

Reporting period
1/1/2023 – 31/12/2023



2024 CLIMATE CHANGE RESPONSE





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Verification Statement for 2023 GHG Emissions	
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C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☒ English

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

Select from:

☒ EUR

(1.3) Provide an overview and introduction to your organization.

(1.3.1) Type of financial institution

Select from:

☒ Bank

(1.3.2) Organization type

Select from:

☒ Partially privately owned and partially state owned organization

(1.3.3) Description of organization

AIB Group p.l.c, the "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. AIB is our principal brand across all our geographies. AIB provides a range of products and services to retail, business and corporate customers. AIB holds market-leading positions across key segments. 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 digital bank in Ireland whilst transforming our branch network. AIB's leading Irish retail franchise serves over 3.02 million active customers with over 2.19 million digitally active customers. Retail Banking has an expanded reach via EBS, Haven, AIB Merchant Services, Payzone, Nifti and AIB life. EBS is a predominantly mortgage-focused brand within AIB Group, helping

thousands of customers buy their own homes in Ireland. It offers mortgage, personal banking, savings and investment products and services. Haven is our mortgage broker channel, which was established as a subsidiary of EBS in 2007, providing mortgages through intermediaries on behalf of AIB Group. AIB Merchant Services is an associate of the Group, with the other shareholder being 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, a subsidiary of AIB Group, provides comprehensive payment solutions to more than 7,500 retail stores, more than 100 clients and more than 500,000 app users across Ireland. Nifti is an associate of the Group, with the other shareholder being Nissan Ireland Ltd. NiftiBusiness and Nifti Personal Leasing promote mobility solutions including more sustainable offerings. NiftiBusiness assists companies in achieving their fleet management goals; Nifti Personal Leasing offers personal car leasing to consumers via AIB's new Personal Contract. AIB life is a joint venture with Great-West Lifeco providing protection, pensions and investments to help customers on their path to financial security one step at a time. Capital Markets, which includes Goodbody, serves the Group's large and medium-sized business customers as well as our private banking customers, providing deep-sector expertise combined with our comprehensive product offering. AIB UK operates in the two distinct markets of Great Britain and Northern Ireland. Across both regions AIB supports our corporate customers with sector-specific expertise. In Northern Ireland, we offer full service retail banking. Our purpose is empowering people to build a sustainable future, and sustainability remains at the heart of our Group strategy. Having developed a stronger core to the Group in the past number of years while also welcoming a large number of new customers due to the changing banking landscape in Ireland, we have laid the foundations for the next phase of strategic development. Over the next three years, we will continue to put our purpose into action. 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.

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/31/2023

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:

☒ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:

☒ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:
☒ Not providing past emissions data for Scope 1

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:
☒ Not providing past emissions data for Scope 2

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:
☒ Not providing past emissions data for Scope 3
[Fixed row]

(1.4.1) What is your organization’s annual revenue for the reporting period?

4722000000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☒ Yes

[Fixed row]

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

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

IE00BF0L3536

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

3U8WV1YX2VMUHH7Z1Q21

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

[Add row]

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

Select all that apply

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

(1.9) What was the size of your organization based on total assets value at the end of the reporting period?

136349000000

(1.10) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

Banking (Bank)

(1.10.1) Activity undertaken

Select from:

- ☒ Yes

(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

Select from:

- ☒ Yes, both the portfolio value and the % of revenue associated with it

(1.10.4) Portfolio value based on total assets

131437000000

(1.10.5) % of revenue

100

(1.10.6) Type of clients

Select all that apply

☒ Other, please specify :Exposed to all broad market sectors

(1.10.7) Industry sectors your organization lends to, invests in, and/or insures

Select all that apply

- | | |
|---|---|
| ☒ Retail | ☒ Manufacturing |
| ☒ Apparel | ☒ Infrastructure |
| ☒ Services | ☒ Power generation |
| ☒ Materials | ☒ International bodies |
| ☒ Hospitality | ☒ Transportation services |
| ☒ Food, beverage & agriculture | |
| ☒ Biotech, health care & pharma | |

Investing (Asset manager)

(1.10.1) Activity undertaken

Select from:

☒ No

Investing (Asset owner)

(1.10.1) Activity undertaken

Select from:

☒ No

Insurance underwriting (Insurance company)

(1.10.1) Activity undertaken

Select from:

☒ No

[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☒ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☒ Upstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☒ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☒ Tier 2 suppliers

(1.24.7) Description of mapping process and coverage

We encourage our suppliers to report their carbon emissions through the CDP (Carbon Disclosures Project). In 2023, the number of suppliers who requested to participate in reporting to CDP increased by 14% to 114, and the number of suppliers submitting responses increased by 27% to 90. Suppliers with the highest spend

in industries with higher carbon emissions are prioritised in terms of AIBs requests to disclose climate information. Suppliers who confirmed to CDP that they have net zero transition plan in place accounted for 376m of supplier spend, 37% of total supplier spend in the year.

[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

☒ No, and we do not plan to within the next two years

(1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

☒ Not an immediate strategic priority

(1.24.1.6) Explain why your organization has not mapped plastics in your value chain

AIB is a financial services provider and has a very low usage of plastics within its value chain. We provide our customers with plastic cards (bank / credit cards) and some secure authentication devices, and we encourage our suppliers to provide environmentally friendly packaging (recyclable and reusable) where feasible. We haven't mapped plastics in our value chain as we have limited plastic usage within our business. We have transitioned to bank cards with the highest proportion of recycled materials in the payments industry and we support our customers adoption of virtual cards across a wide range of devices. It is also our strategy to transition away from physical secure authentication devices, where possible.

