



Reporting period
1/1/2021 – 31/12/2021



2022 CLIMATE CHANGE RESPONSE





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C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

AIB Group is a financial services group. The Group operates predominantly in Ireland and the United Kingdom. Our shares are quoted on the Irish and London stock exchanges and we are a member of the FTSE4Good index.

Our three core segments are: Retail Banking; Capital Markets and AIB UK. We also operate wholesale treasury activities along with control and support functions.

- Retail Banking supports our consumer and business customers with a comprehensive range of banking and financial services, delivered through our No. 1 digital bank in Ireland whilst transforming our branch network. AIB's leading Irish retail franchise serves over 2.5 million customers with over 1.65 million digitally active customers. Retail Banking has an expanded reach via EBS, Haven, AIB Merchant Services, Payzone and Nifti.
- EBS is a predominantly mortgage-focused brand within the AIB Group, helping thousands of people buy their own homes in Ireland. It offers mortgage, personal banking, savings and investment products and services.
- Haven is the trading name of our mortgage broker channel, which was established as a subsidiary of EBS in 2007, providing mortgages through intermediaries on behalf of AIB Group.
- 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.
- Payzone is a subsidiary of AIB Group. It is a leader in digital payments, providing comprehensive solutions to more than 7,500 retail stores, over 100 clients and over 400,000 app users across Ireland.
- NiftiBusiness and Nifti Personal Leasing promote sustainable mobility solutions for Irish businesses and consumers. NiftiBusiness assists companies in achieving their fleet management goals; Nifti focuses on helping consumers switch to electric driving.
- Capital Markets serves AIB's large and medium-sized business customers as well as our private banking customers. A comprehensive product offering combined with deep sector expertise allows us to develop long-term, strategic relationships with our customers. To provide geographic and sector diversification, we selectively participate in European and US syndicated loans and bonds. In September 2021, Goodbody became part of Capital Markets, bringing additional capability in wealth management, corporate finance, asset management and wider capital markets propositions.
- AIB UK operates in the two distinct markets of Great Britain and Northern Ireland. In Great Britain, AIB supports corporate customers with a comprehensive range of lending and deposit products, offering specific sector expertise. In 2021, AIB UK began its withdrawal from the GB SME market. In Northern Ireland, AIB offers a full service retail banking service to personal and business customers with a focus on mortgages and business lending.

At AIB, our purpose is to back our customers to achieve their dreams and ambitions. Over recent years and increasingly as we move forward, those dreams and ambitions are being recast and redesigned through the lenses of sustainability and in particular, climate action. We are deeply aware that the scale of our organisation and franchise demands that we provide leadership in sustainability not only in the financial services arena, but more broadly as an organisation of influence across the economy and society.

We have a clear ambition for 70% of our new lending to be green or transition by 2030 and have a target to achieve Net Zero in our financed emissions by 2040 for our full lending portfolio (2050 including Agriculture). We also have a target of becoming Net Zero in our own operations by 2030. These targets are not mere milestones and staging posts in the future, but rather calls to action now. At AIB, a comprehensive set of actions are in train across the Group designed to help us maintain and extend our position as a leading force for sustainability in Ireland.

In April 2021, AIB signed up to the Net Zero Banking Alliance and in May 2022 AIB Group committed to setting a near-term science-based emissions reductions targets with the Science Based Targets initiative (SBTi).

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2021	December 31 2021	Yes	1 year

C0.3

(C0.3) Select the countries/areas in which you operate.

- Ireland
- United Kingdom of Great Britain and Northern Ireland
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

	Does your organization undertake this activity?	Insurance types underwritten	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	Yes	<Not Applicable>	Exposed to all broad market sectors
Investing (Asset manager)	No	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	No	<Not Applicable>	<Not Applicable>

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	IE00BF0L3536

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Sustainable Business Advisory Committee (SBAC) is an advisory committee that provides direction and guidance on the sustainability strategy and implementation throughout the year. The Sustainable Business Advisory Committee ("SBAC") has been the overarching Board Advisory Committee responsible for the guidance of our sustainability agenda since 2016. The Committee was established by the Board to assist them in fulfilling their oversight responsibilities in relation to ESG matters. 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 including the Chief Executive Officer, Chief Risk Officer, Chief People Officer and the Chief Sustainability & Corporate Affairs Officer. As SBAC is an advisory Board, decisions are routed through our standard governance pathway. 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. During the year, it advised on a number of key areas including: • Refresh of our sustainability strategy, ambition and targets • Review of the climate risk quantification work undertaken on high risk sectors • Insight into climate opportunities analysis and agreeing proposed propositions to leverage the opportunities • Review of ESG disclosures requirements and plan to address • Understanding the expectations of stakeholders and agreeing the areas of focus to address gaps • Oversight of the Sustainability culture and purpose • Review of low carbon strategy and progress on setting science based targets • Contributing to and reviewing sustainability progress and disclosures in our annual reporting The Committee met on five occasions in 2021 – four of which were scheduled and one of which was out of course. In addition, the Committee convened on an additional two occasions for ESG training. Specifically, the Committee consider and advise on the key areas of focus as set out in the Sustainability Strategy (Climate & Environment, Economic & Social Inclusion and Future-Proof Business)
Board-level committee	The Group Risk Committee (GRC) and Board Risk Committee (BRC) roles have been enhanced to incorporate their oversight of climate environmental risk. Accountabilities include: » Annual review of the Climate Risk Management section of AIB's Sustainability Report; » Annual review of the Sustainable Lending Framework; » Undertaking annual climate risk training.
Chief Executive Officer (CEO)	The CEO has set a vision for the group to become a sustainability leader. The CEO sits on the Board and is a member of our Sustainable Business Advisory Committee (SBAC). Sustainability and climate action are clearly highlighted across the organisation as a CEO-priority.
Other, please specify (Executive Committee Sustainability Leadership)	The ExCo is the most senior management committee of the Group and is accountable to the CEO. The Chief Sustainability & Corporate Affairs Officer is responsible for leading the group wide sustainability agenda and reports directly to the Chief Executive Officer. The Director is a member of the Sustainable Business Advisory Committee (SBAC) and chairs our Group Sustainability Committee. The Group Sustainability Committee (the "Committee" or "GSC") is a sub-committee with full delegated authority from the ExCo of AIB Group ("the Group"). The primary purpose of the Committee is to act as the Group's senior executive forum with responsibility for the governance, oversight and approval of aspects of the Group's Sustainable Business Strategy including Environmental, Social and Governance ("ESG") activities. Sustainability Regulatory Change Steering Group is chaired by the Chief Sustainability Officer and comprises of senior stakeholders from across the Group representing Ireland, UK and the U.S. The Steering Group supports the implementation of the programme of work covering the ESG regulatory requirements. These include the ESG aspects of the EBA Loan Origination & Monitoring, the ECB Guidelines for Climate-related and Environmental risk, The EU Taxonomy and the PRA climate-related requirements. Responsibilities are executed under the oversight of the Group Sustainability Committee.
Other, please specify (ExCo Members)	ExCo members leading our customer facing business are responsible for the introduction of products and propositions to support our customers in the transition to net zero. These products include green mortgages and green personal loans for consumers as well as project finance for large infrastructure transactions such as renewable energy to support the transition to net zero. As the management of climate risk embeds across our businesses, these ExCo members have first line responsibility for origination and management of climate risk in our customer portfolios. The Managing Director of Capital Markets is a member of the Group Sustainability Committee. The Head of Climate Action, Energy and Infrastructure is a member of the Capital Markets Senior Management Team and also sits on the SBAC board sub-committee. Note: The Managing Director Retail Banking, the Managing Director AIB UK and the Director of Capital Markets are ExCo members. Topics presented to one or more of ExCo, SBAC, Board Risk Committee and Board include: • The Board Risk Committee was updated on the outputs of climate risk quantification covering transition risks for high risk sector and physical flood risk • The Board Risk Committee approved the revised Group Credit Risk Policy which included updates reflecting the incorporation of ESG considerations into credit assessment; • Board reviewed and challenged the self-assessment and plan for ECB guidelines on climate-related and environmental risk and the subsequent regulatory feedback • Board and Executive Committee (ExCo) Training – Two quarterly training sessions held – Sustainability & Climate Risk, Regulatory Requirements & Stress Testing. • Sustainability targets and KPIs for external disclosures are approved by the Group Disclosures Committee and Board • The internal ESG targets that were recently set for Emission reduction targets were agreed and reviewed at the respective Business function management meetings, and then reviewed and approved by the Group Sustainability Committee for onward approval at Board.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our operations Climate-related risks and opportunities to our banking activities Climate-related risks and opportunities to our investment activities The impact of our own operations on the climate The impact of our banking activities on the climate	The Sustainable Business Advisory Committee (SBAC) is an advisory committee that provides direction and guidance on the sustainability strategy and implementation throughout the year. 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. In addition to discussion at regular SBAC meetings, there have been a number of updates to the main board on Sustainability and Climate-related issues. Two quarterly training sessions were held for Board and Executive Committee (ExCo) on Sustainability & Climate Risk, Regulatory Requirements & Stress Testing. The Chief Risk Officer is responsible for risk monitoring and reporting and our Chief Financial Officer is responsible for the integration of climate risk into our capital management processes. Enhancements have been made in accountabilities of the CRO in relation to Climate & Environmental risk. Responsibility has been assigned to the senior executive responsible for the Enterprises Risk Management (ERM) Framework covering the following: • Ensuring climate & environmental risk is defined and implemented in the Risk Management Framework (RMF); • Advising, supporting and ensuring that material risk type teams work on the measurement of climate & environmental risk; • Managing supervisory requests and interactions with regards to climate & environmental risk (in close collaboration with the Sustainability team and Regulatory Affairs team); • Providing advice on the treatment of climate & environmental risks; Coordinating across different risk types to ensure that climate & environmental risks are appropriately identified, measured and monitored; • Providing information to the Board & ExCo about climate & environmental risk when required. The Group Risk Committee (GRC) and Board Risk Committee (BRC) roles have been enhanced to incorporate their oversight of climate environmental risk. Accountabilities include: » Annual review of the Climate Risk Management section of AIB's Sustainability Report; » Annual review of the Sustainable Lending Framework; » Undertaking annual climate risk training.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	AIB's CEO and Executive Director has made Sustainability one of the key strategic pillars for AIB and a key focus for his leadership as CEO. Our CEO serves as a member of the Sustainable Business Advisory Committee (SBAC), an advisory Committee to the Board. The purpose, role and responsibilities of the SBAC are set out in in Terms of Reference which is publicly available here: https://aib.ie/content/dam/frontdoor/investorrelations/docs/about-aib/corporate-governance/sustainable-business-advisory-committee.pdf . In addition, the following four Non-Executive Directors are considered highly skilled in Sustainability which is one of the skills identified on the AIB Group Board Skills Matrix and have experience to have the highest skills level due to their membership of the Sustainable Business Advisory Committee (SBAC).	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Other committee, please specify (Sustainable Business Advisory Committee)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Chief Operating Officer (COO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations	More frequently than quarterly
Chief Risks Officer (CRO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Risk committee	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Chief Financial Officer (CFO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Chief Sustainability Officer (CSO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Other, please specify (Group Risk Committee)	Risk - CRO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Other, please specify (Group Sustainability Committee)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Other, please specify (Executive Committee Sustainability Leadership)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Other, please specify (ExCo Members)	Please select	Please select	Please select	Please select

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	AIB does not provide variable pay or long-term incentives to senior management and therefore climate related incentives are not factored into pay and reward. However, a number of Sustainability targets and measurements appear on the Group Balanced Scorecard which is regularly reviewed and challenged quarterly by ExCo and at scheduled Board meetings. In addition, following approval in 2021, senior executives have ESG performance objectives in their scorecards and a mandatory sustainability objective is in all employee performance reviews for 2022.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG criteria, including climate change?

	Employment-based retirement scheme that incorporates ESG criteria, including climate change	Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated	Provide reasons for not incorporating ESG criteria into your organization's employment-based retirement scheme and your plans for the future
Row 1	Yes, as the default investment option for all plans offered	ESG principles are taken into consideration in the passive equity options offered to scheme members. The Group provides a number of retirement benefit schemes. All defined benefit schemes were closed to future accrual from 31st December 2013 and all staff accrue pension benefits on a defined contribution basis from 1st January 2014. Each scheme member either selects their own investment strategy or avails of the default strategy. In either case, if equity funds are involved, ESG criteria is taken into consideration by the investment manager. Each scheme has a trustee board and AIB works with the trustees of each scheme to monitor the performance of investments. Although the Group has interaction with the trustees, it cannot direct the investment strategy of the schemes.	<Not Applicable>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	7	
Long-term	7	10	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

The risk assessment process aims to include identification of emerging and evolving risks for the Group. It is based on a review of the changing circumstances and conditions facing the Group by reference to its experience and a review of current and expected market trends, regulatory and industry commentary. A risk from any of these areas may be deemed as material; it is not the level or area of the risk but the business impact vis-à-vis the Group's strategic goals and risk appetite which is relevant to the materiality assessment.

The Group considers the impact and likelihood of potential risks through its Enterprise Risk Management Framework. The Material Risk Assessment (MRA) is a key input into the Group's risk management processes including the Risk Appetite Statement (RAS), which sets out the maximum amount of risk the Group is willing to accept.

Our Material Risk Assessment process, which is completed at least annually, considers the impact of climate change for AIB, our customers and the societies in which we operate, helping us to identify the material risks to the Group and then determine a suitable risk appetite for them. In our most recent process, we continued to identify climate risk as a key driver of each of AIB's material risks.

The Group has updated its qualitative Risk Appetite Statements for Business model risk and Credit risk in relation to Environmental, Social and Governance (ESG) factors. These set out that the Group will take ESG considerations into account when formulating and implementing the Group's strategy and in material lending decisions to customers assessed as being high ESG risk. Our credit risk RAS contains the following qualitative statement "We will not provide new money, for any term lending facilities, to business customers, where the customer, or any of its subsidiaries, are involved in any of the excluded business activities outlined in the group credit risk policy **and we will take key ESG considerations into account in our material lending decisions**". (Link: [aib-group-excluded-activities-policy.pdf](#))

In July 2020, AIB published our first list of Excluded Activities, an updated policy was approved by our Board in October 2020 and, since 29 January 2021, the Excluded Activities rules apply to all business customers with a Gross Connected Exposure of >£/€300k and who are relationship managed. This list has since been incorporated into our Group Credit Risk Policy, which supports the management of credit risk across the Group. The policy rules now prohibit providing new money for term lending to businesses, or any of their subsidiaries, involved in the excluded business activities e.g. Coal or oil fired power generation (other than emergency or stand by oil generation) except where less than 25% of revenues are generated from this activity and only where there is a plan to move to sustainable fuels by 2025.

Credit risk is the biggest risk that the bank is exposed to, and the Group continues to be proactive in terms of adapting its credit risk management processes and policies to capture Climate/ ESG risks in order to achieve our sustainability ambition of 70% of our new lending to be green / transition lending by 2030. A new ESG questionnaire has been incorporated into credit applications for borrowers in high climate risk sectors where new lending is over €300k / £300k. The heat mapping exercise identified a number of SME sectors as high risk from a transition perspective (Agriculture – Dairy/ Cattle, Energy, Food Processing & Transport), and the questionnaire was introduced to ensure a better understanding of the ESG risk associated with the borrower. The questionnaire incorporates both generic and sector specific questions to determine an ESG risk rating. The risk rating and assessment must then be considered as part of the credit assessment and recorded in the credit application system

