic uncertainty - Integration of acquisitions - AIB's Business model - Climate Risk Management	- Access to banking facilities - Financial literacy & inclusion - Environmental transition supports - Community support	We are committed to engaging with stakeholders directly and indirectly 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:
How and when we engaged	- Ongoing annual structured investor relations engagement programme including Chairman, CEO, CFO, CSO and other executive management. - Financial/non-Financial reporting – AFR & DSR - Dedicated market updates - IR website supported by ongoing engagement as needed	- Regular and structured annual engagement on the above areas of interest - Meetings with Board and Management (>200) - Regulatory examinations (12) - Information requests (c1,400)	- Vulnerable customer strategy & supports - Direct partnerships and two-way dialogue through ongoing local & national engagement - Representation on community (e.g. TASC) and industry (BPFI) groups	- Banking & Payments Federation Ireland - European Banking Federation - Institute of Bankers - Financial Services Union - IBEC - Irish Paper Clearing Company* - Irish Payments Council* - Institute of Bankers* - Cyber Defence Alliance* - United Nations Environment Programme Finance Initiative.
Key outcomes	- Strengthened relationships and mutual understanding of progress - Access to ESG-focused capital and wider investor base e.g. inaugural social bond - Enhanced ESG inclusion for briefings and AIB narrative	- Constructive engagements - Alignment on key areas of focus and risks facing the Bank - Discussion on strategic opportunities and execution - Settlement of legacy issues - Climate Stress test completed	- Development of AIB Community Fund - Amended branch repurposing approach - Agreement on salient Human Rights issues - Enhanced supports for customers in vulnerable circumstances - Annual AIB Sustainability Conference	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.
Measuring our progress	- Credit Rating agency and ESG ratings 2022 Green & Social Bond issuances totalling €2.5bn	- Annual supervisory assessment process (SREP) - Response to information requests - Alignment on areas of mutual importance	- Impact of AIB Community €1 Million Fund – 70 local charities supported - AIB Representation on community/industry groups 4,535 customers in vulnerable circumstances supported €10.7m Community Investment (incl €1m Community fund)	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). Our approach to lobbying is covered in our Conflicts of Interest policy, 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

ENGAGING OUR CUSTOMERS ON THEIR SUSTAINABILITY JOURNEY

As a champion of sustainability in Ireland, we are keenly aware of our role to engage and support our customers and other stakeholders 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 2022 INCLUDE:

Limerick Chamber and CEO Event in Adare
CEO Colin Hunt spoke on the topics of local economics and sustainability.

Irish Times interview

CEO Colin Hunt interview which focused on AIB and the wider opportunity for global banking to support the green transition.



National Ploughing Championships

AIB hosted Shed Talks focused on 'Conversations about a Greener Tomorrow' with 300 attendees to the talks.

Climate Finance Week Ireland 2022

Headline sponsor



AIB Sustainability Conference – No Time to Waste

6,000+ hybrid attendees listening to global keynote speakers, national pioneers and AIB business customers who shared their ambitions and goals for a sustainable future.

January – March



UCD AgTech Accelerator Event

CPA Webinar – Sector Team Hospitality Overview to 200 CPA members.

Irish Hotels' Federation (IHF) Annual Conference and Showtel Exhibition 2022 'Our New Lens- Rebuilding Tourism'.

AIB 2021 Sustainability Report – Published across all AIB Communications channels.

April - June

Launch of AIB Manufacturing Report at the National Manufacturing & Supply Chain Conference.

Sustainable Irish Retail Action (SIRA) e-guide 'Sustainability in Retail Handbook' in partnership with Retail Excellence Ireland.



July – September

Agri Sustainability Breakfast Briefing

In conjunction with the Teagasc Signpost Programme – an industry-led initiative that provides best-in-class information and advice, through 100 demonstration farms, to improve on-farm sustainability.

CPA In Person Breakfast Briefings

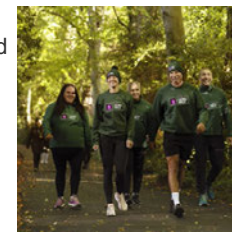
Sector Team along with colleagues from Retail and Business Banking participated and presented regarding various Sectors in 3 CPA in person breakfast briefings in Cork and Limerick.



October – December

AIB GOAL Mile

25,000 people registered for the 2022 event, highlighting the impacts and connectivity between the developed and developing worlds



Plan it with Purpose

Online Sustainability Hub and diagnostic toolkit for micro and small businesses.

Nursing Homes Outlook

Building a Sustainable Future – launched at the Nursing Home Ireland (NHI) conference at which 3 AIB customers spoke about their sustainability journey.

Irish Farmers Journal and AIB CAP Seminars

1,600 farmers attended information events in October and November to update members of changes to the programme.

OUR MATERIAL TOPICS

AIB undertakes a biennial annual, independent materiality exercise which informs and drives our Sustainability strategy and reporting approach. Our Sustainable Communities strategy is based on the most recent exercise, which started in Q4 2021 and was approved by the Sustainable Business Advisory Committee in Q1 2022.

Through the materiality exercise, we considered 26 topics, agreed following internal and external best practice review.

The exercise had three distinct phases – identification of issues, prioritisation through stakeholder engagement (qualitative and quantitative) with our 6 stakeholder sets, and a final challenge and validation process through both internal and external focus groups. The process also included agreeing weighting for each stakeholder set. Recognising their impact on our business, suppliers were a new addition to the most recent process.

The process drew responses from circa 680 individual stakeholders and determined 12 topics of material importance for both our stakeholders and AIB, which align to our strategy and commitments, and on which we base our reporting. Given our relevance and the strategic focus we place on the role of AIB in our communities, we are also reporting against our broad Community Strategy and impact.