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

2

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The Group's MRA identified C&E as a new principal risk for the Group and was approved by the Board in the second half of 2023. The MRA is an annual top-down process, identifying the Group's material risks in line with the Group's Risk Management Framework, taking into account the Group's strategic objectives, in addition to internal and external risk sources including climate related and environmental factors. The material risk assessment 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. The impact and likelihood of potential climate risks have been assessed in the short (3-10 years), and long-term (10 years) time horizons. There were several factors assessed to determine the materiality of these impacts across the Group's material risks including reputation, regulatory, financial losses and impact on business objectives. The Group is continuing to develop its risk management approach on the assessment of climate risks impacting other risks, supported by appropriate tools and methodologies. C&E risk is also assessed within other risk management tools including the Physical Risk and ESG Sectoral Risk heatmaps. The Group uses these heatmaps to align its business practices with sustainable and environmentally standards and to identify the short (3-10 yrs), and long-term (10 yrs) risks that are facing the Group.

Medium-term

(2.1.1) From (years)

3

(2.1.3) To (years)

9

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The Group's MRA identified C&E as a new principal risk for the Group and was approved by the Board in the second half of 2023. The MRA is an annual top-down process, identifying the Group's material risks in line with the Group's Risk Management Framework, taking into account the Group's strategic objectives, in addition to internal and external risk sources including climate related and environmental factors. The material risk assessment 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. The impact and likelihood of potential climate risks have been assessed in the short (3-10 years), and long-term (10 years) time horizons. There were several factors assessed to determine the materiality of these impacts across the Group's material risks including reputation, regulatory, financial losses and impact on business objectives. The Group is continuing to develop its risk management approach on the assessment of climate risks impacting other risks, supported by appropriate tools and methodologies. C&E risk is also assessed within other risk management tools including the Physical Risk and ESG Sectoral Risk heatmaps. The Group uses these heatmaps to align its business practices with sustainable and environmentally standards and to identify the short (3-10 yrs), and long-term (10 yrs) risks that are facing the Group.

Long-term

(2.1.1) From (years)

10

(2.1.2) Is your long-term time horizon open ended?

Select from:

☒ Yes

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The Group's MRA identified C&E as a new principal risk for the Group and was approved by the Board in the second half of 2023. The MRA is an annual top-down process, identifying the Group's material risks in line with the Group's Risk Management Framework, taking into account the Group's strategic objectives, in addition to internal and external risk sources including climate related and environmental factors. The material risk assessment 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. The impact and likelihood of potential climate risks have been assessed in the short (3-10 years), and long-term (10 years) time horizons. There were several factors assessed to determine the materiality of these impacts across the Group's material risks including reputation, regulatory, financial losses and impact on business objectives. The

Group is continuing to develop its risk management approach on the assessment of climate risks impacting other risks, supported by appropriate tools and methodologies. C&E risk is also assessed within other risk management tools including the Physical Risk and ESG Sectoral Risk heatmaps. The Group uses these heatmaps to align its business practices with sustainable and environmental standards and to identify the short (3-10 yrs), and long-term (10 yrs) risks that are facing the Group.

[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

(2.2.1) Process in place

Select from:

☒ Yes

(2.2.2) Dependencies and/or impacts evaluated in this process

Select from:

☒ Impacts only

(2.2.4) Primary reason for not evaluating dependencies and/or impacts

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(2.2.5) Explain why you do not evaluate dependencies and/or impacts and describe any plans to do so in the future

Nature loss is a complex topic and the first step on our journey is to understand more clearly how our financing activities interact with nature and the ecosystem services it provides. We will continue to explore existing science and emerging frameworks to identify the most meaningful, comparable and robust strategy to report and measure our environmental impacts, dependencies, risk management of nature/biodiversity in our lending portfolio and corresponding opportunities.

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	<i>Select from:</i> ☒ Yes	<i>Select from:</i> ☒ Both risks and opportunities	<i>Select from:</i> ☒ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☒ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☒ Impacts

☒ Risks

☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain

(2.2.2.4) Coverage

Select from:

- ☒ Partial

(2.2.2.5) Supplier tiers covered

Select all that apply

- ☒ Tier 1 suppliers
- ☒ Tier 2 suppliers

(2.2.2.7) Type of assessment

Select from:

- ☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- ☒ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.2.10) Integration of risk management process

Select from:

- ☒ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Local
- ☒ National

(2.2.2.12) Tools and methods used

Enterprise Risk Management

- ☒ Stress tests
- ☒ Other enterprise risk management, please specify :Heat-mapping

International methodologies and standards

- ☒ IPCC Climate Change Projections

Other

- ☒ Jurisdictional/landscape assessment
- ☒ Scenario analysis
- ☒ Other, please specify :ESG Questionnaire, MRA, RAS, RCA

(2.2.2.13) Risk types and criteria considered

Acute physical

- | | |
|--|---|
| ☒ Drought | ☒ Flood (coastal, fluvial, pluvial, ground water) |
| ☒ Wildfires | ☒ Storm (including blizzards, dust, and sandstorms) |
| ☒ Heat waves | |

- ☒ Cyclones, hurricanes, typhoons
- ☒ Heavy precipitation (rain, hail, snow/ice)

Chronic physical

- ☒ Heat stress
- ☒ Water stress
- ☒ Sea level rise
- ☒ Temperature variability
- ☒ Increased severity of extreme weather events
- ☒ Changing precipitation patterns and types (rain, hail, snow/ice)

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- ☒ Customers
- ☒ Investors
- ☒ Local communities
- ☒ Regulators
- ☒ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- ☒ No