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Approaches and methodologies AIB uses a variety of approaches and methodologies to identify and assess its principal risks a) Our Material Risk Assessment process which is a top down process, which is completed at least annually, considers the impact of climate change for AIB, our customers and the societies in which we operate, helping us to identify the material risks to the Bank and then determine a suitable risk appetite for them. As part of the material risk assessment process, the risk drivers were ranked by the Material Risk Owners. As part of the overall ranking Transition Risks were ranked 'High' and Physical Risks was ranked 'Medium/High'. Transition and physical climate change risks are a key risk driver for Credit Risk. The Group's risk taxonomy consists of the Principal Risks, the associated sub risks and the risk drivers that may impact these risks. Both transition and physical climate change risks were identified in the MRA process as a risk driver of the Group's material risks. These are: Climate Change: Transition Risks: Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, regulatory and market changes to address mitigation and adaptation requirements related to climate change. Providing credit to sectors or borrowers who are not transitioning to greener processes, risks an increased set of losses as these counterparties may struggle with extra costs such as government taxes and lower sales as a result of changing buyer behaviour. This could increase the potential likelihood of customer default ultimately impacting the level of credit losses and capital requirements. Climate Change: Physical Risks: Physical risks resulting from climate change that are event driven (acute) or longer-term shifts (chronic) in climate patterns. Providing lending to customers in flood plains may result in a reduction in collateral value for commercial and residential units from extreme events. There is also the potential for damage to physical assets or disruption to business operations and third party providers. b) The Group Risk Appetite Statement is an articulation of the Group's appetite for, and tolerance of risk expressed through qualitative statements and quantitative limits and thresholds. The Group has updated its qualitative Risk Appetite Statements for Business Model Risk and Credit risk in relation to Environmental, Social and Governance (ESG) factors. These set out that the Group will take ESG considerations into account when formulating and implementing the Group's strategy and in material lending decisions to customers assessed as being high ESG risk. c) The Group updated its credit sanctioning policies for all sectors, requiring consideration of ESG factors in the credit process at origination. These new policy requirements were implemented through the development and rollout of a sectoral heatmap to identify the high climate risk sectors (both transition and physical risk), and an ESG questionnaire to assess the ESG risk of customers in the high risk sectors during the lending process. This assessment of ESG risk has been implemented for customers both in Ireland and the UK. There will be further embedding and refinement of these credit processes in 2022, and the Group will incorporate further ESG requirements into risk policies and processes for the other Principal Risks impacted by climate risk. d) Risk and Control Assessments (RCA) are undertaken on a periodic basis by all business areas across the Group in 1LOD and 2LOD. These focus on the nature of the risks facing each team, the adequacy of the internal control environment, and whether additional management action is required. RCAs are reviewed and approved by the head of the Business Unit on a semi-annual basis, and subject to independent oversight from the Operational Risk team. The Risk Control Assessment guidelines have been enhanced to support the consideration of ESG risk on AIB's operational risk profile. e) In depth review of AIB Group's Enterprise Risk Management Framework with respect to climate risk and areas for enhancement identified. ESG risk has been integrated into our Risk management Framework and supporting policies for example: Business Continuity and Third Party Management policies which will consider the impact of physical risk on our own locations, operations and supply chain. Integration of ESG risk will continue to be embedded across Business Model Risk policies, Risk Management policies and Compliance policies along with further enhancements to Business Lending Credit Sanctioning policies. f) Quantitative Scenario Analysis: Conducted climate risk heat-mapping to determine the most likely sectors with greatest exposure to physical and transition risks and developed a methodology to use scenario analysis to quantify climate-related risks for our commercial and retail customers. Example: Physical Risk: AIB is focussing on flood risk as the most significant physical risk. In a review of the likely severity of the risks, from an Irish & UK perspective, flooding was identified as the most material risk for the Group. The risk quantification work focused on ROI residential property assets which are used as security for 48% of AIB Group's loan book. Transition Risk: A climate risk heat-mapping exercise was completed to assess the most significant transition risk impacts across the sectors. The high risk sectors identified by AIB as the most prone to climate risk are; (i) Agriculture - Dairy & Cattle Farming, (ii) Manufacturing - Food Processing, (iii) Transport - Road, Rail & Water Transport; or Airlines, Aircrafts & Airports &, (iv) Non-renewable energy – Electricity Production & Supply; or Oil and Petrol-related. g) An ESG questionnaire has been incorporated into credit applications for borrowers in high climate risk sectors where new lending is over €300k / £300k. The heat mapping exercise identified a number of SME sectors as high risk from a transition perspective (Agriculture – Dairy/ Cattle, Energy, Food Processing & Transport), and the questionnaire was introduced to ensure a better understanding of the ESG risk associated with the borrower. The questionnaire incorporates both generic and sector specific questions to determine an ESG risk rating. The risk rating and assessment must then be considered as part of the credit assessment and recorded in the credit application system. h) Data & Systems programme of work in train to capture required data fields for climate risk quantification and emissions reduction measurement.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	AIB's objective is to conduct its business in accordance with both the letter and the spirit of the relevant laws, regulations and codes which apply to its regulated activities, as well as AIB's internal compliance policies and standards and to act with integrity, honesty and fairly in dealing with its customers. Compliance is a key component of the Bank's internal control framework. The Regulatory Compliance Risk Management Framework sets out the internal control and governance structures in place in order to achieve the Group's regulatory compliance objectives. While the Board has ultimate responsibility for the governance of all risk taking activity in the Group, it has delegated risk governance responsibilities to various committees and key officers. This also includes incorporating ESG regulatory landscape into horizon scanning and upstream risk management. The Group operates a Three Lines of Defence (3LOD) Model. Self-assessment of risk is completed at business unit level (1LOD, first line of defence). The 1LOD is responsible and accountable for the identification, assessment, management, monitoring and reporting climate-related risks in their areas of responsibilities. Example: We have a multi-annual Sustainability Regulatory programme in place which is responsible for implementing all ESG related regulatory requirements governed by a Steering group of senior Business stakeholders. In addition, in terms of our lending portfolio, our sector, corporate and ECAI teams monitor the landscape at sectoral level, ensuring that we understand the environment in which our customers are operating, enabling us to engage with them in relation to the transition to a lower carbon economy.
Emerging regulation	Relevant, always included	Compliance is a key component of the Bank's internal control framework. The Regulatory Compliance Risk Management Framework sets out the internal control and governance structures in place in order to achieve the Group's regulatory compliance objectives. While the Board has ultimate responsibility for the governance of all risk taking activity in the Group, it has delegated risk governance responsibilities to various committees and key officers. Our Regulatory Compliance team is responsible for independently identifying and assessing current and forward looking compliance obligations, including regulation and guidelines in relation to climate change. Our Sustainability and Energy and Environment teams monitor regulatory and market sustainability updates to ensure that we are keeping pace with the rapidly evolving ESG landscape. Self-assessment of risk is completed at business unit level (1LOD, first line of defence). The 1LOD is responsible and accountable for the identification, assessment, management, monitoring and reporting climate-related risks in their areas of responsibilities. Example: Our Regulatory Compliance team is responsible for independently identifying and assessing current and forward looking compliance obligations, including regulation and guidelines in relation to climate change including these include the ESG aspects of the EBA Loan Origination & Monitoring, the ECB Guidelines for Climate-related and Environmental risk, The EU Taxonomy and the PRA climate-related requirements.
Technology	Relevant, always included	Technology risk arises from improvements or innovations to support the transition to a lower-carbon, energy efficient economic system that can have a significant impact on companies to the extent that new technology displaces old systems and disrupts some parts of the existing economic system. This risk type is relevant to our business and is evaluated as part of our credit risk management and due diligence process, for example in 2021, AIB took significant steps in the development of our climate risk quantification capabilities to better understand the impact of transition risk for our business and customers, as part of this a climate risk heat-mapping exercise was completed to assess the most significant transition risk impacts across the sectors, this exercise was based on the perceived risks and information available, from AIB data, expert opinion, literature and public sources. The heat mapping of transition risks showed that increased competition from low carbon and/or energy efficient technologies will have a material financial impact on the manufacturing sector and a moderate financial impact on the construction, property, transport and energy & infrastructure sectors. This assessment informs our credit risk management process and also helps us to better understand which customers / sectors need greater support in the transition to a low carbon economy. The Group also sees technology as an opportunity to increase digitalisation of its processes and services: for example, in Ireland, AIB promotes the use of mobile phone banking to increase access to banking services for all customers. In 2021, both the number of customers active on our Mobile app increased as did our Daily Interactions - We now have 1.85m digitally active customers, up 8% from 1.72m in 2020. Our Digitalisation Programme has identified key areas of focus for 2022, we will continue to invest this year on enabling new digital features on the mobile app to support our customers to self-serve for their day-to-day banking needs , which in addition results in a reduction in the overall emissions related to the customer's travel to bank branches and the servicing and transit of cash.
Legal	Relevant, always included	The legal and regulatory landscape in which AIB operates is constantly evolving. Regulatory compliance risk is defined by AIB as the risk of regulatory sanctions, material financial loss or loss to reputation which the AIB may suffer as a result of failure to comply with all applicable laws, regulations, rules, standards and codes of conduct applicable to its activities. The Regulatory Compliance function operates a risk framework approach that is used in collaboration with business units to identify, assess and manage key compliance risks at business unit level. These risks are incorporated into the RCAs (Risk and Control Assessments) for the relevant business unit. Regulatory compliance monitors relevant regulatory guidance relating to climate risk and completes impact assessment for all regulation which may impact the Group. AIB's definition of Legal Risk includes the risk of non-compliance with Laws outside the context of its regulated business, including failure to ensure that the Group complies with new or changed laws. Both the Legal and Compliance functions have dedicated Upstream teams, which work closely together to identify new laws and regulation which impacts AIB Group including those which relate to environmental matters, and to ensure that business units assess and adapt to those impacts.
Market	Relevant, always included	The Group is exposed to market risk through the following wholesale market risk factors: interest rates, foreign exchange rates, equity prices, inflation rates and credit spreads. Changes in customer behaviours and the relationship between wholesale and retail rates give rise to changes in the Group's exposure to market risk factors and are also an important component of market risk. Climate change is increasingly a key risk driver of market prices, be that investor appetite for certain sectors or where weather events could begin to impact on government finances and thereby impact sovereign bond prices. Market risk is identified and assessed using portfolio sensitivities, Value at Risk ("VaR") and stress testing. AIB has developed an approach based on NGFS scenarios and other regularly updated public sources, to integrate the consideration of climate risks into the groups market risk management. We have also considered ECB as a relevant benchmark to assess the severity of sectorial credit spread impacts under climate scenarios. Market Risk Trading and Banking Book policies will be updated to consider the impact of ESG factors on the current market position and future investments.
Reputation	Relevant, always included	Regulatory compliance risk is defined by AIB as the risk of regulatory sanctions, material financial loss or loss to reputation which the AIB may suffer as a result of failure to comply with all applicable laws, regulations, rules, standards and codes of conduct applicable to its activities. The Regulatory Compliance function operates a risk framework approach that is used in collaboration with business units to identify, assess and manage key compliance risks at business unit level. We are 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. We became a Founding Signatory of the UNEP FI Principles for Responsible Banking in 2019 and became a supporter of the Task Force for Climate-Related Financial Disclosures. We are working to integrate Environmental, Social and Governance (ESG) considerations into our lending decisions. Example: Our supply chain AIB 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. Our suppliers are mainly professional services, business services, and IT service providers, and include consultants, contractors, sub-contractors, re-sellers, and brokers. The Supplier base is five tiers – our most critical services in the highest tier (Tier 1) are the most closely managed, while the lowest tier (Tier 5) suppliers typically provide lower value transactional type goods and services. We complete due diligence for supplier selection prioritized according to the nature, value, complexity, and criticality of the service being procured. The 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. Key suppliers must attest annually to AIB's key policies including our Code of Conduct, Conflicts of Interest Policy, Anti Bribery and Corruption Policy, and Data Protection Policy and (where relevant) conform to the UK Modern Slavery Act. AIB supports an inclusive ethical supply chain and aims to ensure that individuals and companies throughout our supply chain work responsibly, sustainably, and safely. We encourage our suppliers to adhere to our Responsible Supplier Code.
Acute physical	Relevant, always included	From a physical risk perspective, following a review of the risks for Ireland and UK (covering drought, fire, water stress, hurricanes and flooding), flood risk was deemed highest risk. A physical risk quantification exercise was undertaken focusing on AIB's ROI residential mortgage book to begin to quantify the effect of flood risk and to assess the commercial real estate book and AIB's own properties. Further work on developing a physical risk stress testing model was carried out as part of the ECB climate stress test submitted in June 2022. Also steps were taken to develop our understanding of flood risk in the UK CRE Portfolio. As part of the physical risk scenario analysis, two Representative Concentration Pathways (RCPs), RCP 8.5 and RCP 2.6, have been applied to the ROI residential collateral data representing the ROI mortgage portfolio. A peer review of the physical risk prototype was carried out by an independent third party, and a number of findings were noted in their review for AIB to consider for future iterations of the physical risk model development. Key findings for future improvements relate to limitations associated with current flood data and some of the underlying assumptions in the Aggregate Damage Ratio (ADR) calculation and insurance assumptions. The physical risk model relies on expert judgement parameters to translate physical risk measures into property valuation impacts. The physical risk approach and methodology is consistent with approaches being taken across the industry and limitations are largely driven by data challenges which are not unique to AIB. As part of the development of AIB's climate risk modelling capability, further work, as noted above, will need to be undertaken and the outputs and findings from the scenario analysis carried out to date will be used to inform the next iteration of the model. We will continue to refine the forecasting models, data and assumptions with the aim of improving our understanding of how extreme weather events impacts on our property portfolio as climate risk and assessments tools improve and evolve.
Chronic physical	Relevant, always included	Physical risks arise from the physical effects of climate change on a customer's operations, assets, infrastructure, and workforce. These risks can result from chronic physical risks, which are longer-term shifts in climate patterns (e.g., sea level rise or chronic heatwaves). We also recognise the significant opportunities that climate change presents for our business and the importance of leveraging these opportunities to prepare our business for a low-carbon future. AIB has taken steps to develop our understanding of flood risk for AIB owned operations across ROI & UK. Based on 2020 flood data, c.22% of properties (out of 284 properties) are in higher flood risk areas and this increases to 24% in 2080 under RCP 8.5. The relatively high percentage is due to location of AIB owned operations being located in town centres (majority in Dublin & Cork both located near rivers which have a high flood risk score). AIB has a comprehensive Property Damage Insurance programme which covers the building and contents of premises owned and operated by AIB Group against loss or damage caused by flood which mitigates the risk for the Group.

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Explain why your portfolio's exposure is not assessed and your plans to address this in the future
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	Scenario analysis Other, please specify (MRA, RAS, RCA, ESG questionnaire)	1. Material Risk Assessment process is a top down process, which is completed at least annually, considering the impact of climate change for AIB, our customers and the societies in which we operate. The rationale for completing this process is to help us to identify the material risks to the Bank and then determine a suitable risk appetite for them. As part of the material risk assessment process, the key emerging risk drivers are ranked by the Material Risk Owners. Both physical and transition risk were identified as Risk drivers of the material risks 2. Group Risk Appetite Statement is an articulation of the Group's appetite for and identifies the tolerance of risk expressed through qualitative statements and quantitative limits and thresholds. The group has updated its qualitative statements for Credit Risk and Business model Risk in relation ESG factors. The rationale for this is to ensure that the group takes ESG considerations into account when formulating and implementing the group's strategy and in material lending decision to customers assessed as high ESG risk. 3. RCA: The Risk Control Assessment guidelines have been enhanced to support the consideration of ESG risk on AIB's operational risk profile by Business Units. 4. An ESG questionnaire has been incorporated into credit applications for borrowers in high climate risk sectors where new lending is over €300k / £300k, introduced to ensure a better understanding of the ESG risk associated with the borrower. 5. Quantitative Scenario Analysis: Conducting a climate risk heat-mapping determines the most likely sectors with greatest exposure to physical and transition risks and developed a methodology to use scenario analysis to quantify climate-related risks for our commercial and retail customers. 51% of the group's overall loan book is represented by residential mortgages. The materiality of this exposure to the group was key in the rationale for selecting the portfolio for flood risk assessment and scenario analysis. The Bank carried out a transition risk quantification exercise covering a sample of borrowers from the following sectors: Agri, Manufacturing, Transport and Non-renewable energy. The rationale for selecting these sectors was driven by the outputs of the climate risk heatmap exercise which identified these sectors as high risk.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?

	We consider climate-related information	Explain why you do not consider climate-related information and your plans to address this in the future
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS2.2e

(C-FS2.2e) Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision-making.

Portfolio

Banking (Bank)

Type of climate-related information considered

Emissions data
Energy usage data

Process through which information is obtained

Directly from the client/investee

Industry sector(s) covered by due diligence and/or risk assessment process

Energy
Materials
Transportation
Food, Beverage & Tobacco
Other, please specify (Agriculture)

State how this climate-related information influences your decision-making

An ESG questionnaire has been incorporated into credit applications for borrowers in high climate risk sectors where new lending is over €300k / £300k. The heat mapping exercise identified a number of SME sectors as high risk from a transition perspective (Agriculture – Dairy/Cattle, Energy, Food Processing & Transport), and the questionnaire was introduced to ensure a better understanding of the ESG risk associated with the borrower. The questionnaire incorporates both generic and sector specific questions to determine an ESG risk rating. The risk rating and assessment must then be considered as part of the credit assessment and recorded in the credit application system. For example, in the case of the Agri Sector, lenders might consider: current levels of on-farm efficiency, the borrowers focus on on farm sustainability or whether there are other available cash flows / revenue streams on-farm which could grow and potentially mitigate any ESG related Risk over the term of loan proposed etc. The questionnaire was implemented for new applications in the second half of 2021 and early indications indicate a good awareness of and understanding of the impact of ESG risk factors in their business. AIB has also introduced the capture of energy efficiency ratings. A lower interest rate is provided for A & B rated buildings in order to attract these properties which are less prone to transition risk effects.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Other, please specify (Energy & Carbon Savings reporting obligations)
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

Policy and legal risk

Company-specific description

Sustainability is at the heart of the Group's agenda and is the fifth pillar of the Group's strategy. The Group announced its commitment to net zero greenhouse gas emissions in its own operations by 2030, an ambition for net zero in customer portfolio lending by 2040 and in the agriculture sector by 2050. The Group has energy savings reporting obligations under EAS (Ireland) and ESOS (UK) regulations. For its UK operations AIB is required to comply with ESOS, (Energy Service Obligation Scheme) and for its ROI operations via Irish legislation via the EAS (Energy Auditing Scheme - SI 426 of 2014). In addition, under SI 542 Energy Services Directive, AIB has been considered a Public Body under Energy Efficiency Legislation (since 2012) as the State holds 71.12% of the issued ordinary shares of AIB Group plc (as at 31 Dec 2021). As such the organisation is required to improve energy efficiency by 50% by 2030 and reduce CO2 emissions by 30% by 2030. There is a financial risk associated with fines for non-compliance with these legal requirements. Negative publicity will affect credit ratings and customer perception. The risk of legal or regulatory sanctions could result in material financial loss or reputational damage.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

282554

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We've used the addition of the below figures to estimate the financial impact. 1) There is a financial risk associated with fines for non-compliance with the schemes. Non-compliance with EAS is subject to a class A fine (€5,000). Fines for non-compliance with the mandatory Energy Savings Opportunity Scheme (ESOS) can reach: a) for failure to undertake an energy audit: an initial penalty of £50,000 (~€59,055) and a daily penalty of £500 subject to a max of 80 working days (£40,000 , ~€47,243) b) for failure to comply with notice: an initial penalty of £5,000 (~€5,905) and a daily penalty of £500 subject to a max of 80 working days (£40,000 , ~€47,243) c) for false or misleading statement £50,000 (~€59,055) d) failure to notify: an initial penalty of £5,000 (~€5,905) and a daily penalty of £500 subject to a max of 80 working days (£40,000 , ~€47,243) e) failure to maintain records £5,000 (~€5,905) 2) Other potential financial impact of this risk is not disclosed due to commercial sensibility.

Cost of response to risk

50000

Description of response and explanation of cost calculation

Our Energy and Environmental Policies, which are sponsored by our Chief Operating Officer and our Chief Sustainability & Corporate Affairs Officer, set out our commitment to energy efficiency and environmental protection, and guide the decisions we make in relation to our internal operations. AIB has a dedicated Energy & Environmental Team that's responsible for managing the Group's compliance of ESOS and EAS. The team is responsible for identifying, recording, reporting and managing the risks that current energy & environmental regulations could pose to AIB across its operations. The team mitigates the risk by ensuring that the right controls and assessments are in place (eg. adopting a continual improvement approach to increase our energy efficiency in our operations based on ISO 50001). CASE STUDY: AIB has energy savings reporting obligations under EAS and ESOS Regulations and has to demonstrate compliance with them. The Energy team developed an Energy Management Strategy with a phased approach. a) Phase 1 (1st compliance period, Dec15) that prepared our ROI largest head offices to achieve ISO 50001 certification and programmed the required energy audits in the UK (signed off by a qualified auditor). Both methods warranted compliance with ESOS and EAS obligations. b) Phase 2 (2nd compliance deadline, Dec19) involved the roll out of its ISO 50001 across all ROI and UK locations. In 2018, AIB achieved such certification, an accolade that will serve to reduce its energy targets and as a method of compliance for EAS/ESOS. AIB have demonstrated compliance with both EAS & ESOS since then thanks to certification to ISO 50001:2018 which satisfies the requirements of both EAS & ESOS. The use of ISO 50001 underpins the approach of AIB to Energy Management across the jurisdictions under the EAS & ESOS schemes. In 2021, AIB successfully passed its ISO 50001 & 14001 surveillance audits. How the cost of management was calculated: a) Maintenance, surveillance audits and software requirements of AIB's ISO 50001&140001 cost approximately €50,000 a year (this excludes cost of implementing operational efficiency measures) b) Other costs would be incurred across the bank and business lines and would include the operation of the Energy & Environmental Team and its monitoring role; such costs are not separately identified in our reporting and would not be released for reason of commercial sensibility.