How we manage our agreed material risks within the context of our risk framework is set out in the relevant areas of this report (see the Risk Management sections of each of our material topics).

We expect to complete our full biennial materiality exercise update in H2 2023, which will enable us to take into fuller consideration the enhanced impact materiality requirements of the GRI 2021 Universal Standards as we transition to fully reporting on the updated Standards.

As we prepare the groundwork for mandatory ESG reporting required under the Corporate Sustainability Reporting Directive (CSRD), we intend that the materiality exercise will also take into consideration its double materiality requirements.

We intend to incorporate consideration of the financial materiality requirements of the International Sustainability Standards Board's sustainability-related disclosure standards.

We are committed to continuing to enhance and improve our sustainability reporting and disclosures in order to maintain transparency, as well as fully meet the emerging mandatory ESG disclosures.

2022 Material Issues and Final Plot



CLIMATE & ENVIRONMENT

- 1 Ensure a climate resilient and responsive business model
- 2 Products and services to address environmental issues
- 3 Responsible lending and investments
- 4 Decarbonisation of company's footprint
- 5 Circular economy
- 6 Biodiversity and ecosystem



ECONOMIC & SOCIAL INCLUSION

- 7 Usability of services and accessibility of products
- 8 Enable customers to make better informed financial decisions
- 9 Financial inclusion
- 10 Community support
- 11 Stakeholder engagement
- 12 Products and services to address economic and social issues
- 13 Housing



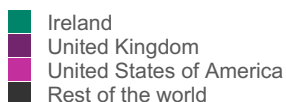
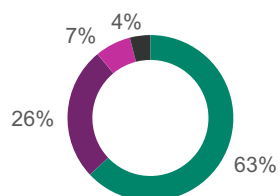
FUTURE PROOF BUSINESS

- 14 Diversity and inclusion
- 15 Customer experience
- 16 Digitalisation and interconnectivity
- 17 Cyber security and business system resilience
- 18 Protect our customers data and privacy
- 19 Comply with laws, codes and regulations
- 20 Talent attraction, retention and development
- 21 Corporate governance and accountability
- 22 Ethics and integrity
- 23 Employee engagement
- 24 Business leadership and vision
- 25 Employee health, safety and wellbeing
- 26 Responsible procurement

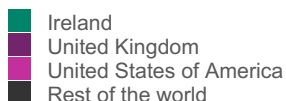
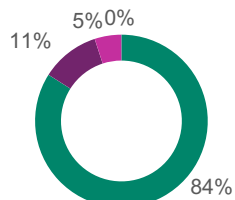
OUR SUPPLY CHAIN

Suppliers play a significant role in helping AIB to deliver our products and services to our customers. We employ a broad range across multiple supplier categories, with our greatest footprint in Ireland, where we have our most significant operations.

Location of Suppliers we transacted with in 2022



Spend on Suppliers in 2022



Our database of suppliers is comprised of c.4,000 active suppliers. In 2022, we transacted with 2,071 of our suppliers. Our most significant impact is on our Irish supplier base, as 63% of our suppliers are based in Ireland. A further 26% are based in the UK and the remaining 11% are in other locations, mostly in other European countries, 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 2022.

How we manage our supply chain

We segment our supplier base into five tiers based on the criticality of suppliers and the potential risks involved in the 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.

Due diligence and risk assessments are carried out during the onboarding stage with all suppliers. We complete due diligence for supplier selection prioritised 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.

All 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 AIB's policies as requested in the contract.

Our risk assessment process evaluates multiple aspects of supplier risk. These include determination of financial risks or sanctions in place against a supplier, or negative media commentary associated with a supplier. Critical and Important Outsourcing suppliers must attest

annually to AIB's key policies, or clauses in them that are relevant to our supply chain. These include our Code of Conduct, Conflicts of Interest Policy, Data Protection Policy, Speak Up Policy, Inclusion & Diversity Code, Financial Crime Policy and Human Rights Commitment.

We also comply with the UK Modern Slavery Act and publish a statement on an annual basis outlining how we mitigate Human Rights breaches in our Supply Chain.

Our Code of Conduct commits us to 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.

Through our Third Party Management, our Board has oversight of our approach to supply chain management.

Human rights pilot project

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) appropriate checks and measures are completed.

In 2022 AIB engaged with Shift, the leading centre of excellence on the UN Guiding Principles, 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. In 2022, through our human rights due diligence exercise, we identified 40 suppliers which may represent higher risk for modern slavery due to their industry. As a result, we have commenced enhanced due diligence on these suppliers to enable us to determine whether they represent

an actual high risk and if any further action will be required.

Supplier interactions

AIB wants to support an inclusive ethical supply chain and ensure that individuals and companies throughout our supply chain work responsibly, sustainably, and safely.

We will only engage with suppliers who adhere to our Responsible Supplier Code. Our Responsible Supplier Code sets out our expectations for our suppliers, including that they must operate at all times in an ethical and fair manner in line with AIB's values and abide by all national and international laws as applicable (including the International Bill of Human Rights and the International Labour Organisation conventions), as set out in our contractual agreements and purchasing transactions with our suppliers. We also expect our suppliers to, in turn, conduct business in a fair and honest manner with all their stakeholders, employees, subcontractors, and any other third parties. Our Code is publicly available on our Suppliers Portal and at www.aib.ie/sustainability

Our Suppliers Portal was set up to improve transparency for our suppliers, providing them with access to information on how to become a supplier.

We encourage our suppliers to report their carbon emissions through the CDP (Carbon Disclosures Project). In 2022 the number of suppliers who requested to participate in reporting to CDP increased by 9% to 98, and the number of suppliers submitting responses increased by 12 to 66.

→ [Read more: Responsible Supplier Code](#)