(2.2.2.16) Further details of process

The Group's Material Risk Assessment identified C&E as a new principal risk for the Group and was approved by the Board in the second half of the year. The MRA is an annual top-down process, identifying the Group's material risks in line with the Group's Risk Management Framework, taking into account the Group's strategic objectives, in addition to internal and external risk sources including C&E factors. The 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. The impact and likelihood of potential climate risks have been assessed in the short, medium, and long-term time horizons. There were several factors assessed to determine the materiality of these impacts across the Group's material risks including reputation, regulatory, financial losses and impact on business objectives. The Group is continuing to develop its risk management

approach on the assessment of climate risks impacting other risks, supported by appropriate tools and methodologies.. Climate and Environmental risk is also assessed within other risk management tools including the Physical Risk and ESG Sectoral Risk heatmaps. Physical Risk Heatmap serves as a visual tool used to identify the physical impact of C&E risks on the Group, including its own buildings and customers across Ireland and the UK. The heatmap supports the qualitative approach to assess the Group's exposure of physical risks across various geographies. The main physical risk impacting the Group pertains to the increased frequency and intensity around flooding. The Group has prioritised the assessment of flood risk when considering its exposure. In this regard, the Group continues to progress work to enhance its flood risk management capabilities. In addition, the heatmap is also used to identify and assess the physical flood risk as part of the Group's assessment of collateral under Pillar 3 CRR Article 449a, showing "sensitivity" to physical risk for non-financial corporates secured by immovable property under an adverse climate scenario. ESG Sectoral Risk Heatmap is a qualitative approach to identifying priority risk sectors areas for ESG impact assessment. The ESG Questionnaire has been incorporated into the credit application process for customers in high-risk transition sectors on new lending over /300k, which have been identified as carrying increased transitional environmental, social and governance related risk. The ESG sectoral heat-map is used to identify the high-risk sectors in scope for the questionnaire. The questionnaire has both generic and sector specific questions on a range of topics from Climate & Environmental risk specific matters to social considerations such as human rights and diversity to determine an ESG risk rating. The ESG questionnaire output is an additional factor for consideration in the credit decisioning process. The impact of C&E risk is incorporated in the Group's stress testing framework by conducting a comprehensive scenario analysis to evaluate the potential impact of various climate-related events on the Group's portfolios, operations, and overall financial position. Scenario testing enables the Group to assess the interconnectedness of risks, considering not only direct physical risks but transition risks arising from shifts in market dynamics, investor sentiment and regulatory landscapes.

[Add row]

(2.2.4) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts related to your portfolio activities?

Banking (Bank)

(2.2.4.1) Process in place covering this portfolio

Select from:

☒ Yes

(2.2.4.2) Dependencies and/or impacts related to this portfolio evaluated in this process

Select from:

☒ Impacts only

(2.2.4.3) Primary reason for not evaluating dependencies and/or impacts related to this portfolio

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(2.2.4.4) Explain why you do not evaluate dependencies and/or impacts related to this portfolio and describe any plans to evaluate this in the future

Nature loss is a complex topic and the first step on our journey is to understand more clearly how our financing activities interact with nature and the ecosystem services it provides. We will continue to explore existing science and emerging frameworks to identify the most meaningful, comparable and robust strategy to report and measure our environmental impacts, dependencies, risk management of nature/biodiversity in our lending portfolio and corresponding opportunities.

[Fixed row]

(2.2.5) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities related to your portfolio activities?

	Process in place covering this portfolio	Risks and/or opportunities related to this portfolio are evaluated in this process	Is this process informed by the dependencies and/or impacts process?
Banking (Bank)	Select from: ☒ Yes	Select from: ☒ Both risks and opportunities	Select from: ☒ Yes

[Fixed row]

(2.2.6) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities related to your portfolio activities.

Banking (Bank)

(2.2.6.1) Environmental issue

Select all that apply

☒ Climate change

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

☒ Impacts

☒ Risks

☒ Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

50

(2.2.6.4) Type of assessment

Select from:

☒ Qualitative and quantitative

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply

☒ Food, beverage & agriculture

☒ Power generation

☒ Transportation services

(2.2.6.6) Frequency of assessment

Select from:

☒ Annually

(2.2.6.7) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.6.8) Integration of risk management process

Select from:

- ☒ Integrated into multi-disciplinary organization-wide risk assessment process

(2.2.6.9) Location-specificity used

Select all that apply

- ☒ Local
- ☒ National

(2.2.6.10) Tools and methods used

Select all that apply

- ☒ Internal tools/methods
- ☒ Scenario analysis
- ☒ Stress tests
- ☒ Other, please specify :MRA, RAS, RCA, ESG questionnaire

(2.2.6.11) Risk type and criteria considered

Acute physical

- | | |
|--|---|
| ☒ Drought | ☒ Flood (coastal, fluvial, pluvial, ground water) |
| ☒ Wildfires | ☒ Storm (including blizzards, dust, and sandstorms) |
| ☒ Heat waves | |
| ☒ Cyclones, hurricanes, typhoons | |
| ☒ Heavy precipitation (rain, hail, snow/ice) | |

Chronic physical

- ☒ Heat stress
- ☒ Temperature variability

(2.2.6.12) Partners and stakeholders considered

Select all that apply

- ☒ Customers
- ☒ Employees
- ☒ Suppliers
- ☒ Regulators
- ☒ Local communities
- ☒ Indigenous peoples

(2.2.6.13) Further details of process

The Group's Material Risk Assessment identified C&E as a new principal risk for the Group and was approved by the Board in the second half of the year. The MRA is an annual top-down process, identifying the Group's material risks in line with the Group's Risk Management Framework, taking into account the Group's strategic objectives, in addition to internal and external risk sources including C&E factors. The 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. The impact and likelihood of potential climate risks have been assessed in the short, medium, and long-term time horizons. There were several factors assessed to determine the materiality of these impacts across the Group's material risks including reputation, regulatory, financial losses and impact on business objectives. The Group is continuing to develop its risk management approach on the assessment of climate risks impacting other risks, supported by appropriate tools and methodologies. Climate and Environmental risk is also assessed within other risk management tools including the Physical Risk and ESG Sectoral Risk heatmaps. Physical Risk Heatmap serves as a visual tool used to identify the physical impact of C&E risks on the Group, including its own buildings and customers across Ireland and the UK. The heatmap supports the qualitative approach to assess the Group's exposure of physical risks across various geographies. The main physical risk impacting the Group pertains to the increased frequency and intensity around flooding. The Group has prioritised the assessment of flood risk when considering its exposure. In this regard, the Group continues to progress work to enhance its flood risk management capabilities. In addition, the heatmap is also used to identify and assess the physical flood risk as part of the Group's assessment of collateral under Pillar 3 CRR Article 449a, showing "sensitivity" to physical risk for non-financial corporates secured by immovable property under an adverse climate scenario. ESG Sectoral Risk Heatmap is a qualitative approach to identifying priority risk sectors areas for ESG impact assessment. The ESG Questionnaire has been incorporated into the credit application process for customers in high-risk transition sectors on new lending over /300k, which have been identified as carrying increased transitional ESG related risk.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☒ No