Comment**Identifier**

Risk 2

Where in the value chain does the risk driver occur?

Banking portfolio

Risk type & Primary climate-related risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
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Primary potential financial impact

Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification

Credit risk

Company-specific description

Physical risks resulting from climate change that are event driven (acute) or longer-term shifts (chronic) in climate patterns. Providing lending to customers in flood plains may result in a reduction in collateral value for commercial and residential units from extreme events. From a physical risk perspective, a review of the risks for Ireland and UK (covering drought, fire, water stress, hurricanes and flooding), flood risk was deemed highest risk. The percentage of property related loans that AIB holds, (62% for residential mortgages and ROI Commercial Real Estate combined), a physical risk quantification exercise focused on AIB's ROI residential mortgage book to begin to quantify the effect of flood risk and to assess the commercial real estate book and AIB's own properties. Development of the physical risk stress testing model on the ECB climate stress testing was submitted in June 2022. Also steps are taken to develop our understanding of flood risk in the UK CRE Portfolio.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

This information is currently under review and will not be disclosed at this point.

Cost of response to risk

0

Description of response and explanation of cost calculation

This information is currently under review and will not be disclosed at this point.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**Identifier**

Opp1

Where in the value chain does the opportunity occur?

Banking portfolio

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Power generation from Renewable energy sources is being expanded in Ireland, the UK and across Europe and is being supported by government through pricing support scheme's (namely REFIT & RESS in Ireland, CfD's in the UK and other similar schemes elsewhere). These scheme's support the provision of long term Project Finance to fund the construction and operation of generation capacity in the form of onshore and offshore wind capacity as well as biomass generation. As a result, according to Wind Energy Ireland, in 2020, wind energy met a record 36.3 per cent of Ireland's electricity demand – the world's highest for onshore wind, with eight new wind farms connected with a combined capacity of 135 MW. In 2017 AIB established an Energy, Climate Action and Infrastructure team in recognition that a centre of excellence was required in an essential growth sector. This team is now one of the largest in the Irish market and is supporting AIB's goal of playing a leadership role in assisting Ireland in delivering its sustainability and decarbonisation goals. The team manages a diverse portfolio and provides solutions to energy companies across both the conventional power and renewable energy mix (e.g. onshore & offshore wind, solar, and biomass). The Energy, Climate Action and Infrastructure (ECAI) portfolio continued to be one of the fastest growing lending books in AIB, with net balance sheet growth of over 40% in 2021. It also continued being one of the best performing loan books in the bank with nearly 100% of the book fully performing demonstrating the resilience of the renewables asset class.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

1500000000

Potential financial impact figure – maximum (currency)

2500000000

Explanation of financial impact figure

Financial Impact range figures relate to the estimated growth of the loan book by 2025 based on current growth rates and AIB's ambition.

Cost to realize opportunity

10000000

Strategy to realize opportunity and explanation of cost calculation

AIB has established a team of c. 40 professionals across our Dublin, London and Belfast offices with strong experience and expertise in providing long term finance to this sector. The Team has developed strong relationships with domestic and international investors in this segment as well as peer Banks and advisers which results in a strong pipeline of opportunities. This has led to AIB executing transactions in the onshore & offshore wind, biomass, solar and waste to energy asset classes. Relationships are maintained on an ongoing basis not just through our ability to execute transactions but by being members of industry associations and speaking at industry events. Key 2020 transactions include the funding of assets underpinned by Ireland's growing corporate PPA market, continuing to support customers constructing renewables sites and new lending activity across the onshore and offshore wind sector. We have seen increased activity in 2021 and into 2022 in sustainable lending principally through SLLs to the Food and Agriculture, Manufacturing and Utilities sectors in particular. Illustrative project funded in 2021: In September 2021, financial close was reached for Phase 2 of the Oweninny Wind Farm project with a total investment of €150m secured. The project was financed by a consortium of banks including AIB, BNP Paribas and the European Investment Bank. The 83MW project is owned via a 50:50 joint venture between ESB and Bord na Mona. Located c.20km west of Ballina in County Mayo, the development adjoins Phase 1 of the Oweninny Wind Farm Project (89MW) which was commissioned in 2019. Phase 2, comprising 31 Nordex turbines, began construction in February 2021 with the wind farm scheduled to go online at the end of 2022. More than 100 jobs will be sustained during the construction phase. Power generated from the project will be sold through a PPA with Bord Gais Energy, supported by the Irish government's Renewable Energy Support Scheme (RESS). Phase 2 will supply clean energy to the equivalent of over 70,000 homes. Cost to realise the opportunity is a rough estimate based on number of employees working in the area and associated costs

/ overheads.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Banking portfolio

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

As a financial institution operating within a local and global context, recent events have only served to reinforce how important it is that we build sustainable business that works for all. We are fundamentally committed to supporting the transition to a low-carbon economy, reducing our own carbon footprint and helping our customers to do the same. We announced our commitment to becoming the first Irish bank to operate as carbon neutral across our operations by 2030 and we pledge to use our local reach and influence to help society make that transition, ensuring a greener tomorrow by backing those building it today. The insights that the AIB Sustainability Index provides allows us to understand the relative importance of Sustainability to different customer groups, so that we can ensure we are building products, partnerships and communications which will engage, support and guide them to make some lifestyle changes that are more sustainable. Aligned with our sustainability strategy, in 2019, AIB launched a Green Bond Framework which would allow AIB to issue green bonds and meet the demands of investors who are increasingly seeking to invest in green bonds. The Green Bonds will finance and / or refinance loans that meet the requirements as described in the AIB Green Bond Framework. The objective of AIB Green Bonds is to fund projects or assets that mitigate climate change by reducing emissions, protect ecosystems or otherwise have a positive environmental impact in support of the 10 strategic outcomes of the "Project Ireland 2040" - the Government's long-term overarching strategy to make Ireland a better country for all of its people, and Ireland's Climate Action Plan. Having published our Green Bond Framework in 2019, AIB became the first Irish bank to enter the growing green bonds market in September 2020. In 2021, we issued our second Green Bond totalling €1.75bn across the two bond issuances.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1750000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial impact figures equate to the 2 green bonds issued by AIB at year end 2021. A €1bn T2 transaction in 3Q20 and a €750m Senior Non-Preferred in 2Q21.

Cost to realize opportunity

2000000000

Strategy to realize opportunity and explanation of cost calculation

STRATEGY: Sustainable Communities was integrated as a fifth pillar of our strategy in 2020, with a specific focus on climate action. We identified risks and opportunities for key sectors using the TCFD's physical and transition risk categorisations and qualitative scenarios aligned to the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) recommendations. We have quantified opportunities to finance the transition to a low-carbon economy in certain business areas and launched a number of new propositions including our green mortgage, electric vehicle proposition and green consumer loan. We issued our first green bond in 2020 for €1bn as well as a number of sustainability linked loans (SLLs). And we have identified the lending portfolios where we need to update lending policies to achieve the lower-carbon-intensive metrics across our loan book. In July 2021, we raised €750m from our second green bond issuance and €750m from our third green bond issuance in 2022. CASE STUDY: In September 2020, we successfully launched, priced, and closed our inaugural Green Bond transaction on the first anniversary of the launch of our Green Bond Framework. A €1bn Tier 2 Capital instrument, with a maturity of 10.5 years callable after 5.5 years, was executed with a coupon of 2.78%, 150 investors and investors and a total order book of Euro €2.24bn, more than twice oversubscribed. This was a strong result in what were volatile markets at the time and represents a solid endorsement from the investor community of our ambitions to build a sustainable balance sheet. It represents a further endorsement of the progress the bank is making across all areas. In 2021, we issued our second Green Bond - a €750m transaction that was two times oversubscribed during the book build process, with 99 separate investors from 19 different countries. At year end 2021 we have a total of €1.75bn issued under our Green Bond programmed issuance. How the cost to realize opportunity was calculated: To facilitate sustainable projects, the Group launched a € 5 billion Climate Action Fund in 2019 which supports renewable energy projects, low carbon offices and the construction of energy efficient homes, with a target of financing €5bn in green lending over five years. In October 2021 AIB doubled the Climate Action Fund to €10bn and we have continued to grow our green lending, totalling €2bn in 2021 accounting for 19% of all new lending in 2021.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Banking portfolio

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Given the investment required to finance the transition to a low-carbon economy is estimated at c.€50 billion for Ireland (Source: Goodbody), banks have a crucial role to play in supporting individuals and businesses to make the transition. AIB has been accelerating the rollout of products and services that assist customers in reducing their carbon emissions, with green lending accounting for 19 per cent of our new lending in 2021. When considered at a sector and customer segment level, there is a material financing opportunity for AIB from the provision of new products and propositions in areas such as domestic retrofitting, commercial buildings, the provision of Sustainability Linked Loans and green SME lending, including the agriculture sector.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1000000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

AIB completed a project to establish the business case for new climate related products and propositions. Initial estimates of the incremental lending opportunities from new climate related products and propositions are expected to be – c.€1bn over the next 5 years - Domestic Retrofit – c.€350-400m of additional lending opportunity (c.€80m p.a.) between 2022-2026 - Commercial Buildings – c.€300-400m of additional lending opportunity from retrofitting from 2022-2026 - SME Green Product - c.€200m of lending uplift from green offer between 2022-2026 - Sustainability Linked Loans (SLLs) - Current corporate book has c.25% of balances classified as green or transition lending (~80% enabled by SLLs) and demand is expected to increase

Cost to realize opportunity

10000000

Strategy to realize opportunity and explanation of cost calculation

STRATEGY: AIB is committed to supporting customers to transition to a low carbon economy and ensure that AIB achieves climate targets, including that 70% of new lending will be green or transition by 2030 and that our key lending portfolios will meet science based targets. The appropriate products and propositions are required to achieve this. The investment required to deliver the incremental lending opportunity in the four areas outlined is allocated via the annual strategic and investment planning process. This is the process by which AIB allocates capital to new products and propositions and sets strategic plans to deliver against opportunities, including climate opportunities. CASE STUDY: To support the strategic planning process AIB completed a 2 month exercise working with the relevant business areas to establish the market size, customer needs, competitive landscape and the capabilities required for AIB to deliver the products and propositions. As part of this exercise a long list of climate opportunities was developed and then ranked based on the size of the opportunity and the ability for AIB to address the opportunity. The long list of opportunities was reduced to a short list including domestic retrofit, commercial buildings, SME green product and Sustainability Linked Loans with accountable business owners. This short list was included as part of the investment and strategic planning process. Once the funding to deliver the propositions was allocated, AIBs specific proposition and product teams are tasked with developing the products to deliver the opportunities. Once the products are developed they are brought to market via AIBs key channels including digital, direct and branches across our core markets. During 2022, propositions are being developed in the Domestic Retrofit and Sustainability Linked Loans based on the climate opportunities work described in this case study. COST CALCULATION: The specific costs to deliver the new products and propositions are commercially sensitive and assessed as part of the overall costs benefit and business case analysis associated with the specific initiatives. The cost to realise the opportunity is a rough estimate based on number of employees working in the proposition and product area and associated costs / overheads.

Comment**C3. Business Strategy****C3.1**

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

Publicly available transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your transition plan (optional)

<Not Applicable>

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

Although AIB does not have a standalone Transition Plan, we have developed science-based targets that cover 63% of the Group loan book. In 2021 intensity-based emission reduction targets have now been set for c.63% of our group lending portfolio. This includes the Mortgage portfolio (51%), CRE lending book (9%) and Electricity Generation (3%). Over the period to 2030 we expect to see a significant reduction in emissions intensity of between 50-65% for mortgages and CRE at the Group level. This is aligned to Science-Based Net Zero pathways. The Mortgage and Electricity Generation portfolios are aligned to 1.5 C IEA NZE scenarios and the CRE portfolio is aligned to a 1.75 C (Well below two degrees) IEA scenario. We are currently reviewing the CRE scenario with the expectation of updating the scenario to 1.5 C. The science-based targets are backed up by business actions and strategies to deliver the pathways required to transition the financed emissions in line with the 1.5 C pathway. In H1 2022, we completed emission reduction targets for our corporate loan book bringing our coverage to 75% of the overall Group loan book.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios IEA NZE 2050	Portfolio	<Not Applicable>	As part of setting science-based targets we utilised the IEA NZE 2050 scenario for the Mortgage and Electricity Generation portfolios
Physical climate scenarios RCP 2.6	Portfolio	<Not Applicable>	We also undertook an exercise to begin the quantification of physical risk. We focused on flood risk and commenced with assessing our residential property portfolio, which accounts for 51% of our loan book.
Physical climate scenarios RCP 8.5	Portfolio	<Not Applicable>	We also undertook an exercise to begin the quantification of physical risk. We focused on flood risk and commenced with assessing our residential property portfolio, which accounts for 51% of our loan book. A physical risk prototype has been developed to convert climate scenarios into scenario adjusted LTVs to understand the impact on house prices as a result of increased flooding frequency. As part of the physical risk scenario analysis, two Representative Concentration Pathways (RCPs) 2, RCP 8.5 and RCP 2.6, have been applied to the ROI residential collateral data representing the ROI mortgage portfolio. The RCPs map to both CO ₂ and temperature anomalies up to 2100. The RCPs selected by AIB represent bookends to a range of possible climate scenarios, and are closely aligned to the Network for Greening of the Financial System (NGFS) scenarios being used by regulators for climate stress testing. RCP 8.5 is a hot house scenario whereas RCP 2.6 has a lower amount of CO ₂ emissions representing an Orderly scenario.
Transition scenarios IEA B2DS	Portfolio	<Not Applicable>	As part of setting science-based targets we utilised the IEA B2DS scenario for the CRE portfolios
Transition scenarios NGFS scenarios Framework	Portfolio	<Not Applicable>	In 2021, AIB commenced the development of its climate risk capabilities to fulfil its ambition to be a sustainable finance leader and to provide best-in class responses to the expanding regulatory agenda. Two transition risk prototypes have been developed, a sector specific Agriculture prototype and an emissions based prototype. Both prototypes assess the credit risk of a sample of AIB counterparties covering some of our largest exposures in ROI & UK under different climate transition scenarios. This emissions-based prototype comprises of three high transition risk sectors (transport, manufacturing, and energy) which are not covered by the sector-specific agriculture model. In order to provide a portfolio-wide view of transition risks, the prototype uses an industry specific carbon intensity approach to project company-level impacts. The prototypes use the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) scenarios which test a range of possible climate scenarios. AIB’s scenario analysis focused on NGFS scenarios over a 30 year horizon; a. Hot House - this scenario assumes currently implemented policies are preserved. Emissions grow until 2080 leading to 3°C or more of global warming and subsequent severe physical risks. b. Orderly transition - this scenario assumes early introduction of climate policies that gradually become more stringent. Net Zero CO ₂ emissions will be achieved before 2070, giving 67% chance of limiting global warming and subsequent severe physical risks. c. Disorderly transition – this scenario assumes climate policies are not introduced until 2030. Late introduction and limited available technologies mean emissions reductions need to be sharper, which will drive increased transition risks.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

The key focal questions from the scenarios utilised, can be broken down into three categories, Firstly the physical climate scenarios were seeking to understand the potential impact of future flooding events on AIBs residential property portfolios. This portfolio represents 51% of the Group balance sheet in FY21, and therefore understanding the potential impact of both benign scenarios under RCP 2.6 and more significant climate outcomes under RCP 8.5 were important. Key questions included:

- What is the expected loss from flooding to properties in Ireland at the post code level?
- What is the impact on AIBs financial position over the period 2020-2100?
- What are the actions that AIB would need to take to mitigate the risks?

Secondly with regards to the IEA NZE transition scenario the key questions to answer included:

- What is the decarbonisation pathway that the mortgage portfolio needs to follow to be aligned with a 1.5C outcome?
- What is the level of new lending to high energy efficiency buildings (EPC / BER) required to deliver this pathway?
- What are the key actions that the bank needs to take over the periods, 2022-24, 24-30 and beyond 2030?

Thirdly, the transition NGFS scenario analysis considered a number of different parameters to explore the impact on the debtors in the sector specific Agriculture prototype and the emissions based prototype. The key questions included:

- the impact of carbon prices?
- emissions intensity?
- emission changes over time?
- output growth?
- pass through rates?
- costs of abatement & carbon sequestration?

The prototypes use industry-specific emissions data and industry-specific elasticities and emissions pathways to estimate the financial impact on a company.