(2.2.7.3) Primary reason for not assessing interconnections between environmental dependencies, impacts, risks and/or opportunities

Select from:

☒ Not an immediate strategic priority

(2.2.7.4) Explain why you do not assess the interconnections between environmental dependencies, impacts, risks and/or opportunities

This assessment of interconnections between dependencies, impacts, risks and/or opportunities is currently underway as we develop a process for assessing environmental dependencies.
[Fixed row]

(2.2.8) Does your organization consider environmental information about your clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process?

	We consider environmental information
Banking (Bank)	Select from: ☒ Yes

[Fixed row]

(2.2.9) Indicate the environmental information your organization considers about clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process, and how this influences decision-making.

Banking (Bank)

(2.2.9.1) Environmental issues covered

Select all that apply

☒ Climate change

(2.2.9.2) Type of environmental information considered

Select all that apply

☒ Emissions data

☒ Emissions reduction targets

☒ Climate transition plans

☒ TCFD disclosures

☒ Science-Based Net-Zero Targets

(2.2.9.3) Process through which information is obtained

Select all that apply

☒ Directly from the client/investee

☒ Data provider

☒ Public data sources

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

- ☒ Food, beverage & agriculture
- ☒ Power generation
- ☒ Transportation services

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

25

(2.2.9.6) Total portfolio value covered by the process

32859250000
[Add row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

- ☒ Qualitative
- ☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- ☒ Credit risk

(2.4.3) Change to indicator

Select from:

- ☒ % decrease

(2.4.4) % change to indicator

Select from:

☒ Less than 1%

(2.4.6) Metrics considered in definition

Select all that apply

☒ Likelihood of effect occurring

☒ Other, please specify :Impact

(2.4.7) Application of definition

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 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. Our excluded activities list sets out a range of business activities that are considered to be incongruent with Group strategy. The excluded activities include exploration, extraction and upgrading of oil sands projects; nuclear power generation; nuclear waste transportation, and decommissioning and/or final disposal of high-level nuclear waste. The policy rule prohibits providing new money for any term lending facilities to businesses, or any of their subsidiaries, involved in the excluded business activities. This rule currently applies to all new business customers with a Gross Connected Exposure of /300k in high transition risk sectors and that are relationship managed. AIB has limited exposure to fossil fuels with <1% with less than of the loan book classified as fossil fuels (where a company is included as fossil fuels if more than 5% of revenues come from those activities).

The ESG Questionnaire has been incorporated into the credit application process for customers in high risk transition sectors on new lending over € /£300k, which have been identified as carrying increased transitional environmental, social and governance related risk. The ESG sectoral heat-map is used to identify the high risk sectors in scope for the questionnaire. The questionnaire has both generic and sector specific questions on a range of topics from Climate & Environmental risk specific matters to social considerations such as human rights and diversity to determine an ESG risk rating. The ESG questionnaire output is an additional factor for consideration in the credit decisioning process.

Opportunities

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☒ Revenue

(2.4.3) Change to indicator

Select from:

☒ % increase

(2.4.4) % change to indicator

Select from:

☒ 81-90

(2.4.6) Metrics considered in definition

Select all that apply

☒ Likelihood of effect occurring

☒ Other, please specify :Impact

(2.4.7) Application of definition

Net Interest income increased by 83% in FY2023. This increase benefitted from the impact of a higher interest rate environment and higher average customer loan volumes. Net interest margin (NIM) of 3.11%, up 142 basis points.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☒ Yes, both within our direct operations or upstream value chain, and within our portfolio

Forests

(3.1.1) Environmental risks identified

Select from:

☒ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Not an immediate strategic priority

(3.1.3) Please explain

Risks relating to forest have not yet been evaluated. Nature loss is a complex topic and the first step on our journey is to understand more clearly how our financing activities interact with nature and the ecosystem services it provides. We will continue to explore existing science and emerging frameworks to identify the most meaningful, comparable and robust strategy to report and measure our environmental impacts, dependencies, risk management of nature/biodiversity in our lending portfolio and corresponding opportunities.

Water

(3.1.1) Environmental risks identified

Select from:

☒ Yes, only in our portfolio

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

We are reporting discharged water as water consumed. We rely on municipal water networks for our water demand. There are no other sources of withdrawals. Water use is measured based on utility bills from water utility providers. Where data is not available it is extrapolated using intensity figures. In 2022, 1.3% of AIB's water withdrawn and consumed was from high water-stressed regions in GB (according to the WRI Aqueduct water risk atlas tool). As at 5 December 2023, the tool did not indicate that any of our operations in GB were in an extremely high stressed region. None of our operations in Ireland (where we operate predominantly), the USA or Northern Ireland are located in a region of high/extremely high water stress. The tool is available at www.wri.org/applications/aqueduct/water-risk-atlas/. AIB has no emissions to water. AIB is a financial institution operating through branches and offices in ROI, the USA and the UK. Based on the nature of these operations, AIB relies on municipal water networks for our water demand and uses waste water networks controlled by a sanitary authority for the disposal of water.

Plastics

(3.1.1) Environmental risks identified

Select from:

☒ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

AIB is a financial institution and plastics is not a significant operating cost or cost of sales. With circular economy principles in mind, our approach to waste management prioritises prevention and reduction, in line with the waste hierarchy, while increasing the quality of our segregated materials. We have made great strides in reducing single-use plastics, in particular, operating reusable take-away containers, including coffee cups and food containers.