Results of the climate-related scenario analysis with respect to the focal questions

The key results of the IEA NZE scenario included defined Science Based Targets to 2030 for the Mortgage and Electricity Generation portfolios including associated lending targets and strategies for AIB. Over the period to 2030 we expect to see a significant reduction in emissions intensity of between 50-65% for mortgages and CRE at the Group level. This is aligned to Science Based Net Zero pathways. The electricity generation portfolio is largely comprised of renewable energy assets and is therefore starting at a very low level of intensity of emissions. We expect this position to be maintained by 2030. These targets are now embedded with the Strategic and financial planning process on an annual basis. The physical risk scenario results were as follows: The analysis indicates that (as we might expect) various locations will be subject to higher levels of flooding, more frequently in the future and that the severity/ frequency of flooding is more adverse under the "hot house" RCP 8.5 scenario. Under a hot house scenario every location will have higher flooding risk, however, based on the way data has been aggregated in the analysis and flood depth thresholds that have been applied, only 143 out of 3,400 electoral districts show higher flood risk. With respect to understanding the current flood zone, AIB mortgage lending process requires all properties to be insured, and, flood risk is assessed as part of the insurance process which mitigates AIB's exposure in the main. Insurance cover can be provided with no flood risk cover, however in these instances, both the bank and the customer accept no flood risk cover is in place. The results of the NGFS transition scenarios were as follows The impact of transition risk on a given counterparty is driven primarily by (but not limited to) two main factors: The emissions intensity of the sector they operate in, and the industry "pass-through" rates for that customer. Price elasticities of supply and demand are sourced and matched to each sector. Sector-specific pass through rates are then calculated based on the implied competitive market pass-through rate. Assumptions were used around cost pass through rates across the sectors. In the case of the Agriculture prototype, adjustments for input variables like carbon abatement measures or sequestration credits can be made to assess the financial impact on the counterparty.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Increased awareness of climate change by business and individuals is creating increased demand for financial products and services. In AIB, we recognise we have a long-term role to play in providing the finance for Ireland's transition to a low-carbon economy. Case Study - To support Ireland's transition to a lower-carbon economy, in 2020, we continued to offer our €5bn Climate Action Fund and launched a number of green products and services including. In 2021, we increased the fund to €10bn in total by 2023, to reflect the financial implications of this opportunity for our business • Ireland's first Green bond (€1BN Green Bond Issuance, the first Green Bond issuance by an Irish Bank and only the 2nd Bank in Europe to issue a Tier 2 bond) - followed by a second Green Bond issuance of €750m in 2021 • 0% finance for Green Vehicles in partnership with Nissan, to increase the number of EV drivers in Ireland, In 2021 we introduced our Green Consumer Loan for retrofitting, expanded the Green Mortgage to our Haven brand, reduced our AIB Green mortgage fixed interest rates • Due to strong take-up of our Green Mortgage during 2021, the product made up 23% of overall mortgage lending in 2021 • Providing finance to produce renewable energy lending through our multi-disciplinary Energy, Climate Action & Infrastructure team, funded 705,500,000 kWh2 Green Energy in 2020
Supply chain and/or value chain	Yes	Following on from the launch of our Responsible Supplier Code ('the code') in 2020 we continued to implement the code as part of our supplier management processes. The Code identifies our expectations of all Suppliers, their stakeholders, employees, subcontractors and any other third parties, whilst detailing what they can expect from us in return. The code applies to all Suppliers and now forms part of our RFP process when engaging with all new Suppliers. In 2021 we took steps to ensure the code is communicated to all our suppliers by including it in all AIB purchase orders. The Code now appears on every AIB purchases order by reference and link. Furthermore, we updated our supplier payments portal to include an announcement banner which informs the supplier of the code. In 2021 we engaged our top tier suppliers and encouraged them to join us in our pledge to do more. The suppliers were invited to participate in CDP reporting and AIB supplier relationship management team supported the supplier in registration. To further support this engagement AIB partnered with CDP to host a supplier carbon disclosure registration webinar. The webinar was designed to be both informative in terms of the 'how to' but also to emphasise AIB's sustainability strategy and commitments. AIB recognises that our suppliers play an important role in helping us achieve our sustainability goals. Third party suppliers help support our IT systems and banking platforms, give us professional advice, provide us with resources with specialised skills and help operate our buildings . They are all essential to help AIB operate and achieve our purpose. We will be changing the way we evaluate our supply chain when it comes to competing for business. As part of our RFP process all Suppliers are being asked to adhere to our Responsible Supplier Code. Our time horizon is to be carbon neutral by 2030. This ambition is live since 2020 and we have been actively engaging with our Suppliers since then in relation to same.
Investment in R&D	Yes	Ireland's Climate Action Plan has set a 10 year ambition to decarbonise five key sectors of the economy – electricity, transport, built environment, industry and agriculture. We see a key role for AIB in helping to address the environmental issues where we operate and in providing finance to support our customers – existing and new and across all our operation – to decarbonise in these sectors. Case Studies: In May 2020, our Energy & Infrastructure team based in London arranged a £62 million refinancing of a portfolio of eleven operational Anaerobic Digestion (AD) facilities with a total generating capacity of 29MW. AD is a long-standing renewable technology in which organic waste material is broken down through a natural biological process in the absence of oxygen to produce a captive biogas and an organic fertiliser. Biogas can then be used to power an engine to generate electricity and heat or purified for injection into the National Grid. Financial Magnitude of impact: High - AIB established a Climate Action Fund, making €5bn available over five years to support Climate Action. These additional initiatives are in addition to the finance we provide for renewable energy. Further information on this financial impacts cannot be disclosed due to commercial sensitivity. Time Horizon: Short to Medium Term, this is in line with the information disclosed in question 2.1 and is also linked to Project Ireland 2040 National Development Plan 2018-2027. Our aim is to fund projects or assets that mitigate climate change by reducing emissions, protect ecosystems or otherwise have a positive environmental impact in support of the 10 strategic outcomes of the "Project Ireland 2040" - the Government's long-term overarching strategy to make Ireland a better country for all of its people, and Ireland's Climate Action Plan.
Operations	Yes	Ireland's Climate Action Plan sets out a roadmap to deliver on the target of a 51% Green House Gas (GHG)emissions reduction by 2030. This includes increasing the share of electricity demand generated from renewable sources by 2030 to up to 80%. Corporate Power Purchase Agreements (CPPAs) have a role to play in decarbonising the electricity sector. To meet Paris Agreement Goals, AIB Group committed to a Net Zero ambition in its operations by 2030. AIB Group has an operational carbon footprint of over 9k tonnes, almost 60% of which is derived from electricity consumption. While the Group purchases electricity on green tariffs from its utility suppliers, it recognises that this is not sufficient to ensure Net Zero or to provide traceability for its renewable energy consumed. In line with the Group's NZ ambition and the National Climate Action Plans, AIB's Property Team embarked on a rationalisation strategy of its operations and planned decarbonisation initiatives through business changes and innovation on energy efficiency and renewable usage. In 2021 AIB issued a tender for a Power purchase Agreement (PPA) to provide renewable energy to the property estate operating within ROI & NI jurisdictions. The PPA will provide a guarantee of origin of the electricity and will make a significant contribution to AIB's Net Zero commitment. As a large energy user in Ireland, to contract directly with a renewable electricity generator is an opportunity to secure a zero-carbon electricity over the long term. An objective that aligns with the Irish Government Climate Action Plan, contributing to additional renewable energy being developed in Ireland, as well as providing AIB with brand enhancing and verifiable leadership on climate action.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital allocation Access to capital Assets	<p>2021 CASE STUDY: During 2021 we have set internal science-based targets for key sectors (Residential Property, Commercial Real Estate and Electricity Generation) covering 63% of our FY21 Loan Portfolio As part of the integrated strategic and financial plan, ESG considerations were a key part in formulating the financial plans. The annual financial planning methodology outlined elements for each business area in considering the ESG risks and opportunities. There was a specific focus on integrating the science based targets into Financial Planning. The internal emission reduction targets that were set for the residential, commercial real estate and energy portfolios were integrated into the financial plans over the next three years. This involved providing targets on the percentage of green lending required as part of new lending for each portfolio. In terms of implementation and monitoring, the Group Balanced scorecard that gets reviewed by ExCo and Board was refreshed to monitor the delivery of the strategy against agreed emissions targets. The group scorecard presents a RAG status and commentary based on key milestones and KPIs. One of the additions to the Group Scorecard for 2022 will be the tracking of the science based targets. CASE STUDY 2 - As part of the Group Strategy and financial planning process, all strategic items being considered for investment were assessed using a weighted scoring system where Sustainability was a key factor. In advance of the evaluation stage, an in depth review of the climate opportunities was undertaken to strategically review and assess the areas of focus over the short, medium and long term. This exercise involved stakeholders from across the Group to agree the prioritised list of opportunities for consideration, to help provide climate solutions for our customers. The short-term opportunities related to: - Retrofitting of residential & commercial buildings - Sustainability Linked Loans - Green SME loans</p> <p>1 - Revenue: As noted in CASE STUDY 1 above, the internal Science Based Targets set for mortgages (51%), CRE (9%) and Electricity Generation (3%) were embedded into the financial planning process, where business areas were required to plan and forecast the level of new lending and associated revenue that will be generated from low carbon activities to meet the required target trajectory over the next 3 years. For example, within the mortgage business the target is the amount of new lending as a % of total to A+B rated properties from a Building Energy Rating (BER). This requires the business to focus on green mortgage lending and to grow and sustain our market share. Over time to 2030 the level of new lending as a % of total required to A+B BER properties will increase in order to deliver the targets. Magnitude: High impact. Time Horizon: Short term, medium and long term</p> <p>2 - Operating Costs: 1) Internal resources: We have a wide range of sector specialists in place, providing expert climate and ESG knowledge and insights, such as the Energy, Climate Action and Infrastructure team, the Agri Advisor team, the Sustainability or the Energy & Environmental teams. 2) Emphasis on operational control to reduce our environmental impact and our operating costs. The Group has a) integrated energy and environmental clauses on its maintenance contracts and b) implemented two international standards ISO14001 and ISO50001 to manage and minimise its environmental impact, resulting in emissions reduction and lower operating costs related to energy, water, waste, etc. 3 - Capital Allocation: The Socially Responsible Investment (SRI) portfolio grew to c. €1.22bn at year-end 2021. The Portfolio is made up of Green, Social and Sustainability bonds. AIB can promote and support the transition to a more sustainable global economy and contribute to positive environmental and social change via the sustainable bond market. AIB aim to fund sustainable projects via global sustainable bond issuances, thus contributing to a more sustainable planet. In the SRI Bond Framework we state that it is our ambition to grow the SRI portfolio to at least 10% of AIB's total investment securities. To affirm this commitment to the sustainable bond market, we disclose the size of our SRI portfolio in AIB's Sustainability Reports. Further, each year the Fixed Income Investment Desk sets our own internal quarterly targets to ensure we continue to progress towards achieving the 10% mentioned above in the short/medium term. 4 - Access to Capital: As a bank, AIB has a meaningful contribution to make in addressing many of the pressing current and emerging societal issues, including advancing the transition to a low-carbon environment. Following the development of our Green Bond Framework in H2 2019, our inaugural Green Bond launched in September 2020 (€1bn Tier 2) and our second Green Bond was issued in 2021 (€750m Non-Preferred Senior). The objective of AIB Green Bonds is to fund projects or assets that mitigate climate change by reducing emissions, protect ecosystems or otherwise have a positive environmental impact in support of the 10 strategic outcomes of the "Project Ireland 2040" and Ireland's Climate Action Plan. Magnitude: Medium-High impact. Time Horizon: Medium term. 5 - Assets: The Strategy Division within AIB Workplace Operations plans and designs AIB's approach to current and new required properties. For the acquisition of new office buildings, a life cycle perspective of the property is considered and sustainable buildings are preferred. During 2020, the Ann Street office in Belfast underwent significant refurbishment, to modernise and update the building with a focus on energy & carbon reduction. It has been awarded, in 2021, a BREEAM Very Good post completion. These projects demonstrate the AIB commitment to continuously improve its building estate and strive for excellence in their operation, aligned to the Net Zero by 2030 target.</p>

C-FS3.6

(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?

Yes, our framework includes both policies with client/investee requirements and exclusion policies

C-FS3.6a

(C-FS3.6a) Provide details of the policies which include climate-related requirements that clients/investees need to meet.

Portfolio

Banking (Bank)

Type of policy

Credit/lending policy

Risk policy

Policy related to other products and services

Portfolio coverage of policy

100

Policy availability

Not publicly available

Attach documents relevant to your policy

aib-sustainable-lending-framework.pdf

Criteria required of clients/investees

Other, please specify (Provide information to support the classification of new lending as green or transition, as required under EBA LOAM. For higher risk sectors complete ESG Questionnaire as part of EBA LOAM requirements for new lending)

Value chain stages of client/investee covered by criteria

Direct operations only

Timeframe for compliance with policy criteria

Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy

Energy

Materials

Capital Goods

Commercial & Professional Services

Transportation

Automobiles & Components

Consumer Durables & Apparel

Consumer Services

Retailing

Food & Staples Retailing

Food, Beverage & Tobacco

Household & Personal Products

Health Care Equipment & Services

Pharmaceuticals, Biotechnology & Life Sciences

Software & Services

Technology Hardware & Equipment

Semiconductors & Semiconductor Equipment

Telecommunication Services

Media & Entertainment

Utilities

Real Estate

Other, please specify

Exceptions to policy based on

<Not Applicable>

Explain how criteria coverage and/or exceptions have been determined

Under the EBA Guidelines on loan origination and monitoring (LOAM), AIB was required to put in place ESG policies and procedures to ensure that climate and environmental factors were considered for all new lending. Counter parties are required to provide information to support the classification of all new lending as green, transition or social. In addition, an ESG Questionnaire was developed and deployed across higher risk sectors from a climate transition risk perspective (determined by a heatmap) including Agriculture - dairy and beef, fossil fuel transport and fossil fuel energy and manufacturing. All AIBs Sanctioning policies were updated to reflect these changes.

C-FS3.6b

(C-FS3.6b) Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Portfolio

Banking (Bank)

Type of exclusion policy

- Oil from tar sands
- Oil from shale
- Gas from shale
- Arctic oil and gas
- Ultra-deepwater oil and gas
- Fracked oil and gas
- Other, please specify (Nuclear)

Year of exclusion implementation

2021

Timeframe for complete phase-out

By 2025

Application

New business/investment for new projects

Country/Region the exclusion policy applies to

- Ireland
- United Kingdom of Great Britain and Northern Ireland
- United States of America

Description

This exclusions list has been incorporated into our Group Credit Risk Policy, which supports the management of credit risk across the Group. The policy rules now prohibit providing new money for term lending to businesses, or any of their subsidiaries, involved in the excluded business activities. Link: aib-group-excluded-activities-policy.pdf
 Note: AIB Group has limited exposure to the fossil fuel industry.

C-FS3.8

(C-FS3.8) Does your organization include covenants in financing agreements to reflect and enforce your climate-related policies?

	Climate-related covenants in financing agreements	Primary reason for not including climate-related covenants in financing agreements	Explain why your organization does not include climate-related covenants in financing agreements and your plans for the future
Row 1	Yes	<Not Applicable>	<Not Applicable>

C-FS3.8a

(C-FS3.8a) Provide details of the covenants included in your organization's financing agreements to reflect and enforce your climate-related policies.

Types of covenants used	Asset class/product types	Please explain
Margin or pricing depends on sustainability criteria	Corporate loans	In relation to Sustainability Linked Loans ("SLL") to large corporate customers, the terms of the SLL offer the borrower a pricing incentive to achieve agreed targets in respect of specific aspects of their ESG performance. This incentive is typically a +/- adjustment to the interest margin based on the number of targets achieved. Failure to achieve these specific target does not constitute an event of default but typically results in an increase in the margin. SLLs represent a small but growing proportion of our loan book and our lending would typically not have covenants to enforce our climate related policies. We do however have very strict funding exclusion policies that have the same impact.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

- Absolute target
- Portfolio target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2017

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

<Not Applicable>

Base year

2011

Base year Scope 1 emissions covered by target (metric tons CO2e)

10199

Base year Scope 2 emissions covered by target (metric tons CO2e)

18656.7

Base year Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

28855.7

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2025

Targeted reduction from base year (%)

57

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

12407.951

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

3978.4

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

5944.6

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

9923

% of target achieved relative to base year [auto-calculated]

115.108152489438

Target status in reporting year

Achieved

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

We have used the SDA Tool Beta V8.0 available on Science Targets website to develop our medium term (ABS1) and long term (ABS2) SBT. We are committed to achieving carbon neutrality across our operations by 2030 using a net-zero approach, and to aligning our customer lending portfolio to net-zero carbon emissions by 2040 (with the exception of agriculture, which we are aligning to the Irish government's Climate Action Plan. In May 2022, AIB Group committed to setting a near-term science-based emissions reductions targets with the Science Based Targets initiative (SBTi). This will put in place sector specific annual emissions reduction targets for AIB's emissions that are aligned with the Paris Climate Agreement. Note 1: Data from all our locations in ROI (AIB, Payzone and EBS), UK (AIB NI and AIB GB), as well as our US have been considered. Note 2: This is a company-wide target and there are no exclusions. Note 3: This target meets a 4 % absolute annual emissions reduction between 'Base year' and 'Target year'. Note 4: Year on year, AIB achieved a 16 % reduction and since 2011 has reduced its Scope 1 & 2 emissions by 66%, exceeding the 57% reduction goal by 2025. Note 5: In 2021, we re-stated our 2020 emissions data to reflect the disclosure of datacentre emissions as part of our Scope 3 emissions instead of our operational emissions. For more information see C.6.1, C6.3 and C6.5a

Plan for achieving target, and progress made to the end of the reporting year

<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target

AIB have considered energy efficiency & energy saving as key elements in reducing CO₂ emissions for a number of years now and we are continuously improving our

existing branch & office building estate to reduce its energy consumption and carbon footprint. Among others, the following reduction initiatives contributed most to achieving this target: - implementation of an ISO 50001 energy management system across the group, standardised control and operating procedures for building services plant are in place for every location. Heating, cooling and ventilation now operates at set times and temperatures across all of our locations - reprogramming of BMS systems to allow increased capacity and future proofing - optimisation of underfloor heating - moving from inefficient head office buildings to centralising our operations in LEED Platinum buildings Molesworth Street and Central Park - rationalisation strategy of our operations in older inefficient buildings - upgrading fluorescent type lighting systems to modern LED lighting including controls. - replacement of older less efficient air conditioning systems and installation of small controls items across the branch network. - ongoing monitoring of HVAC & lighting systems - switch to a thin client PC equipment which further contributes to reducing electrical consumption

Target reference number

Abs 2

Year target was set

2017

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

<Not Applicable>

Base year

2011

Base year Scope 1 emissions covered by target (metric tons CO2e)

10199

Base year Scope 2 emissions covered by target (metric tons CO2e)

18656.7

Base year Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

28855.7

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2036

Targeted reduction from base year (%)

78

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

6348.254

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

3978.4

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

5944.6

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

9923

% of target achieved relative to base year [auto-calculated]

84.1174960499739

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

We have used the SDA Tool Beta V8.0 available on Science Targets website to develop our medium term (ABS1) and long term (ABS2) SBT. We are committed to achieving carbon neutrality across our operations by 2030 using a net zero approach, and to aligning our customer lending portfolio to net zero carbon emissions by 2040

(with the exception of agriculture, which we are aligning to the Irish government's Climate Action Plan In May 2022, AIB Group committed to setting a near-term science-based emissions reductions targets with the Science Based Targets initiative (SBTi). This will put in place sector specific annual emissions reduction targets for AIB's emissions that are aligned with the Paris Climate Agreement. Note 1: Data from all our locations in ROI (AIB, Payzone and EBS), UK (AIB NI and AIB GB), as well as our US have been considered. Note 2: This is a company-wide target and there is no exclusions. Note 3: This target meets a 4 % absolute annual emissions reduction between 'Base year' and 'Target year'. Note 4: Year on year, AIB achieved a 16% reduction and is on is target to achieve a 78% reduction by 2036. Note 5: In 2021, we re-stated our 2020 emissions data to reflect the disclosure of datacentre emissions as part of our Scope 3 emissions instead of our operational emissions. For more information see C.6.1, C6.3 and C6.5a

Plan for achieving target, and progress made to the end of the reporting year

AIB have considered energy efficiency & energy saving as key elements in reducing CO₂ emissions for a number of years now. Alongside a rationalisation strategy of our operations in older inefficient buildings, in 2021 we continued to improve our existing branch & office building estate to reduce its energy consumption and carbon footprint. A range of carbon saving measures implemented in 2021 include: transition to sustainable fleet solutions, upgrading fluorescent type lighting systems to modern LED lighting including controls. Similarly, there was a replacement of older less efficient air conditioning systems and installation of small controls items across the branch network. AIB moved to a thin client PC equipment which further contributes to reducing electrical consumption. In 2021, with the aim to deliver our Net Zero goal we worked on developing our low carbon operational strategy and we undertook a study to identify high emitting activities, carbon-intensive premises, and areas of focus (cooling, heating, fleet, etc). The findings allowed us to inform our Property Strategy and to establish a pathway to reach Net Zero. In 2021 AIB issued a tender for a Power purchase Agreement (PPA) to provide renewable energy to the property estate operating within ROI & NI jurisdictions. The PPA will provide a guarantee of origin of the electricity. Further reductions in emissions will be achieved by further review of property strategy, investment in energy efficiency and fleet upgrades to electric vehicles.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C-FS4.1d

(C-FS4.1d) Provide details of the climate-related targets for your portfolio.