[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☒ Flooding (coastal, fluvial, pluvial, groundwater)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☒ Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Ireland

(3.1.1.9) Organization-specific description of risk

The main physical risk impacting the Group pertains to the potential increased frequency and intensity of flooding of commercial and residential units that are owned by customers that we lend to. Providing lending to customers in flood plains may result in a reduction in collateral value for commercial and residential units from extreme events. In order to mitigate this risk as far as possible, the Group has prioritised the assessment of flood risk when considering its exposure to flood risk. In this regard, the Group continues to progress work to enhance its flood risk management capabilities - 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 (CRE) book and AIB's own properties. In addition, a heatmap is also used to identify and assess the physical flood risk as part of the Group's assessment of collateral under Pillar 3 CRR Article 449a, showing "sensitivity" to physical risk for nonfinancial corporate's secured by immovable property under an adverse climate scenario. The result has been that we have identified a maximum impact threshold of 284m for all exposed customer assets.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☒ 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ About as likely as not

(3.1.1.14) Magnitude

Select from:

☒ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The Group has identified that flooding is the most material physical risk to the Group. The Group is exposed to the risk that flooding will adversely affect the value of properties collateralising the Group's lending. The Group's physical risk model assess the potential impact of this risk. In 2023, the Group completed the development of an enhanced flood-risk model to support the quantification of flood-related risks. The newly developed model represents a significant step forward in terms of both granularity and flexibility relative to previous approaches which were based on the 2022 ECB Climate Stress test methodology. As a first step, the new model locates individual properties and overlays a series of flood maps corresponding to river, coastal and surface water flood events. This is repeated for a range of return periods (1-in-20-year, 1-in-100 year) allowing for a probability distribution of flood levels to be calibrated for each property. The damage to each property for a given level of flooding is estimated based on building type and flood type. Estimates of rebuild costs and insurance coverage are overlaid to calculate the net cost of repair. Additional property price adjustments are applied to reflect the reduced desirability of properties that are prone to flooding. The model is used to determine both average and expected flood damage costs and the impact of hypothetical acute flood events. This approach can be applied to reflect current climate conditions or climate conditions as they are projected to be in the future under a range of science-based scenarios.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

0

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

284000000

(3.1.1.25) Explanation of financial effect figure

*The minimum financial impact figure is 0, as there is a likelihood that the risk may never occur. The maximum financial impact figure of 284m represents the total value in exposures to NonFinancial Corporates that are exposed to physical flood risk as analysed in Template 5 of the Groups Pillar 3 disclosures. In our Q4 2023 Pillar 3 report see Template 5 Banking book Indicators of potential climate change physical risk Exposures subject to physical risk the Group analysed Non Financial Corporate NFC exposures secured on immovable property exposed to chronic and acute climate related hazards. For the purpose of the CRR 449a disclosure acute physical risk relates to river flooding and chronic physical risk relates to coastal flooding. Other physical risks such as landslides tsunamis wildfires and extreme heat were identified as low risk for the portfolio and therefore discounted in the analysis. Analysis of exposures secured on immovable property in 2023 found that 0.28bn or 3.2% is sensitive to Physical Flood Risk. *Physical flood risk shown above is aligned with our CRR449a Pillar 3 disclosure showing “sensitivity” to physical risk for NFC’s secured by immovable property under an adverse climate scenario. Adverse climate scenario is defined as: RCP 8.5 to 2035, and a 1:100 risk of a flood event. The threshold of risk for “sensitive” is set at a 1% flooding risk (1:100) and the adverse climate change scenario to 2035. This approach aligns to the EBA 2021 ESG Risk Management guidance in so far as there is prescriptive guidance.*

(3.1.1.26) Primary response to risk

Policies and plans

☒ Increase insurance coverage

(3.1.1.27) Cost of response to risk

0

(3.1.1.28) Explanation of cost calculation

We have reported “Cost of response to risk” as 0 as responding to this risk is considered as business as usual and, therefore, absorbed into our business as usual costs. As such, it is not possible to extract it separately.

(3.1.1.29) Description of response

With respect to understanding the current flood zone, AIB’s Residential Mortgage lending process requires all properties to be insured.

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☒ Flooding (coastal, fluvial, pluvial, groundwater)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☒ Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Ireland

(3.1.1.7) River basin where the risk occurs

Select all that apply

☒ Other, please specify

(3.1.1.9) Organization-specific description of risk

The main physical risk impacting the Group pertains to the increased frequency and intensity around flooding. The Group has prioritised the assessment of flood risk when considering its exposure. In this regard, the Group continues to progress work to enhance its flood risk management capabilities. In addition, the heatmap is

also used to identify and assess the physical flood risk as part of the Group's assessment of collateral under Pillar 3 CRR Article 449a, showing "sensitivity" to physical risk for non financial corporate's secured by immovable property under an adverse climate scenario.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☒ 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ About as likely as not

(3.1.1.14) Magnitude

Select from:

☒ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The Group has identified that flooding is the most material physical risk to the Group. The Group is exposed to the risk that flooding will adversely affect the value of properties collateralising the Group's lending. The Group's physical risk model assess the potential impact of this risk. In 2023, the Group completed the development of an enhanced flood-risk model to support the quantification of flood-related risks. The newly developed model represents a significant step forward in terms of both

granularity and flexibility relative to previous approaches which were based on the 2022 ECB Climate Stress test methodology. As a first step, the new model locates individual properties and overlays a series of flood maps corresponding to river, coastal and surface water flood events. This is repeated for a range of return periods (1-in-20-year, 1-in-100 year) allowing for a probability distribution of flood levels to be calibrated for each property. The damage to each property for a given level of flooding is estimated based on building type and flood type. Estimates of rebuild costs and insurance coverage are overlaid to calculate the net cost of repair. Additional property price adjustments are applied to reflect the reduced desirability of properties that are prone to flooding. The model is used to determine both average and expected flood damage costs and the impact of hypothetical acute flood events. This approach can be applied to reflect current climate conditions or climate conditions as they are projected to be in the future under a range of science-based scenarios.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