Target reference number

Por1

Year target was set

2019

Portfolio

Banking (Bank)

Product type/Asset class/Line of business

Retail mortgages

Sectors covered by the target

Real estate

Portfolio coverage of target

100

Target type

Sector Decarbonization Approach (SDA)

Target type: Absolute or intensity

Intensity

Scopes included in temperature alignment

<Not Applicable>

Metric (or target numerator if intensity)

Other, please specify (kgCO₂)

Target denominator

Meters squared

Base year

2019

Figure in base year

42

Percentage of portfolio emissions covered by the target

100

Interim target year

2030

Figure in interim target year

15.6

Target year

2030

Figure in target year

15.6

Figure in reporting year

42

% of target achieved relative to base year [auto-calculated]

0

Aggregation weighting used

<Not Applicable>

Proportion of portfolio emissions calculated in the reporting year based on asset level data

0

Proportion of the temperature score calculated in the reporting year based on company targets

<Not Applicable>

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science-based target initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

The figures provided for the reporting year relate to 2019 as these are the most recent figures available. The finale set of figures including the 2021 figures are currently being finalised and will be submitted to the SBTi for formal validation. Note: the proportion of portfolio emissions calculated in the reporting year based on asset level data has been disclosed as a zero as it is considered sensitive information.

Target reference number

Por2

Year target was set

2019

Portfolio

Banking (Bank)

Product type/Asset class/Line of business

Corporate real estate

Sectors covered by the target

Real estate

Portfolio coverage of target

100

Target type

Sector Decarbonization Approach (SDA)

Target type: Absolute or intensity

Intensity

Scopes included in temperature alignment

<Not Applicable>

Metric (or target numerator if intensity)

Other, please specify (kgCO2)

Target denominator

Meters squared

Base year

2019

Figure in base year

142

Percentage of portfolio emissions covered by the target

100

Interim target year

2030

Figure in interim target year

54

Target year

2030

Figure in target year

54

Figure in reporting year

142

% of target achieved relative to base year [auto-calculated]

0

Aggregation weighting used

<Not Applicable>

Proportion of portfolio emissions calculated in the reporting year based on asset level data

0

Proportion of the temperature score calculated in the reporting year based on company targets

<Not Applicable>

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science-based target initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

The figures provided for the reporting year relate to 2019 as these are the most recent figures available. The final set of figures including the 2021 figures are currently being finalised and will be submitted to the SBTi for formal validation. Note: the proportion of portfolio emissions calculated in the reporting year based on asset level data has been disclosed as a zero as it is considered sensitive information.

Target reference number

Por3

Year target was set

2019

Portfolio

Banking (Bank)

Product type/Asset class/Line of business

Project finance

Sectors covered by the target

Other, please specify (Electricity Generation)

Portfolio coverage of target

100

Target type

Sector Decarbonization Approach (SDA)

Target type: Absolute or intensity

Intensity

Scopes included in temperature alignment

<Not Applicable>

Metric (or target numerator if intensity)

Other, please specify (gCO2)

Target denominator

kWh

Base year

2019

Figure in base year

30

Percentage of portfolio emissions covered by the target

100

Interim target year

2030

Figure in interim target year

25

Target year

2030

Figure in target year

25

Figure in reporting year

30

% of target achieved relative to base year [auto-calculated]

0

Aggregation weighting used

<Not Applicable>

Proportion of portfolio emissions calculated in the reporting year based on asset level data

0

Proportion of the temperature score calculated in the reporting year based on company targets

<Not Applicable>

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science-based target initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

The figures provided for the reporting year relate to 2019 as these are the most recent figures available. The final set of figures including the 2021 figures are currently being finalised and will be submitted to the SBTi for formal validation. The 2019 figure of 30 gCO₂/kWh is much lower than the global average due to the focused concentration, of almost entirely, renewable energy projects within this portfolio. As such, applying a 1.5C aligned reduction pathway would require negative emissions before the technology required to this will be available. Given that the emission intensity is already at very low levels, AIB's target it to reduce this where possible and ensure that the electricity generation portfolio remains at very low emission intensity levels. Note: the proportion of portfolio emissions calculated in the reporting year based on asset level data has been disclosed as a zero as it is considered sensitive information.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Not applicable

Target year for achieving net zero

2030

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next 2 years

Please explain target coverage and identify any exclusions

We have committed to our own operations (Scope 1 & 2) being Net Zero by 2030. In May 2022, AIB Group committed to setting a near-term science-based emissions reductions targets with the Science Based Targets initiative (SBTi). The SBTi Net-Zero Financial Standard is currently in development process but our Scope 1 & 2 targets can be set up using the SBTi Net-Zero Criteria for Corporates. Our SBT for Scope 1& 2 will create a pathway with annual targets to deliver on our Net Zero ambition.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

Our Property Strategy led by AIB's Workplace Operations has set decarbonisation milestones to meet the Group's 2030 Net Zero operational ambition and interim near term targets have been set for 2025. With the aim to deliver our Net Zero goal, in 2021, we worked on developing our low carbon operational strategy and we undertook a study to identify high emitting activities, carbon-intensive premises and areas of focus (cooling, heating, fleet, etc). The findings allowed us to inform our Property Strategy and to establish a pathway to reach Net Zero. In 2021 AIB issued a tender for a Power purchase Agreement (PPA) to provide renewable energy to the property estate operating within ROI & NI jurisdictions. The PPA will provide a guarantee of origin of the electricity and will make a significant contribution to AIB's Net Zero commitment. Further reductions in emissions will be achieved by a further review of the property strategy, investment in energy efficiency and fleet upgrades to electric vehicles.

Planned actions to mitigate emissions beyond your value chain (optional)

Target reference number

NZ2

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Not applicable

Target year for achieving net zero

2040

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Please explain target coverage and identify any exclusions

We have set out our ambition for green and transition lending to represent 70% of new lending and will be Net Zero by 2040 (with the exception of agriculture which will likely need greater support and so we are aligned to the Government of Ireland's Climate Action plan). In May 2022, AIB Group committed to setting a near-term science-based emissions reductions targets with the Science Based Targets initiative (SBTi). Setting a SBT for our lending portfolio will lay out our pathway to achieve our NZ 2040 ambition. As the SBTi Net-Zero Financial Standard is currently in development process, we can't consider our NZ target as a SBT.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Unsure

Planned milestones and/or near-term investments for neutralization at target year

<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	3	372
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	7	1200.7
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

137.3

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

105000

Investment required (unit currency – as specified in C0.4)

640000

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

AIB have continued to reduce carbon emissions through reduction in energy consumption, through planned activities. This initiative covers the upgrade of older fluorescent lighting systems to modern LED type fittings and controls across the branch network & head office buildings. These initiatives are delivering annual carbon savings of 137.3 tonnes of CO2. NB#1: These initiatives exclude Payzone & Data Centres. NB#2: AIB has seen a significant reduction in its carbon emissions relating from planned initiatives implemented and through the impact of the Covid 19 pandemic. This imposed major changes to normal business operations including temporary location closures and all but critical staff working from home. Increased awareness through staff on-line learning.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Combination of building fabric upgrades, small power controls and BMS system upgrades)
--------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

4.5

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

15000

Investment required (unit currency – as specified in C0.4)

85000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

AIB have continued to reduce carbon emissions through reduction in energy consumption, through planned activities. This initiative covers premises within the branch network, it contained building fabric upgrades to older buildings, time clock controls to small power consuming equipment and upgrades to BMS systems. These initiatives are delivering annual carbon savings of 4.5 tonnes of CO2. NB#1: These initiatives exclude Payzone & Data Centres. NB#2: AIB has seen a significant reduction in its carbon emissions relating from planned initiatives implemented and through the impact of the Covid 19 pandemic. This imposed major changes to normal business operations including temporary location closures and all but critical staff working from home. Increased awareness through staff on-line learning.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Combination of building fabric upgrades, small power controls and BMS system upgrades)
--------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

21.1

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

17000

Investment required (unit currency – as specified in C0.4)

85000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

AIB have continued to reduce carbon emissions through reduction in energy consumption, through planned activities. This initiative covers premises within the branch network, it contained building fabric upgrades to older buildings, time clock controls to small power consuming equipment and upgrades to BMS systems. These initiatives are delivering annual carbon savings of 21.1 tonnes of CO2. NB#1: These initiatives exclude Payzone & Data Centres. NB#2: AIB has seen a significant reduction in its carbon emissions relating from planned initiatives implemented and through the impact of the Covid 19 pandemic. This imposed major changes to normal business operations including temporary location closures and all but critical staff working from home. Increased awareness through staff on-line learning.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

16.5

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

238538

Investment required (unit currency – as specified in C0.4)

562500

Payback period

11-15 years

Estimated lifetime of the initiative

16-20 years

Comment

AIB have continued to reduce carbon emissions through reduction in energy consumption. AIB has replaced and upgraded a number of branch locations containing older and less efficient air conditioning systems and ongoing monitoring of HVAC systems. These initiatives are delivering annual carbon savings of 16.5 tonnes of CO2. NB#1: These initiatives exclude Payzone & Data Centres. NB#2: AIB has seen a significant reduction in its carbon emissions relating from planned initiatives implemented and through the impact of the Covid 19 pandemic. This imposed major changes to normal business operations including temporary location closures and all but critical staff working from home. Increased awareness through staff on-line learning.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

15.4

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

15000

Investment required (unit currency – as specified in C0.4)

2000000

Payback period

21-25 years

Estimated lifetime of the initiative

16-20 years

Comment

AIB have continued to reduce carbon emissions through reduction in energy consumption. This initiative focused on the refurbishment of AIB Ann Street office to BREEAM Very Good standard. The building layout has been re-organised and new HVAC & BMS systems installed to maximise occupant comfort and energy efficient running of the building. These initiatives are delivering annual carbon savings of 15.4 tonnes of CO2. NB#1: These initiatives exclude Payzone & Data Centres. NB#2: AIB has seen a significant reduction in its carbon emissions relating from planned initiatives implemented and through the impact of the Covid 19 pandemic. This imposed major changes to normal business operations including temporary location closures and all but critical staff working from home. Increased awareness through staff on-line learning.

Initiative category & Initiative type

Company policy or behavioral change	Site consolidation/closure
-------------------------------------	----------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

382.2

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1200000

Investment required (unit currency – as specified in C0.4)

5000000

Payback period

4-10 years

Estimated lifetime of the initiative

1-2 years

Comment

AIB have continued to reduce carbon emissions through reduction in energy consumption. This initiative focused on the strategic fit of the company and aligning the property estate with the business needs. This has resulted in the closure of over 30 no. locations across three jurisdictions, including the former headquarters campus, with corresponding reductions in energy & related emissions. NB#1: These initiatives exclude Payzone & Data Centres. NB#2: AIB has seen a significant reduction in its carbon emissions relating from planned initiatives implemented and through the impact of the Covid 19 pandemic. This imposed major changes to normal business operations including temporary location closures and all but critical staff working from home. Increased awareness through staff on-line learning.

Initiative category & Initiative type

Company policy or behavioral change	Other, please specify (Limited active buildings due to Covid-19 Pandemic)
-------------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

623.7

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

600000

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

1-2 years

Comment

AIB have continued to reduce carbon emissions through reduction in energy consumption. Due to the Covid-19 pandemic, in 2021, AIB saw a reduction in occupancy in Head Office buildings and the temporary closures of the AIB estate. This allowed for lower consumption of energy through a lower requirement of active buildings or part thereof. NB#1: These initiatives exclude Payzone & Data Centres. NB#2: This imposed major changes to normal business operations including temporary location closures and all but critical staff working from home. Increased awareness through staff on-line learning.

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Our Sustainability and Energy and Environment teams monitor regulatory and market sustainability updates to ensure that we are keeping pace with the rapidly evolving ESG landscape. AIB Workplace Operations has implemented an integrated, Energy and Environment, management system to meet the ISO 50001 (Energy) & ISO 14001 (Environment) international standards. One of the primary cornerstones was an ability to actively measure/monitor environmental compliance obligations, and have the level of compliance expressed as a percentage. The IMS greatly facilitated AIB achieving full compliance with regard to its Trade Effluent Licences or the National Energy Efficiency Action Plan (NEEAP). Other environmental aspects that are to be complied with were GHG regulations, as well as ensuring the appropriate emergency response procedures were in place to deal with potential environmental incidents e.g., an oil leak entering storm drains etc. In 2020, we set out our ambitions in relation to achieving Net-Zero in our own operations and in our customer lending portfolio. In support of our Net-Zero ambition, it is our intention to continue to invest in energy-efficient projects to reduce our own footprint and to work to set SBTs for our lending portfolio.
Dedicated budget for other emissions reduction activities	AIB has a dedicated Energy Team which delivers the energy management strategy. In addition to having 100% renewable electricity supply across its locations, a biogas supply was procured during 2019 for its GB locations to further enhance the AIB commitment to sustainability and reduction of the carbon footprint from its operations. Every year AIB allocates a capital investment budget to the Energy Manager for investment in energy, reduction projects. Budgets are planned for 3 years in advance with a pipeline of projects maintained under the ISO 50001 energy opportunities register. Payback and projected savings are used to build a business case for investment. To support of our Net Zero ambition (Scope 1 & 2 emissions reduction) we will continue to invest in energy efficiency projects to reduce our own footprint, finalise our Corporate Power Purchase Agreement and are considering how the hybrid model of remote/onsite working will evolve and its potential impact.
Employee engagement	Sustainability is the fifth pillar of AIB's Group Strategy. Our Energy and Environmental Management Systems have detailed energy and environmental awareness plans. Our intranet page, as well as our dedicated blog has dedicated information aimed to increase behavioural change (carbon infographic, waste segregation tips, energy saving tips, etc.). In 2019, we launched a new "Environment and Climate Action" awareness course, designed to make staff more aware of their environmental / energy impacts. This digital course underpins employee engagement, and drives a sustainable, widespread culture change, helping our people make holistic changes that benefit their whole lives and the environment. In 2020, we developed sustainability training 101 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. In 2021, we introduced an additional module in our Sustainability training curriculum on climate risks and opportunities which is also mandatory for all employees. Many working groups have been embedded across our business and are instrumental in supporting the delivery of our Sustainability Strategy. Currently we have working groups in the UK, the USA, Corporate, Institutional & Business Banking, Risk, Legal, Treasury and Retail Banking. We have a Sustainability space on our internal employee communications channel. During 2022, we invited our colleagues to share their stories on action that they were taking and their pledge to do more.
Financial optimization calculations	All energy expenditure and energy processes are reviewed annually to identify if and where savings can be made. Necessary investments and budget for energy and fuel efficiency projects are made based on supporting financial optimisation calculations as well as meeting and supporting the objectives of the organisations' Energy and Environment Policies.
Internal incentives/recognition programs	"Appreciate" is AIB's on-line, bank-wide recognition programme that enables peer-to-peer recognition and empowers employees to recognise behaviours that demonstrate our purpose and values. All full and part-time AIB employees are eligible to participate in Appreciate. A range of awards are available to recognise varying levels of employee contribution. AIB's Head of EEHS gives recognition to colleagues and teams that are contributing and supporting the team's actions to "green" AIB's operations. Our career and performance development programme, Aspire, was rolled out in 2016. On the basis of each employee's objectives, which are set out at the beginning of every year, Aspire recognises and rewards both what was achieved during the year and how it was achieved. This encourages performance as well as behaviours in line with our Values. All employees have mandatory Sustainability objectives for 2022 which were agreed in 2021.
Internal finance mechanisms	Maximise efficiency of existing energy supplier arrangements/contracts. A business case is made for each initiative proposed based on financial optimisation calculations as well as supporting the objectives of the organisations' Environmental and Energy Policies.
Dedicated budget for energy efficiency	On an annual basis, a capital budget is allocated to the energy manager for energy reduction projects. A full measurement and verification programme is put in place to ensure savings are fully achieved.
Dedicated budget for low-carbon product R&D	Annually AIB explores the market for financing opportunities for new low carbon finance products. In 2019, we launched our Climate Action Fund committing €1bn per year over 5 years to support Green and Transition lending. In 2021, we increased the fund to €10bn in total by 2023, to reflect the financial implications of this opportunity for our business. Since the launch of the fund, we have continued to expand our sustainable finance products and service offerings and in 2021 we introduced our Green Consumer Loan for retrofitting, expanded the Green Mortgage to our Haven brand, reduced our AIB Green mortgage fixed interest rates and entered a joint venture with a leasing company to support customers that want to change to electric vehicles.
Internal price on carbon	AIB's internal carbon price is used when evaluating funding of energy efficiency projects and as a driver to reach the bank energy reduction targets: a) 33% energy efficiency savings by 2020 (target achieved), improve energy efficiency by 50% by 2030. This evaluating criteria has a significant funding impact on projects with lower return on investment but with a potential to reduce AIB's carbon footprint significantly.

C-FS4.5

(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?

Yes

C-FS4.5a

(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).**Product type/Asset class/Line of business**

Banking	Retail mortgages
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Taxonomy or methodology used to classify product

Internally classified

Description of product

Green Residential Mortgages: In Ireland, our proposition is a Fixed rate mortgage for new and existing AIB, EBS & Haven, Owner Occupier Mortgage Customers whose property has a Building Energy Rating (BER) of between A1-B3 inclusively. Both new and existing customers who meet the qualifying criteria can avail of the Green Fixed Rate either as part of their mortgage application (new customers) or via the Mortgage Rate Amendment process (for qualifying existing customers). In February 2020, AIB UK launched one of the first Green Mortgage offerings in the UK market and the first in Northern Ireland. These Green rates offer a material discount versus next best available rate and are a leading rate within the Mortgage product offering. Green Mortgages are a key product for our business and collectively account for 20% of new mortgage lending in 2021 in Ireland (up from 14% in 2020). Existing customer take up of the Green Mortgage is also strong. The Mortgage Green rates offer a material discount versus next best available rate and are a leading rate within the Mortgage product offering .

Product enables clients to mitigate and/or adapt to climate change

Mitigation
Adaptation

Portfolio value (unit currency – as specified in C0.4)

3571000000

% of total portfolio value

6.1

Type of activity financed/insured or provided

Green buildings and equipment

Product type/Asset class/Line of business

Banking	Retail loans
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Taxonomy or methodology used to classify product

Internally classified

Description of product

AIB has committed to 70% of all new lending to be green or transition by 2030. The Green Personal Loan was delivered in two phases during 2021, with phase 1 launching via our mobile channel with a second phase offering the AIB Green Personal Loan via our staff assisted channels (Direct Banking). The AIB Green Personal Loan is relevant to consumers looking to purchase a new electric / hybrid vehicle or make green home improvements in order to increase the energy rating of the home.

Product enables clients to mitigate and/or adapt to climate change

Mitigation
Adaptation

Portfolio value (unit currency – as specified in C0.4)

15000000

% of total portfolio value

0.01

Type of activity financed/insured or provided

Green buildings and equipment
Low-emission transport
Renewable energy
Carbon removal

Product type/Asset class/Line of business

Banking	Corporate loans
---------	-----------------

Taxonomy or methodology used to classify product

Internally classified

Description of product

ECAI/Renewable Energy Finance AIB is an active lender to renewable energy projects across Ireland, UK, Europe and the US. Technologies supported include Onshore & Offshore wind, Solar and Bioenergy. AIB have provided lending to renewables generation projects for a number of years now, so we are well established in this area and continue to have the largest and most active energy renewables team in the Irish market. The Energy, Climate Action and Infrastructure (ECAI) portfolio continued to be one of the fastest growing lending books in AIB, with net balance sheet growth of over 40% in 2021. It also continued being one of the best performing loan books in the bank with nearly 100% of the book fully performing demonstrating the resilience of the renewables asset class. The book also had no COVID-19 modification requests.

Product enables clients to mitigate and/or adapt to climate change

Mitigation
Adaptation

Portfolio value (unit currency – as specified in C0.4)

1940000000

% of total portfolio value

3.32

Type of activity financed/insured or provided

Renewable energy

Product type/Asset class/Line of business

Banking	Debt and equity underwriting
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Taxonomy or methodology used to classify product

Green Bond Principles (ICMA)

Description of product

Our Green Bond programmes support the Banks Capital and Minimum Requirements for own funds and Eligible Liabilities (MREL) issuance programmes by aligning our funding and liquidity plans with the banks sustainability agenda and having a Debt Capital Markets (DCM) offering for socially responsible investors. In 2021, we issued our second Green Bond - a €750m transaction that was two times oversubscribed during the book build process, with 99 separate investors from 19 different countries. We now have a total of €1.75bn issued under our Green Bond programme. Our Green Bonds are underpinned by our comprehensive Green Bond Framework. The Eligibility Criteria used to define the eligible Green Loan Portfolio for AIB's Green Bonds are based strictly on the International Capital Marketing Association (ICMA) Green Bond Principles and on best market practice. The definition of the Eligibility Criteria set out in the framework takes into account the EU Taxonomy regulation and the EU

Taxonomy Climate Delegated Act and we have implemented them to the greatest extent currently possible - as verified in our latest Second Party Opinion from Sustainalytics, where a full Taxonomy alignment exercise was completed. The eligible categories include Green Commercial Buildings, Green Residential Buildings, Renewable Energy and Clean Transportation. €1.75bn debit issuance on at 1:1 with customer balances would represent 3% of portfolio balances, however the % total portfolio value has been set to 0% .

Product enables clients to mitigate and/or adapt to climate change

Mitigation
Adaptation

Portfolio value (unit currency – as specified in C0.4)

1750000000

% of total portfolio value

0

Type of activity financed/insured or provided

Green buildings and equipment
Low-emission transport
Renewable energy
Risk transfer mechanisms for under-insured or uninsured

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, an acquisition

Name of organization(s) acquired, divested from, or merged with

Goodbody

Details of structural change(s), including completion dates

In September 2021, Goodbody became part of AIB Capital Markets, bringing additional capability in wealth management, corporate finance, asset management and wider capital markets propositions. As it was only acquired in Sept 2021, emissions from Goodbody operations are excluded from our 2021 emissions data disclosure

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	To consolidate our GHG emission and following an operation control approach, we have re-stated our 2020 emissions data to reflect the disclosure of datacentre emissions as part of our Scope 3 emissions instead of under our operational emissions. For more information see C.6.1, C6.3 and C6.5a

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	No, because the operations acquired or divested did not exist in the base year	As per C5.1a - Goodbody became part of AIB Group in 2021. As it was only acquired in September, emissions from Goodbody operations are excluded from our 2021 emissions data disclosure. As per C5.1b - In 2020, we incorporated the emissions of our datacentres to our boundary. As these are co-located and following an operational control approach, we have re-stated our 2020 emissions data to reflect the disclosure of datacentre emissions as part of our Scope 3 emissions. For more information see C.6.1, C6.3 and C6.5a

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2009

Base year end

December 31 2009

Base year emissions (metric tons CO2e)

11514

Comment

Our Base year is 2009 and it was chosen in line with public reporting commitments and historical data availability. Our baseline year will be reviewed in 2022.

Scope 2 (location-based)

Base year start

January 1 2009

Base year end

December 31 2009

Base year emissions (metric tons CO2e)

21272

Comment

Our Base year is 2009 and it was chosen in line with public reporting commitments and historical data availability. Our baseline year will be reviewed in 2022.

Scope 2 (market-based)

Base year start

January 1 2009

Base year end

December 31 2009

Base year emissions (metric tons CO2e)

3912

Comment

Our Base year is 2009 and it was chosen in line with public reporting commitments and historical data availability. Our baseline year will be reviewed in 2022.

Scope 3 category 1: Purchased goods and services

Base year start

January 1 2009

Base year end

December 31 2009

Base year emissions (metric tons CO2e)

392

Comment

Scope 3 category 2: Capital goods

Base year start

January 1 2009

Base year end

December 31 2009

Base year emissions (metric tons CO2e)

115

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1 2018

Base year end

December 31 2018

Base year emissions (metric tons CO2e)

6122

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2009

Base year end
December 31 2009

Base year emissions (metric tons CO2e)
304

Comment

Scope 3 category 6: Business travel

Base year start
January 1 2009

Base year end
December 31 2009

Base year emissions (metric tons CO2e)
4774

Comment

Scope 3 category 7: Employee commuting

Base year start
January 1 2009

Base year end
December 31 2009

Base year emissions (metric tons CO2e)
7497

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
N/A

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
N/A

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
N/A

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
N/A

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
N/A

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3 category 15: Investments

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

2452000

Comment

FY2019 figures for the 3 portfolios that we disclosed in the 2021 sustainability report (Residential Mortgages, CRE and Electricity Generation) are: Total Scope 3 financed absolute emissions (metric tonnes CO2 equivalents): Residential Mortgages = 1,378,000 Commercial Real Estate = 1,024,000 Electricity Generation = 50,000 Total = 2,452,000 Portfolio Coverage (On-Balance Sheet assets/products %) Residential Mortgages = 51% 2021 (48% 2019) Commercial Real Estate = 9% 2021 (9% 2019) Electricity Generation = 3% 2021 (2% 2019) These absolute emissions figures have not been externally validated at this point. During 2022 we will further expand the coverage of our targets to include the corporate assets and seek external accreditation for our Scope 1, 2, and 3 from the SBTi

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

IEA CO2 Emissions from Fuel Combustion

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources

US EPA Emissions & Generation Resource Integrated Database (eGRID)

Other, please specify (CEDA, SEAI and CRU (SEM))

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
3978.4

Start date
January 1 2021

End date
December 31 2021

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
4213

Start date
January 1 2020

End date
December 31 2020

Comment

We have re-stated our 2020 emissions data to reflect the disclosure of datacentre emissions as part of our Scope 3 emissions. Resulting in an adjustment of our Scope 2 and 3 emissions respectively. Our Scope 1 emissions remained the same.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
5944.6

Scope 2, market-based (if applicable)
100.5

Start date
January 1 2021

End date
December 31 2021

Comment

Past year 1

Scope 2, location-based
7575

Scope 2, market-based (if applicable)
114

Start date
January 1 2020

End date
December 31 2020

Comment

We have re-stated our 2020 emissions data to reflect the disclosure of datacentre emissions as part of our Scope 3 emissions. Resulting in an adjustment of our Scope 2 and 3 emissions respectively.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Goodbody (AIB Group Subsidiary)

Relevance of Scope 1 emissions from this source

Emissions excluded due to a recent acquisition or merger

Relevance of location-based Scope 2 emissions from this source

Emissions excluded due to a recent acquisition or merger

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions excluded due to a recent acquisition or merger

Explain why this source is excluded

Emissions from Goodbody operations are excluded from 2021 reporting as it was acquired in Sept 2021.

Estimated percentage of total Scope 1+2 emissions this excluded source represents

<Not Applicable>

Explain how you estimated the percentage of emissions this excluded source represents

<Not Applicable>

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2985.7

Emissions calculation methodology

Average data method
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

AIB use supplier water bills, and total spend on paper consumption to calculate these emissions. Within this category we also report emissions from data centres (co-located facilities not operated by AIB). The bank is analysing and studying the reliability and availability of more data related to this category to determine the incorporation of its emissions in subsequent years. In 2020 AIB joined the CDP Supply Chain Programme. Water: Data supplied shows only water supplied to AIB. Emissions factors used are based on DEFRA 2021 guidelines. Paper: Total spend by AIB for Paper consumption was apportioned across AIB based on FTE. Total emissions for paper were estimated using an economic input-output model which has used emission factors from the CEDA 5.0 Database (Comprehensive Environmental Data Archive 5.0). Note: CEDA emission factors only account for the indirect emissions, not the emissions associated to the use of the product or service that may have already been accounted for in a different category of the footprint. Data Centre: These are emissions associated with the energy use of the co-located datacentres. SEAI conversion factors used.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

926.1

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Capital Goods is comprised of IT equipment. Total emissions for IT were estimated using an economic input-output model which has used emission factors from the CEDA 5.0 Database (Comprehensive Environmental Data Archive 5.0). Note: CEDA emission factors only account for the indirect emissions, not the emissions associated to the use of the product or service that may have already been accounted for in a different category of the footprint.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

3158

Emissions calculation methodology

Average data method
Spend-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

WTT & T+D emissions associated with AIB's energy use. Fuel and energy related activities includes all well-to-tank emissions and transmission and distribution loss emissions associated with all energy consumed by AIB. This was calculated using the Scope 1 and 2 fuel data (natural gas, diesel, kerosene, gas oil), Scope 2 electricity data, and Scope 3 business travel and commuting data, and applying the DEFRA 2021 Well-to-tank and transmission and distribution loss conversion factors.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As a financial institution, we are not involved in manufacturing activities. Our financial services are not physical products. These services are only linked to monetary transactions. Emissions related to upstream transportation and distribution are considered not material for the distribution of our services.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

38.6

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Waste data is provided by our waste service providers and the use of water bills allows us to calculate water treatment emissions. Waste calculated categories include data gathered from the following waste streams: MSW mixed municipal waste, dry mixed recyclables, food & compost waste, C&D waste, C&I waste, cardboard waste, timber waste, paper waste, metal waste, water treatment waste, WEEE waste, grease trap waste, waste refrigerant gases and used cooking oil. Waste to landfill, waste recycled, waste recovered and waste composted were measured in tonnes on site. Relevant emissions factors sourced from DEFRA 2021 were used to calculate emissions.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

342.3

Emissions calculation methodology

Spend-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Business travel is divided into the following sections: air travel, bus travel, taxi, rail travel, ferry travel, car mileage and hotel stays. Relevant emissions factors sourced from DEFRA 2021 were used to calculate emissions. Business travel data is captured from suppliers and internal expenses management systems. As per best practice we have included hotel stays within the scope of business travel emissions.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

2007.9

Emissions calculation methodology

Average data method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

AIB have developed an internal commuting model to estimate emissions from employee commuting. Benchmarks for the countries in which AIB offices are located (Ireland, United Kingdom and U.S.) have been used based on FTE to identify journey times, journey distances and modes of transport. For Ireland, the "Census of Population 2016 -Profile 6 Commuting in Ireland - Means of Travel to Work" census, as made available by the Central Statistics Offices, was used to estimate proportion of transport model taken by employees in Ireland. Time and distance data also provided by the Central Statistics Office was used to determine journey times and distances. For the United Kingdom, the UK Government's Department of Transport's 2021 statistics indicating proportions of travel mode and duration and distance of commute, were used. For the U.S., U. S. Census Bureau, 2020 American Community Survey. The relevant emission factor for each transport type provided by DEFRA (2021) were used to estimate emissions based on resultant data. a) AIB actively works to minimise this type of commuting emissions. AIB facilitate staff who wish to work from flexible locations to enable a better work-life balance. Thanks to IT upgrades our staff is allowed to work remotely. AIB encourages the use of sustainable transport where possible; A bus service is operated 6 times per day servicing our head offices in Dublin. Bike racks, showers and drying areas are provided to encourage staff uptake. Electric car changing points are available at our main head offices. AIB staff in Dublin has access to a car sharing scheme and, Tax saver and bike to work schemes are available to all AIB staff. b) Due to Covid pandemic and working from home requirements, emissions in this category have decreased. c) Working from home emissions not included. d) AIB has moved to a hybrid working model to further reduce commute emissions.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions associated from the operation of assets that are leased by AIB have been included in scope 1 and scope 2 disclosed in previous sections. We calculated the emissions from these renting properties as if it were AIB owned properties. A new disclosure in this section will lead to emissions being double-counted.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As a financial institution, AIB is not involved in manufacturing activities. Our financial services are not physical products. These services are only linked to monetary transactions. Emissions related to downstream transportation and distribution are considered not material for the distribution of our services.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

AIB is a financial services provider. This scope 3 category is not applicable to us as we don't have any manufacturing operations. Our financial services are not physical products. These "products" are only linked to monetary transactions that do not require processing.

Use of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The reason to consider this category not material is that AIB is a financial services provider. We don't have any manufacturing operations. AIB financial services are not physical products. These "sold products" are online services or intangible products therefore making this source of emissions not relevant.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

AIB is a financial services provider. We don't have any manufacturing operations. AIB financial services are not physical products. These are online services or intangible products that don't require and end of life treatment, therefore making this source of emissions not relevant

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

AIB does not lease assets to a third party, therefore these emissions are considered not relevant

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

These scope 3 emissions are not applicable as AIB does not have any franchises.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

AIB has not identified any additional downstream emissions not already reported in other categories

Other (downstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

AlB has not identified any additional downstream emissions not already reported in other categories

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

January 1 2020

End date

December 31 2020

Scope 3: Purchased goods and services (metric tons CO2e)

2422

Scope 3: Capital goods (metric tons CO2e)

3557

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

2410

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)

106

Scope 3: Business travel (metric tons CO2e)

884

Scope 3: Employee commuting (metric tons CO2e)

2360

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

<Not Applicable>

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

We have re-stated our 2020 emissions data to reflect the disclosure of datacentre emissions as part of our Scope 3 emissions (Category 1). Resulting in an adjustment of our Scope 2 and 3 emissions respectively.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00000417

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

9923

Metric denominator

unit total revenue

Metric denominator: Unit total

2379000000

Scope 2 figure used

Location-based

% change from previous year

16

Direction of change

Decreased

Reason for change

The reduction in our tCO2/unit total revenue emissions intensity figure (16% lower) has been driven largely by a reduction in our Scope 1 and 2 carbon footprint. Our Scope 1 and 2 emissions decreased from 11,788 tCO2e to 9,923 tCO2e (-16%), whilst our revenue increased by 0.25% (from 2,373€m to 2,379€m). This decrease in emissions intensity is linked to emission reduction initiatives (full list outlined in question 4.3b). In summary, we achieved a reduction of our Scope 1 & 2 emissions thanks to a) the transition the replacement of older less efficient air conditioning systems, b) building fabric upgrades to older buildings, time clock controls to small power consuming equipment and upgrades to BMS systems, c) upgrade of older fluorescent lighting systems to modern LED type fittings and controls across the branch network & head office buildings, d) refurbishment of AIB Ann Street office to BREEAM Very Good and e) re-organisation of building layouts and new HVAC & BMS systems installed to maximise occupant comfort and energy efficient running of the building. Note: We have re-stated our 2020 emissions data to reflect the disclosure of datacentre emissions as part of our Scope 3 emissions (Category 1). Resulting in an adjustment of our Scope 2 and 3 emissions respectively. Change from previous year was calculated using the re-stated emissions. See C6.1 an C6.3 for further information.