0

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

284000000

(3.1.1.25) Explanation of financial effect figure

The maximum financial impact figure of 284m represents the total value in exposures to NonFinancial Corporates that are exposed to physical flood risk as analysed in Template 5 of the Groups Pillar 3 disclosures In our Q4 2023 Pillar 3 report see Template 5 Banking book Indicators of potential climate change physical risk Exposures subject to physical risk the Group analysed Non Financial Corporate NFC exposures secured on immoveable property exposed to chronic and acute climate related hazards. For the purpose of the CRR 449a disclosure acute physical risk relates to river flooding and chronic physical risk relates to coastal flooding. Other physical risks such as landslides tsunamis wildfires and extreme heat were identified as low risk for the portfolio and therefore discounted in the analysis. Analysis of exposures secured on immovable property in 2023 found that 0.28bn or 3.2% is sensitive to Physical Flood Risk. *Physical flood risk shown above is aligned with our CRR449a Pillar 3 disclosure showing “sensitivity” to physical risk for NFC’s secured by immovable property under an adverse climate scenario. Adverse climate scenario is defined as: RCP 8.5 to 2035, and a 1:100 risk of a flood event. The threshold of risk for “sensitive” is set at a 1% flooding risk (1:100) and the adverse climate change scenario to 2035. This approach aligns to the EBA 2021 ESG Risk Management guidance in so far as there is prescriptive guidance.

(3.1.1.26) Primary response to risk

Policies and plans

☒ Increase insurance coverage

(3.1.1.27) Cost of response to risk

0

(3.1.1.28) Explanation of cost calculation

We have reported “Cost of response to risk” as 0 as responding to this risk is considered as business as usual and, therefore, absorbed into our business as usual costs. As such, it is not possible to extract it separately.

(3.1.1.29) Description of response

With respect to understanding the current flood zone, AIB’s Residential Mortgage lending process requires all properties to be insured.
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

☒ Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

3500000000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ 1-10%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

284000000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

Pillar 3 Template 5 - Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk As per Article 449a CRR, this template provides information on exposures in the banking book, including loans and advances, debt securities and equity instruments not held-for-trading and not held-for-sale, towards non-financial corporates, on loans collateralised with immovable property and on repossessed real estate collaterals, exposed to chronic and acute climate-related hazards. The Group have completed this template on a best efforts basis in line with Regulation (EU) 2022/2453. The Group has Non Financial Corporate (NFC) exposures secured on immovable property of 8.8bn as at 31 December 2023, of which 0.28bn (3.2%) is sensitive to Physical Flood Risk. The gross carrying amount in column (b) of Template 5 in our Pillar 3 report is as defined in Part 1 of Annex V to Commission Implementing Regulation (EU) 2021/451 of those exposures towards non-financial corporates (including loans and advances, debt securities and equity instruments), classified under the accounting portfolios in the banking book according to that Regulation, excluding financial assets held for trading and held for sale assets. All geographic areas in which AIB has exposures are covered by the template with material lending located in Ireland and United Kingdom. In order to identify the appropriate climate change physical risk events for consideration in this disclosure, the Group were informed by internal climate risk heat maps. On that basis, it was determined that the portfolio was most sensitive to river flooding (acute) and coastal flooding (chronic). Other physical risks such as landslides, tsunamis, wildfires and extreme heat were identified as low risk for the portfolio and therefore discounted in the analysis. The Group analysed sensitivity to impact from climate change physical risk (i.e. flood events) by reviewing JBA flood hazard location data, at return period 1-in-100yr under Representative Concentration Pathway (RCP) 8.5C climate scenario for year period 2031-2035. The figure and percentage vulnerable to transition risk relate to lending to sectors that AIB consider to have high transition risk. Percentage based on our total portfolio amount.

Water

(3.1.2.1) Financial metric

Select from:

☒ Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

3500000000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ 1-10%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

284000000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

Pillar 3 Template 5 - Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk As per Article 449a CRR, this template provides information on exposures in the banking book, including loans and advances, debt securities and equity instruments not held-for-trading and not held-for-sale, towards non-financial corporates, on loans collateralised with immovable property and on repossessed real estate collaterals, exposed to chronic and acute climate-related hazards. The Group have completed this template on a best efforts basis in line with Regulation (EU) 2022/2453. The Group has Non Financial Corporate (NFC) exposures secured on immovable property of 8.8bn as at 31 December 2023, of which 0.28bn (3.2%) is sensitive to Physical Flood Risk. The gross carrying amount in column (b) of Template 5 in our Pillar 3 report is as defined in Part 1 of Annex V to Commission Implementing Regulation (EU) 2021/451 of those exposures towards non-financial corporates (including loans and advances, debt securities and equity instruments), classified under the accounting portfolios in the

banking book according to that Regulation, excluding financial assets held for trading and held for sale assets. All geographic areas in which AIB has exposures are covered by the template with material lending located in Ireland and United Kingdom. In order to identify the appropriate climate change physical risk events for consideration in this disclosure, the Group were informed by internal climate risk heat maps. On that basis, it was determined that the portfolio was most sensitive to river flooding (acute) and coastal flooding (chronic). Other physical risks such as landslides, tsunamis, wildfires and extreme heat were identified as low risk for the portfolio and therefore discounted in the analysis. The Group analysed sensitivity to impact from climate change physical risk (i.e. flood events) by reviewing JBA flood hazard location data, at return period 1-in-100yr under Representative Concentration Pathway (RCP) 8.5C climate scenario for year period 2031-2035. The figure and percentage vulnerable to transition risk relate to lending to sectors that AIB consider to have high transition risk. Percentage based on our total portfolio amount.

[Add row]

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.6.1) Environmental opportunities identified

Select from:

☒ Yes, we have identified opportunities, and some/all are being realized

Forests

(3.6.1) Environmental opportunities identified

Select from:

☒ No

(3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:

☒ Not an immediate strategic priority

(3.6.3) Please explain

Nature loss is a complex topic and the first step on our journey is to understand more clearly how our financing activities interact with nature and the ecosystem services it provides. We will continue to explore existing science and emerging frameworks to identify the most meaningful, comparable and robust strategy to report and measure our environmental impacts, dependencies, risk management of nature/biodiversity in our lending portfolio and corresponding opportunities.

Water

(3.6.1) Environmental opportunities identified

Select from:

☒ No

(3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:

☒ Not an immediate strategic priority

(3.6.3) Please explain

Nature loss is a complex topic and the first step on our journey is to understand more clearly how our financing activities interact with nature and the ecosystem services it provides. We will continue to explore existing science and emerging frameworks to identify the most meaningful, comparable and robust strategy to report and measure our environmental impacts, dependencies, risk management of nature/biodiversity in our lending portfolio and corresponding opportunities.

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.2) Commodity

Select all that apply

☒ Not applicable

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Capital flow and financing

☒ Access to new financing options

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Ireland

(3.6.1.8) Organization specific description

In 2019, AIB was the first Irish bank to publish a Green Bond Framework and, in 2020, AIB was the first Irish bank to issue a Green Bond, raising 1bn. We have since issued another 4 Green Bonds, bringing the total raised to 4bn, of which 750m was issued in 2023. This supports the Group's Capital and Minimum Requirements for own Funds and Eligible Liabilities (MREL), aligning the bank's funding strategy with its Sustainability strategy. AIB's Green Bond proceeds are used exclusively to finance projects that have a positive environmental impact. At year end, the total allocation to Green Bond eligible projects was 5.4bn, of which 55% was to Green Buildings, 44% to Renewable Energy projects, and 1% to Clean Transportation. In 2021, AIB became the first Irish bank to publish a Social Bond Framework. In 2022, we became the first Irish bank to issue a Social Bond and have issued another in January 2023, raising a total of 1.75bn. Social Bond proceeds are allocated to financing projects with clear social benefits, such as social and affordable housing and healthcare infrastructure. Since 2020 to year end 2023, AIB has raised a total of 5.75bn in Green and Social Bonds, funding projects in Ireland and abroad that support public and private activities in the transition to a lower-carbon society.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Increased access to capital at lower/more favorable rates

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

- ☒ Medium-high

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Issuers of Green Bonds may expect to benefit from reduced pricing of up to c. 10bps, commonly referred to as a 'Greenium', depending on market conditions and the quality of the Green Bond. Investors who incorporate ESG considerations in their investment decision making process are typically willing to accept a marginally lower coupon. Additionally, they have a tendency to be higher quality investors, buying instruments to hold in 'sustainable' funds, such as Article 8 and 9 funds, in line with their own targets and impact considerations. This supports a higher quality order book, at time of issuance, which in turn supports price tightening. For this reason, AIB may expect to benefit from a coupon saving (reduced cash outflows) for Green Bonds issued versus what would be paid if the bonds were unlabelled, sometimes referred to as "brown" bonds. On an issuance portfolio of 4bn, this coupon saving could be anywhere from zero to 4m p.a., based on a Greenium of 0-10bps.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

- ☒ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

750000000

(3.6.1.23) Explanation of financial effect figures

The financial impact of this opportunity is related to AIB Groups ability to diversify our business activities through issuing Green Bonds. The financial impact figures equate to the green bonds issued by AIB between 2020 and 2023. In 2019, AIB was the first Irish bank to publish a Green Bond Framework and, in 2020, AIB was the first Irish bank to issue a Green Bond, raising 1bn. We have since issued another four Green Bonds, bringing the total raised to 4bn, of which 750m was issued in 2023. AIB's Green Bond proceeds are used exclusively to finance projects that have a positive environmental impact – renewable energy generation, transmission and storage projects, green commercial and residential buildings, and clean transportation. We issue impact and allocation reports annually and publish these on our debt investor website.

(3.6.1.24) Cost to realize opportunity

200000

(3.6.1.25) Explanation of cost calculation

Maintaining a Green Bond Framework entails internal (personnel) and external (SPOs, Assurance reports, Impact Reports, etc.) operating costs, although these are offset by the positive impact of Green Bond issuance on our MREL interest expense. It is not possible to provide the individual costs of each element as these are commercially sensitive. However, we have estimated that the total annualised incremental cost to realise this opportunity is 200K.

(3.6.1.26) Strategy to realize opportunity

The objective of establishing a Green Bond Framework is to use an amount equal to the net proceeds to fund 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. In 2019, our inaugural Green Bond Framework was launched and in Sept 2020 we issued our first Green Bond for 1bn - the first Green Bond issued by an Irish bank and the largest Green Tier 2 issue in Europe in 2020. In 2021, we issued our second green bond, for 0.75bn, and a further two (0.75bn each) were issued in 2022. In 2023, we issued one green bond, raising 750m. Since the launch of our inaugural Green Bond Framework in 2019 to year ended 2023, AIB Group has participated in the placement of 4bn in Green Bonds. We envisage further Green Bond issuances in the future. Case study: In October 2023, AIB successfully launched, priced, and closed its fifth Green bond issuance – a 750m Senior non preferred instrument, with a maturity of 8 years callable after 7 years, at a coupon of 5.25%. The transaction gained strong investor interest from over 100 investors in 19 countries, of which c. 65% incorporate ESG in their investment decision making process. The transaction had a peak orderbook of 1.5bn and the depth and quality of the order book, amidst a challenging market backdrop, enabled price tightening of 25bps from IPTs. The success of the transaction underlines AIB's strong capital and financial position, as well as its standing as a climate action champion. AIB has a long-term role to play in providing the finance for Ireland's transition to a low carbon economy and this issuance brings the total raised through green bond issuance to 4bn, supporting the Group's 30bn Climate Action Fund as well as the target of 70% of new lending to be green or transition by 2030.