Intensity figure

1.1

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

9923

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

9043

Scope 2 figure used

Location-based

% change from previous year

12.9

Direction of change

Decreased

Reason for change

The reduction in our tCO2/FTE emissions intensity figure (12.9% lower) has been driven largely by a reduction in our Scope 1 and 2 carbon footprint. Our Scope 1 and 2 emissions decreased from 11,788 tCO2e to 9,923tCO2e (-16%). We achieved a reduction of our Scope 1 emissions thanks to the replacement of older less efficient air conditioning systems and installation of small controls items across the branch network. A range of energy-efficient initiatives, such as, time clock controls to small power consuming equipment and upgrades to BMS systems and upgrading fluorescent type lighting systems to modern LED lighting including controls, contributed to reduce our Scope 2 emissions. A full list of the emission reduction initiatives implemented in 2021 that contributed to this decrease is outlined in question 4.3b. COVID-19 and a FTE decrease have also played a part in this reduction. Note: We have re-stated our 2020 emissions data to reflect the disclosure of datacentre emissions as part of our Scope 3 emissions (Category 1). Resulting in an adjustment of our Scope 2 and 3 emissions respectively. Change from previous year was calculated using the re-stated emissions. See C6.1 an C6.3 for further information.

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	We are reporting location-based Scope 2 emissions, so renewables do not affect the total.
Other emissions reduction activities	1200.7	Decreased	10	The emissions total (1200.7 tonnes) is derived from the emissions reductions activities/projects implemented in C4.3b. These emissions are then divided by total Scope 1&2 from 2020 (11,788 tonnes) x100. $1200.7/11788*100 = 10\%$ reduction Note1: Change from previous year was calculated using the re-stated emissions. Note 2: We have re-stated our 2020 emissions data to reflect the disclosure of datacentre emissions as part of our Scope 3 emissions (Category 1). Resulting in an adjustment of our Scope 2 and 3 emissions respectively. See C6.1 and C6.3 for further information.
Divestment		<Not Applicable >		
Acquisitions	0	No change	0	As per our response to C5.1a, In September 2021, Goodbody became part of AIB Group. As it was only acquired in Sept 2021, emissions from Goodbody operations are excluded from our 2021 emissions data disclosure and do not affect the total.
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology		<Not Applicable >		
Change in boundary	0	No change	0	Change from previous year was calculated using the re-stated emissions and do not affect the total as currently the emissions of our datacentres are reported under Scope 3. As per our response to C5.1b, to consolidate our GHG emissions and following an operation control approach, we have re-stated our 2020 emissions data to reflect the disclosure of datacentre emissions as part of our Scope 3 emissions (Category 1) instead of our Scope 2 emissions. Resulting in an adjustment of our Scope 2 and 3 emissions respectively. See C6.1, C6.3 and C6.5a for further information.
Change in physical operating conditions		<Not Applicable >		
Unidentified	664.3	Decreased	5.6	The emissions total (664.3 tonnes) is derived from remaining unidentified emissions (1865-1200.7=664.3). These emissions are then divided by total Scope 1&2 from 2020 (11,788 tonnes) x100. $664.3/11788*100 = 5.6\%$ reduction. Note that YOY Scope1&2 difference is 1865 tonnes. These unidentified emissions are due to reductions related to a) transition to a sustainable fleet, b) behavioural changes, c) remote working and the impact of Covid pandemic. The proportion of emissions attributed to a, b and c above is unknown. Therefore Covid-19 related emissions are reported under the "unidentified changes" category instead of the "change in output" Note1: Change from previous year was calculated using the re-stated emissions. Note 2: We have re-stated our 2020 emissions data to reflect the disclosure of datacentre emissions as part of our Scope 3 emissions (Category 1). Resulting in an adjustment of our Scope 2 and 3 emissions respectively. See C6.1 and C6.3 for further information.
Other		<Not Applicable >		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	59.48	18638.3	18697.78
Consumption of purchased or acquired electricity	<Not Applicable>	24873.96	363	25236.96
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	24933.44	19001.3	43934.74

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Ireland

Consumption of electricity (MWh)

23107.13

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

23107.13

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

United Kingdom of Great Britain and Northern Ireland

Consumption of electricity (MWh)

1958.2

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1958.2

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

United States of America

Consumption of electricity (MWh)

171.64

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

171.64

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Other, please specify (Scope 1 and 2 (location) tCO2e per unit of total operating income)

Metric value

0

Metric numerator

9923

Metric denominator (intensity metric only)

2,384,000,000

% change from previous year

16

Direction of change

Decreased

Please explain

Metric value is: 0.00000416 The reduction in our "tCO2e/total operation income" emissions intensity figure has been driven almost entirely by a reduction in our Scope 1 and 2 carbon footprint, linked to emission reduction initiatives outlined in question 4.3b. Our Scope 1 and 2 footprint saw a 16% reduction, whilst our total operating income remained almost unchanged (~3% decrease).

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

AIB ISO14064-3 Verification Statement v1.2 220721 ISSUED.pdf

Page/ section reference

1

Relevant standard

ISO14064-1

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

AIB ISO14064-3 Verification Statement v1.2 220721 ISSUED.pdf

Page/ section reference

1

Relevant standard

ISO14064-1

Proportion of reported emissions verified (%)

96

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Page/ section reference

1

Relevant standard

ISO14064-1

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Purchased goods and services

Scope 3: Capital goods

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Scope 3: Waste generated in operations

Scope 3: Business travel

Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

AIB ISO14064-3 Verification Statement v1.2 220721 ISSUED.pdf

Page/section reference

1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

73

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Other, please specify (Annual Primary Energy Consumption for AIB locations in ROI, activity metrics, annual energy management projects and energy management and energy management practices)	The information is submitted using SEAI's online monitoring & reporting (M&R) system. (SEAI stands for Sustainable Energy Authority of Ireland) An SEAI-appointed Energy Expert carries out a Data Verification assessment (DVA) to ensure that the information submitted is robust and satisfies SEAI's data acceptability thresholds. The DVA is a limited assurance process and is a critical aspect of data validation in the M&R system, i.e. for ensuring, insofar as is practical, that the data which is submitted is robust and verifiable. However, it is also a means for SEAI to support organisations in improving how they gather and submit M&R data and for providing feedback on the M&R system. https://www.seai.ie/energy-inbusiness/monitoring-and-reporting/data-quality/	AIB is required to improve its energy efficiency by 50% by 2030 under NEEAP and the SI 426:2014 Regulations and to report to SEAI (The Sustainable Energy Authority of Ireland) its annual energy performance data using an online monitoring and reporting system (M&R). The following is reported on annual basis: a) primary energy consumption for all energy types, b) value that quantifies the level of activity undertaken by the organisation each year (activity metrics - energy performance indicators), c) detail on energy saving projects (annual savings from implemented and planned projects in kWh TPER) and d) summary of AIB's energy management programme.
C6. Emissions data	Other, please specify (ROI Business Travel)	Business mileage data is submitted using SEAI's online monitoring & reporting (M&R) system. (SEAI stands for Sustainable Energy Authority of Ireland). Mileage data reported for business travel in 2022 (2021 reporting cycle) is converted to emissions by SEAI directly. For 2021, this data was not subject to data verification assessment (DVA) by SEAI. In subsequent years this data will be included in the annual DVA process and subject to limited assurance.	In addition to reporting energy data (under NEEAP and the SI 426:2014), AIB is also required to provide business travel data to SEAI since 2021.

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Drive energy efficiency

GHG Scope

Scope 1

Scope 2

Application

The internal carbon pricing mechanism along with a life cycle cost analysis applies to all energy efficiency projects. These projects are evaluated by the Energy and Engineering Services teams within AIB Workplace Operations. Both units are responsible for driving energy efficiency and managing the maintenance of throughout the organisations estate. The teams comprise of a wide range of skills and abilities from electricians and plumbers to facility managers, engineers and energy experts.

Actual price(s) used (Currency /metric ton)

20

Variance of price(s) used

Is an evolutionary pricing based on the Irish Carbon Tax that was introduced in Ireland in 2010. The Irish Committee on Climate Action agreed a series of increases for the carbon tax from 2020. This will continue to move towards €100 per tonne in 2030. As per Budget 2021, the carbon tax was €33.5 per tonne of CO2 emitted. Due to uncertainties caused by Covid-19, AIB's internal carbon price remained as €20 per tonne in 2021.

Type of internal carbon price

Shadow price

Implicit price

Impact & implication

AIB's internal carbon price is used when evaluating funding of energy efficiency projects and as a driver to reach the Group's NEEAP energy reduction target (50% by 2030) and other voluntary carbon and energy targets. This evaluating criteria has a significant funding impact on projects with lower return on investment but with a potential to reduce AIB's carbon footprint significantly. An example on how this pricing affects our investment decisions is our green energy supply or the prioritisation of energy optimisation projects in our estates with particular focus on boiler upgrades.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

Yes, our investees

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

Third party suppliers are incredibly important to AIB and each play a different part. They help support our IT systems and banking platforms, give us professional advice, provide us with resources with specialised skills, operate our buildings and feed our colleagues. They are all essential to help AIB operate and achieve our purpose. They all play a part in helping back our customers to achieve their dreams and ambitions. As one of the largest pillar banks in Ireland, AIB employs a broad range of suppliers across multiple categories of suppliers. 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. AIB wants to support an inclusive ethical supply chain and ensure that individuals and companies throughout our supply chain work responsibly, sustainably, and safely. During 2021, we increased the focus of sustainability within our supply chain ensuring that our Responsible Supplier Code is referenced as part of all our purchasing transactions. We are encouraging our suppliers to consider the environmental impact of their activities and to integrate environmental principles into their activities as far as possible. Our Responsible Supplier Code supports this and the requirement to comply with our Code is written into all our Request For Procurement (RFP) documentation. 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. As part of our RFP process all Suppliers are being asked to adhere to our Responsible Supplier Code.

Impact of engagement, including measures of success

Following on from the launch of our Responsible Supplier Code ('the code') in 2020 we continued to implement the code as part of our supplier management processes. We had an objective to ensure we communicate the code to all of our suppliers, by communicating the code to our suppliers we are informing them of our expectations of them with respect to Human rights, doing business responsibly and doing business sustainably. The Code into only identifies our expectations of all Suppliers but also of their stakeholders, employees, subcontractors and any other third parties, whilst detailing what they can expect from us in return. The code applies to all Suppliers and now forms part of our RFP process when engaging with all new Suppliers. To meet our objective in 2021 we took steps to ensure the code is communicated to all our suppliers by including it in all AIB purchase orders. The Code now appears on every AIB purchases order by reference and link. Furthermore, we updated our supplier payments portal to include an announcement banner which informs the supplier of the code. Measure of success and threshold: The code is now communicated to 100% of our suppliers via purchase order inclusion.

Comment

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

2.1

% total procurement spend (direct and indirect)

39

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

Third party suppliers are incredibly important to AIB and each play a different part. They help support our IT systems and banking platforms, give us professional advice, provide us with resources with specialised skills, operate our buildings and feed our colleagues. They are all essential to help AIB operate and achieve our purpose. As one of the largest pillar banks in Ireland, AIB employs a broad range of suppliers across multiple categories of suppliers. 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 (Tier5) 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. In 2021 we started to capture data on our Tier 1 Supplier emissions and will be working to set targets on emissions reduction in our supply chain.

Impact of engagement, including measures of success

In 2021 we engaged our top tier suppliers and encouraged them to join us in our pledge to do more. The suppliers were invited to participate in CDP reporting and AIB supplier relationship management team supported the supplier in registration. To further support this engagement AIB partnered with CDP to host a supplier carbon disclosure registration webinar. The webinar was designed to be both informative in terms of the 'how to' but also to emphasis AIB's sustainability strategy and commitments. AIB recognise that our suppliers play an important role in helping us achieve our sustainability goals. Measure of success and threshold: The response engagement for our top tier suppliers was 62%.

Comment

C-FS12.1b

(C-FS12.1b) Give details of your climate-related engagement strategy with your clients.

Type of clients

Customers/clients of Banks

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate clients about the climate change impacts of (using) your products, goods, and/or services

Run an engagement campaign to educate clients about climate change

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% client-related Scope 3 emissions as reported in C-FS14.1a

0

Portfolio coverage (total or outstanding)

100

Rationale for the coverage of your engagement

Other, please specify (We have had a) Non targeted comms a with our mass market communications targeting customers and non customers with the Green offerings available from AIB and b) targeted comms with customers with increased propensity for climate related opportunities)

Impact of engagement, including measures of success

As part of our 'pledge to do more' campaign, AIB has consistently communicated the ways in which we are bringing that to life to our customers and to encourage customer education and to drive engagement with the ways they can make a difference. In 2020 AIB publicly committed to operate as carbon neutral by 2030, and in 2021 AIB continued to promote this commitment and our green products heavily to customers, with multi-channel advertising campaigns including TV, radio, OOH, digital and social along with our event series which were designed to educate and engage with customers face to face, proving successful. AIB continued to sponsor the Sustainability Academy with Dublin Chamber of Commerce. Comprising a series of workshops designed to help participant companies gain a better understanding of where they are on their sustainability journey and what sustainability means for business, it enabled participants to develop a roadmap for future engagement and action. We want all our customers to know they have sustainable options when they bank with us and help them to make informed financial decisions that can have a positive impact on climate change. This commitment is evident also in the corporate partnerships that we support including organisations such as FoodCloud (charity committed to eradicating food waste) and TASC (an independent Think Tank for Action on Social Change). Case Study: AIB partnered with Coillte and launched a Youth Reforestation initiative where AIB committed to planting a native Irish tree on behalf of the account holder. A target of 90,000 trees was set over the course of three years and with every student current account opened AIB would plant a tree with the goal to grow a forest. This was communicated via an impactful campaign. AIB partnered with one of Ireland's top DJ's and TikTok star's Welshy to create an original soundtrack which was the soundtrack for all creative assets. This was amplified across: social media (Tik Tok & Snapchat), Digital Audio (Spotify), Video on Demand (YouTube) along with AIB owned branch screens. Measure of success: During the reforestation campaign period there was an increase of 157% in student online current account openings year on year. The Influencer campaign reached 285.2k users and the remaining activity drove over 500,000 clicks to the AIB website. In addition, Green lending accounted for 19% of our new lending in 2021 (vs 16% in 2020) reflecting our increased promotion of green products.

Type of clients

Customers/clients of Banks

Type of engagement

Information collection (understanding client behavior)

Details of engagement

Other, please specify (Collection of information from a representative sample of Irish consumers to understand both their behaviours, and their attitudes to Sustainability, particularly with regard to Climate, on an ongoing basis)

% client-related Scope 3 emissions as reported in C-FS14.1a

0

Portfolio coverage (total or outstanding)

100

Rationale for the coverage of your engagement

Other, please specify (We have had a) Non targeted comms a with our mass market communications targeting customers and non customers with the Green offerings available from AIB and b) targeted comms with customers with increased propensity for climate related opportunities)

Impact of engagement, including measures of success

52% of adults, and 57% of AIB customers, recognise the role for banks in tackling climate change. The AIB Sustainability Index (ASI) uncovers insights related to Sustainability for different consumer cohorts, so that we can ensure we are building products, partnerships and communications which will engage, guide and support our customers to make lifestyle changes. After 4 waves of research, the overall index has remained stable at 66. 38% of respondents said they have been doing more with regard to sustainability since Covid-19, but one barrier to living more sustainably is finances and affordability. Notwithstanding, 1 in 3 adults feel they are living sustainably. 21% are growing their own vegetables more than before. AIB responded by 1) providing monthly tips and recipes from GIY on seasonal veg to our 500k+ social media followers across all channels, 2) promoting the impact of our partnership with Food Cloud (6,300T of surplus food redistributed). We are committed to helping our customers lower their carbon footprint by supporting them with products, finance and guidance. Personal customers benefitted from our partnership with Nissan (0% PCP finance on the entire Leaf EV range) and over 2k new and 3.1k existing customers have availed of our Green Mortgage representing 19.3% of all new mortgage lending in 2021. Our sponsorship of Teagasc Grass10, Signpost, Moorepark and Irish Grasslands Association promoted the importance of sustainability in Agriculture. Our virtual Business Leaders Live event on Sustainability had 230 live attendees and was viewed 1100 times on YouTube. Pre and post event social campaigns drove 19k clicks to the website with 3m impressions. Our Green Bond, the first issued by an Irish bank, was twice oversubscribed. We communicated ATL throughout 2021, confirming our commitment to operate as Carbon Neutral across all channels including TV, delivering over 1m impressions. We promoted our sponsorship of Climate Finance Week (CFWI) 2021 and the AIB Sustainability Conference encouraging registrations. Resultant spikes in visitor numbers to our Sustainability webpages when active doubled web traffic, over the course CFWI (unique page views): +145% traffic-increase WoW, +65% traffic-increase YoY vs Nov19. In September 2021 we removed statement printing at branch kiosks, the on screen message explaining the paper reduction. 458,708 unique users were exposed to the message.

Type of clients

Customers/clients of Banks

Type of engagement

Engagement & incentivization (changing client behavior)

Details of engagement

Run an engagement campaign to educate clients about the climate change impacts of (using) your products, goods, and/or services

Run an engagement campaign to educate clients about climate change

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% client-related Scope 3 emissions as reported in C-FS14.1a

0

Portfolio coverage (total or outstanding)

100

Rationale for the coverage of your engagement

Engagement targeted at clients with increased climate-related opportunities

Impact of engagement, including measures of success

The marketing campaign for green mortgages in AIB(NI) was officially launched in 2021 across press, search, display, social and Out of Home. In addition, as part of an activation for the green mortgages campaign we partnered with influencers to create a content series on social media called 'Rate My Home', which educated audiences on how to find their EPC ratings. The NI 2021 target was for 25% of all new mortgage lending to be green in the first year. Impact of engagement: The Green Mortgages digital activity reached 154k with 340k impressions, and ongoing activity drove a reach of 111k. The 'Rate My Home' activity drove additional reach of 450k across social media with consumer engagement at 5%, above the industry average (3%). The target of 25% of total drawdowns being green was met, and exceeded when considering planned drawdowns where it runs at 44%.

C-FS12.1c

(C-FS12.1c) Give details of your climate-related engagement strategy with your investees.

Type of engagement

Information collection (Understanding investee behavior)

Details of engagement

Climate-related criteria is integrated into investee evaluation processes

% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b

100

Investing (Asset managers) portfolio coverage

<Not Applicable>

Investing (Asset owners) portfolio coverage

<Not Applicable>

Rationale for the coverage of your engagement

Engagement targeted at investees with increased climate-related opportunities

Impact of engagement, including measures of success

AIB has established a Socially Responsible Investment (SRI) Bond portfolio to fund domestic and international projects aimed at global sustainability, carbon emission reduction, and social improvement, all under the over-arching themes of Environment, Social, and Governance (ESG). The portfolio represents 27% of the overall investee base. It is likely, as more issuers and current investees enter the ESG market that this percentage will grow steadily in the coming years. AIB collects ESG related information to assess qualification criteria for the SRI bond portfolio. With regard to green bonds, in order to measure the impact of our investment, we require issuer reporting to align with the ICMA Principles reporting recommendations. We have also set minimum ESG scoring criteria from international agencies such as MSCI to determine eligibility for our portfolio. This criteria has resulted in a number of investment proposals being automatically rejected for failing to meet the required standards. We will not include bonds in our SRI portfolio where the issuer does not intend to publish any information, reports, or impact metrics regarding their sustainable bond issuance. We have ongoing engagement with existing investees and potential future investees directly via 1-on-1 meetings and indirectly via investment banks and conferences in order to discuss our SRI Bond Framework and Investees issuance frameworks. The publication of investment criteria in our SRI Bond Framework, has demonstrated to investees the standards required by AIB for ESG investment to be considered. Our measure of success is an internal target to grow the balance invested in the SRI portfolio. For 2021, we set an internal target of >€1.2bn for our SRI bond portfolio, which we exceeded. We are building towards a medium-term target of the SRI bond portfolio accounting for 10% of AIB's total investment securities. To ensure we keep pace with the rapidly changing sustainability market, Sustainability-Linked bonds (SLBs) became eligible for the SRI Portfolio in 2021. SLBs allow companies that cannot issue green bonds to contribute to sustainability and positive environmental outcomes. Investing in these bonds also allows AIB to further our own commitment to sustainability.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

To understand the environmental issues of most concern of our stakeholders, we have ongoing engagement exercises that combine direct feedback with a revised survey of our stakeholder group. In this case "other partners" refers to staff, management, state agencies, shareholders, analyst, educational bodies, suppliers and non-governmental bodies. To simplify for reporting purposes we have grouped all our stakeholders in 6 groups: Society, Customers, Investors, Regulators, Suppliers and Employees.

We continually engage with the above groups. Following are some of the ways we use to engage with them: Society (direct partnership, community initiatives, surveys, materiality exercise, other), Customers (materiality exercise, focus groups, AIB website, Ask AIB, net promoter score, others), Investors (materiality exercise, industry conferences, AGM and shareholder services, financial reporting, others), Regulators (site visits, regulatory reporting, materiality exercise, others) and Employees (iConnect engagement survey, team meetings, intranet, employee resources groups, materiality exercise, others).

Given our role and impact across the markets where we operate, engaging with our stakeholders remains a cornerstone of our approach to meeting their expectations of us. Despite the ongoing challenges of the COVID-19 pandemic, this engagement has continued through 2021, across both formal and informal channels, and is two-way. It has to be. That's how we understand, learn and respond to the issues that matter. Working in collaboration with them, and recognising the interaction they have with one another through the course of business and personal lives we use the insights we get as the basis for our evolving strategy and reporting activities. Our stakeholder management and engagement programme is overseen by our Executive Committee (ExCo). In 2021 we extended our scope of stakeholders to include our suppliers for the first time. This was in recognition of the significant role they play in the economy and in their impact on our sustainability strategy and Climate & Environment ambitions and targets. In 2021, we refreshed our independent ESG materiality exercise - the results are outlined in our 2021 Sustainability Report. Through 2021, notwithstanding the prevalence of the pandemic, the issues of cyber security and data protection remained high on our stakeholders agenda, with the challenge of Climate Change raised for all our stakeholders which was a marked change from our previous exercise in 2019.

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage indirectly through trade associations

Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

We have a stated clear ambition for 70% of our new lending to be green or transition by 2030 and have a target to achieve Net Zero in our financed emissions by 2040 for our lending portfolio (2050 including Agriculture). See page 9 of document attached sustainability-full-report-2021.pdf

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Given our role and impact across the markets where we operate, engaging with our stakeholders remains a cornerstone of our approach to meeting their expectations of us. Despite the ongoing challenges of the COVID-19 pandemic, this engagement has continued through 2021, across both formal and informal channels. Working in collaboration with stakeholders, and recognising the interaction they have with one another through the course of business and personal lives we use the insights we get as the basis for our evolving strategy and reporting activities. Our stakeholder management and engagement programme is overseen by our Executive Committee (ExCo). In 2021 we extended our scope of stakeholders to include our suppliers for the first time. This was in recognition of the significant role they play in the economy and in their impact on our sustainability strategy and Climate & Environment ambitions and targets. In 2021, we refreshed our independent ESG materiality exercise - the results are outlined on page 17 of our 2021 Sustainability Report (attached).. Through 2021, notwithstanding the prevalence of the pandemic, the issues of cyber security and data protection remained high on our stakeholders agenda, with the challenge of Climate Change raised for all our stakeholders which was a marked change from our previous exercise in 2019. Throughout our sustainability report we demonstrate how we continue to respond to the issues raised, continue to support the economy & society where we operate whilst also ensuring a strong balance sheet for the benefit of all our stakeholders. AIB is a supporter of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and this is our second year of disclosure aligning to the TCFD recommendations. AIB has also signed up to the Net Zero Banking Alliance, Equator Principles, WEF Stakeholder Capitalism metrics and UN Global Compact in 2021. We have continued to make progress in building a climate resilient business and expanding our range of products to address environmental issues. Our 2021 ESG independent ratings reflect the progress we have made with leadership scores across three of the key ESG ratings, and we are working to sustain and where possible improve our performance further in 2022.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (UNEP FI)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (UN Global Compact)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (TCFD)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (WEF)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (SBTi)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Net Zero Banking Alliance)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Banking Payments Federation of Ireland (BPFi))

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Business in the Community Ireland (BITC))

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Chambers Ireland)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Dublin Chamber)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Institute of Bankers Ireland)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Wind Energy Ireland)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Sustainable Energy Authority Ireland (SEAI))

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization
Research organization

State the organization to which you provided funding
Economic & Social Research institute (ESRI)

Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)
0

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
Heighten awareness of the challenge of and public attitudes toward Climate Change. Note: Funding figure is sensitive and has not been disclosed.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

aib-group-plc-2021-annual-financial-report-3-march-2022.pdf

Page/Section reference

Governance - Page 48, 210, 211 Emission Targets - Page 3, 26, 42, 49 Emission Figures - Page 13, 43 Strategy (Climate Action) - Page 35 Other Metrics - Page 43 Risks & Opportunities - Page 27, 31, 48, 49, 103, 165, 168, 197

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

sustainability-full-report-2021.pdf

Page/Section reference

Governance - Page 10 to 12, 21, 26, 27 Strategy - Page 9, 10, 21, 23 to 25 Risk & Opportunities - Page 22 to 24, 28 to 35 Emission Figures - 107 to 109 Emission Targets - Page 22, 23

Content elements

Governance
Strategy

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

aib-group-(uk)-p.l.c.-annual-financial-report-2021.pdf

Page/Section reference

Governance - page 26 Strategy - page 26 Risks - page 27 Emission targets - page 10, 26 UK CO2 emissions - page 28 UK Energy use (kWh) - page 28 Total CO2e per FTE - page 28

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Streamlined Energy and Carbon Reporting - from the operations in AIB UK

Publication

In voluntary communications

Status

Complete

Attach the document

AIB_Infographic2021_A4_Landscape.pdf

Page/Section reference

Page 1

Content elements

Emissions figures

Comment

Carbon infographic

C-FS12.5

(C-FS12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1 CDP Signatory Equator Principles Net Zero Banking Alliance Science Based Targets Network (SBTN) Science-Based Targets Initiative for Financial Institutions (SBTi-FI) Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact UNEP FI Principles for Responsible Banking Other, please specify (World Economic Forum Stakeholder Capitalism Metrics)	CDP signatory - AIB has been reporting to CDP since 2003 Equator Principles - AIB became a signatory of the Equator Principles (EP) in October 2021 making a formal commitment to apply these principles to all applicable lending which includes our Renewable Energy, Infrastructure and other Project Finance lending in Ireland, UK, Europe and North America. Having become a signatory to the EP we are, where necessary, upgrading our existing risk management policies and procedures and will, in line with this commitment, make the necessary disclosures. Net Zero Banking Alliance - Signed up in April 2021 Science Based Targets Network (SBTN) / Science-Based Targets Initiative for Financial Institutions (SBTi-FI) - In 2020 AIB outlined that science-based targets (SBTs) were being defined to lay out the pathway to achieve emissions reductions in our customer loan book to 2030, and that we would provide an update on these targets in the short-term. This will enable both our Net Zero ambition and our target that by 2030 70% of new lending should be green or transition. Over the course of 2021, a key strategic focus was to further embed and integrate sustainability and climate action into AIB's strategy. Significant progress has been made on the development of Science Based Targets (SBTs) for our lending portfolio. We are currently in the process of seeking external validation and accreditation from the SBTi and NZBA for our Scope 1, 2, and 3 Science based Targets. Taskforce on Climate-related Financial Disclosures - Signed up in Sept 2019, and began reporting on our implementation of the recommendations in our FY2020 reporting. UN Global Compact- Signed up in Feb 2021, and submitted our first Communication of Progress in March 2022. UNEP FI Principles for Responsible Banking - We signed up in September 2019 and began reporting on our implementation of the principles in our FY2020 Sustainability Report. AIB is actively engaged in working groups that support the implementation of the Principles across all the signatory banks globally and, through co-leading the Reporting Working Group, is one of the twelve banks on overall Implementation Working Group for the initiative. World Economic Forum ("WEF") Stakeholder Capitalism Metrics - in 2021 AIB became the first Irish company to sign up to the World Economic Forum (WEF) Stakeholder Capitalism metrics in our reporting. These metrics include non-financial disclosures around the four pillars of people, planet, prosperity and principles of governance. These pillars align with our own existing commitments built around the Environmental, Social and Governance (ESG) model.	

C14. Portfolio Impact

C-FS14.0

(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.

Lending to all carbon-related assets

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify (In Q3 2022 validation of Scope 3 financed emissions targets will be completed for portfolios including residential mortgages, CRE, electricity generation, Corporate Other and fossil fuels. We will disclose our exposures post validation)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

In Q3 2022 validation of Scope 3 financed emissions targets will be completed for portfolios including residential mortgages, CRE, electricity generation, Corporate Other and fossil fuels. We will disclose our exposures post validation

Lending to coal

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify (In Q3 2022 validation of Scope 3 financed emissions targets will be completed for portfolios including mortgages, CRE, electricity generation, Corporate Other and fossil fuels including coal. We will disclose our exposures post validation)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

In Q3 2022 validation of Scope 3 financed emissions targets will be completed for portfolios including residential mortgages, CRE, electricity generation, Corporate Other and fossil fuels including coal. We will disclose our exposures post validation

Lending to oil and gas

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

In Q3 2022 validation of Scope 3 financed emissions targets will be completed for portfolios including residential mortgages, CRE, electricity generation, Corporate Other and fossil fuels including oil and gas. We will disclose our exposures post validation

C-FS14.1

(C-FS14.1) Does your organization measure its portfolio impact on the climate?

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Please explain why you do not measure the impact of your portfolio on the climate
Banking (Bank)	Yes	Portfolio emissions	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS14.1a

(C-FS14.1a) Provide details of your organization's portfolio emissions in the reporting year.

Banking (Bank)

Portfolio emissions (metric unit tons CO2e) in the reporting year

2452000

Portfolio coverage

59

Percentage calculated using data obtained from clients/investees

0

Emissions calculation methodology

The Global GHG Accounting and Reporting Standard for the Financial Industry

Please explain the details and assumptions used in your calculation

The portfolio emissions figures presented are based on FY19 for three of our key asset classes (Residential Mortgages, Commercial Real Estate and Electricity Generation) covering 59% of the FY19 total loan book. These are the most recent figures that are available and we are currently in the process of finalising the portfolio emission figures for the previous 3 years including all of the other key portfolios in our loan book. These updated FY21 portfolio emission figures and associated targets will be submitted to the SBTi and NZBA for formal validation. Following this, we will publicly disclose our finalised set of scope 3 portfolio baseline emissions and targets. In order to calculate baseline emissions for the three initial asset classes, internal data sources such as BER/EPC ratings and property size were used in tandem with external data sources such as the SEAL to ensure that the most accurate figures were calculated. Emission intensity has been used as the primary measure for each of these three asset classes, enabling direct comparison with country wide averages as well as IEA pathways and other relevant scenarios. Note: the proportion of percentage calculated using data obtained from clients/investees has been disclosed as zero as the guidance states that this is optional and it is considered sensitive information.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's portfolio impact?

	Portfolio breakdown	Please explain why you do not provide a breakdown of your portfolio impact
Row 1	Yes, by asset class	<Not Applicable>

C-FS14.2a

(C-FS14.2a) Break down your organization's portfolio impact by asset class.

Asset class		Portfolio metric	Portfolio emissions or alternative metric
Banking	Retail mortgages	Other, please specify (Emission Intensity (KgCO ₂ /M ²))	42
Banking	Corporate real estate	Other, please specify (Emission Intensity (KgCO ₂ /M ²))	142
Banking	Other, please specify (Project Finance: Electricity Generation)	Other, please specify (Emission Intensity (gCO ₂ /kWh))	30
Banking	Retail mortgages	Absolute portfolio emissions (tCO ₂ e)	1378000
Banking	Corporate real estate	Absolute portfolio emissions (tCO ₂ e)	1024000
Banking	Other, please specify (Project Finance: Electricity Generation)	Absolute portfolio emissions (tCO ₂ e)	50000

C-FS14.3

(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?

	Actions taken to align our portfolio with a 1.5°C world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS14.3a

(C-FS14.3a) Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?

	Assessment of alignment of clients/investees' strategies with a 1.5°C world	Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world
Banking (Bank)	No, but we plan to in the next two years	In Q3 2022 validation of Scope 3 financed emissions targets will be completed for portfolios including residential mortgages, CRE, electricity generation, Corporate Other and fossil fuels including coal. We will disclose our exposures post validation. To ensure that these portfolios are aligned to 1.5 C and post validation of the targets, AIB will be tracking lending to clients to ensure alignment to 1.5 C. In due course this will require assessment of client / investees business strategies are aligned to 1.5 C outcomes and providing the appropriate support to enable the to make the transition to a 1.5 C outcome
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

The European Climate Pact Submission

Please indicate your consent for CDP to showcase your disclosed environmental actions on the European Climate Pact website as pledges to the Pact.

Yes, we wish to pledge to the European Climate Pact through our CDP disclosure

Please confirm below

I have read and accept the applicable Terms

Verification Statement

To the stakeholders of AIB Group p.l.c., (AIB)

EcoAct, an Atos Company, trading as Carbon Clear Ltd, (EcoAct) was engaged by AIB Group plc of 10 Molesworth Street, Dublin D02 R126 to conduct limited verification of its 2021 Scope 1, 2 and Scope 3 carbon emissions using the International Standard Organisation's 14064-3:2019 specification with guidance for the validation and verification of greenhouse gas statements.

Objective

The objective of this verification was to confirm whether the GHG statements as reported in AIB's Annual Report were fairly stated and free from material error or omission in accordance with the criteria outlined below

Verification Opinion

Based on the data and information provided by AIB and the verification processes followed, nothing has come to EcoAct's attention to indicate that the following GHG statements are not fairly stated and free from material error.

Verified Emissions	2021 Emissions (tCO ₂ e)
Scope 1 emissions	3,978.4 tCO ₂ e
Scope 2 emissions ¹	5,725.5 tCO ₂ e
Scope 3 emissions	
Capital goods	926.1 tCO ₂ e
Employee Business Travel	341.9 tCO ₂ e
Employee Commuting	2,007.9 tCO ₂ e
Fuel- and Energy-Related Activities (Not included in Scope 1 or Scope 2)	3,065.7 tCO ₂ e
Purchased goods and services ²	544.5 tCO ₂ e
Waste & Wastewater	38.6 tCO ₂ e
Outside of scope³	18.9 tCO₂e

Criteria

The AIB carbon footprint was calculated using The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol); the UK Government's emission conversion factors for greenhouse gas company reporting (2021); the International Energy Agency electricity emissions factors (2021) and other emissions factors as required.

The organisational boundary of AIB is defined as the company's operations and activities in Ireland including Payzone, in the UK and the US. Emissions were calculated from activities under AIB's operational control. Operations and activities in the carbon footprint boundary included those related to Scope 1 Emissions, (Combustion of fuels), fugitive emissions, Scope 2 emissions (electricity) and Scope 3 Emissions (Purchased Goods and Services, Capital Goods, Fuel and energy-related activities, Waste generated in operations, Business travel and Employee commuting).

Description of activities

EcoAct's verification team identified emissions sources material to the carbon footprint and verified their activity data through the review and testing of consolidated data and evidence, along with the testing of a sample of data back to its primary source. We then verified the carbon footprint calculations and the GHG statements in accordance with the organisational and operational boundaries outlined above.

¹Location based emissions factors were used to calculate the Scope 2 emissions for the group. When market-based factors are applied, Scope 2 emissions are 100.5 tCO₂e.

²This value excludes datacenters emissions related to electricity usage (2,441.2 tCO₂e) as energy factor used to calculate emissions (SEAI) was not aligned with previous years (SEMO) and rectification was still pending at completion of the verification. Datacenter's electricity emissions under CAT1 were overstated by 27%.

³CO₂ emissions from biogenic emissions - from biomass combustion (12.32 tCO₂e), emissions from non-Kyoto gases (6.62 tCO₂e)

Amendments to the carbon footprint calculation, to correct data discrepancies identified, were made during the verification process by the AIB team. In particular correction of energy factors used to calculate emissions related to business travel, IT and paper purchase, restatement of waste activity data. These discrepancies were not material to the data reported.

Further findings and recommendations about AIB' carbon emissions data and assertions were provided to AIB's Sustainability team in a separate document. Issues related to energy factors used to calculate emissions for the Datacentres and water remain with the Accuvio team for processing.

Flavia Scott

Flavia Scott

Senior Consultant

EcoAct, an Atos Company

London, July 2022

Statement of independence

EcoAct is an independent company specializing in carbon management consulting and in the calculation of carbon footprints, with extensive experience in the verification of carbon data, information, systems and processes. The data required for the greenhouse gas emissions described in this statement were compiled by AIB. The greenhouse gas assertions described in this statement were calculated by AIB. No member of the verification team was involved in the carbon footprint calculation process. No member of the EcoAct team has a business relationship with AIB Group plc., its Directors or Managers beyond that required of this assignment. To our knowledge there has been no conflict of interest.