[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

☒ Assets

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

3700000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ 21-30%

(3.6.2.4) Explanation of financial figures

In 2023, new green lending accounted for 3.7bn and 30% of all new lending was green.

[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☒ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☒ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☒ Executive directors or equivalent

☒ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☒ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

The Board Diversity Policy sets out the approach to diversity on the Boards of AIB Group. The AIB Group Board recognises the benefits of having diversity in its composition. Diversity includes and makes use of differences in the skills, geographical and industry experience, background, nationality, ethnicity, gender, age, educational attainment and personal strengths of individual Directors and contributes to the Board's ability to provide effective challenge to Management and leadership and oversight of AIB Group. The skills considered as particularly important to the business of AIB Group include risk, accounting and audit, strategy, governance, leadership, capital and liquidity, retail banking, corporate banking, treasury management, culture, people management, digital and technology, legal, sustainability and stakeholder management. The Board is committed to achieving the most appropriate blend and balance of diversity possible over time. All appointments to the Board are made on merit, against objective criteria determined by the Nomination and Corporate Governance Committee at the time and designed to ensure that the overall composition reflects an adequately diverse range of knowledge, skills and experience and at the same time respects the principle of equal opportunities. The Board Diversity Policy was updated in 2023 to include a target that a woman holds at least one of the senior Board positions of Chair, Chief Executive, Senior Independent Director or CFO.

(4.1.6) Attach the policy (optional)

aib-board-diversity-policy-2023.pdf

[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue	Primary reason for no board-level oversight of this environmental issue	Explain why your organization does not have board-level oversight of this environmental issue
Climate change	Select from: ☒ Yes	Select from:	Rich text input [must be under 2500 characters]
Forests	Select from: ☒ No, but we plan to within the next two years	Select from: ☒ Not an immediate strategic priority	In the reporting year, our focus has been expanding the board-level oversight of climate-related issues.
Water	Select from: ☒ No, but we plan to within the next two years	Select from: ☒ Not an immediate strategic priority	In the reporting year, our focus has been expanding the board-level oversight of climate-related issues.
Biodiversity	Select from: ☒ No, but we plan to within the next two years	Select from: ☒ Not an immediate strategic priority	In the reporting year, our focus has been expanding the board-level oversight of climate-related issues.

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Board chair
- ☒ Director on board
- ☒ Chief Executive Officer (CEO)
- ☒ Chief Sustainability Officer (CSO)
- ☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- ☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- ☒ Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☒ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- | | |
|--|--|
| ☒ Overseeing and guiding scenario analysis | ☒ Overseeing reporting, audit, and verification processes |
| ☒ Overseeing the setting of corporate targets | ☒ Monitoring the implementation of a climate transition plan |
| ☒ Monitoring progress towards corporate targets | ☒ Overseeing and guiding the development of a business strategy |
| ☒ Approving corporate policies and/or commitments | ☒ Monitoring supplier compliance with organizational requirements |
| ☒ Monitoring the implementation of the business strategy | ☒ Monitoring compliance with corporate policies and/or commitments |
| ☒ Overseeing and guiding the development of a climate transition plan | |
| ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities | |

(4.1.2.6) Scope of board-level oversight

Select all that apply

- ☒ Risks and opportunities to our own operations
- ☒ Risks and opportunities to our banking activities
- ☒ The impact of our own operations on the environment
- ☒ The impact of our banking activities on the environment

(4.1.2.7) Please explain

The AIB Group Board is responsible for approving the Group's strategy and our financial and investment plans, which includes the consideration of ESG and climate factors. The Board is responsible for the approval of the Detailed Sustainability Report (DSR) and considers and monitors performance against the sustainability targets for the Group. It ensures that an appropriate system of internal controls is maintained and established. The Board receives updates regarding the execution of the Group's sustainability strategy, including the quarterly Group Balanced Scorecard, bi-annual sustainability updates and updates on Green Bond transactions. The Sustainable Business Advisory Committee (SBAC) assists it in fulfilling its independent oversight responsibilities in relation to ESG matters. SBAC oversees the Group's delivery of AIB's sustainability strategy. Throughout 2023, SBAC supported the execution of the Strategy in accordance with the approved Group Strategic and Financial Plan and provided oversight over the external reporting of the Strategy, the DSR and the Group's regulatory obligations with respect to the mobilisation of the Corporate Sustainability Reporting Directive (CSRD). The DSR is a measure of AIB's unwavering commitment and ambition to developing its ESG agenda and embedding it as part of the overall Group Strategy. As at the end of December 2023, SBAC membership consisted of three Non-Executive Directors, one Executive Director – the CEO – and three other members of senior management, two of whom are also Executive Committee members. The Chief Risk Officer is invited to attend all meetings of the Committee. Recognising the importance of strong oversight and governance of our ESG agenda, and to ensure co-ordination with the work of our colleagues on the Board Audit Committee ("BAC") and Board Risk Committee ("BRC"), cross membership of these Committees is in place. The BRC ensures that risks within the Group are appropriately identified, reported, assessed, managed, and controlled including commission, receipt and consideration of reports on key strategic and operational risk issues. The BRC receives updates regarding the effectiveness of the Group's policies and programmes, which relate to identifying, managing, and mitigating ESG risks, including Climate and Environmental Risk. The BRC approves the Climate and Environmental Risk Framework, which together with the Climate and Environmental policy, outlines the key requirements for the identification, assessment and management of Climate and Environmental Risk. The BAC has oversight for all ESG reporting contained within the Annual Financial Report and the bi-annual Pillar 3 disclosures. The BAC reviews a number of key artefacts relating to the implementation of new ESG reporting directives, internal and external assurance activity, supporting control frameworks, and the basis of preparation of disclosures.

[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- ☒ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Executive-level experience in a role focused on environmental issues

Forests

(4.2.1) Board-level competency on this environmental issue

Select from:

☒ Not assessed

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☒ Not assessed

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue	Primary reason for no management-level responsibility for environmental issues	Explain why your organization does not have management-level responsibility for environmental issues
Climate change	Select from: ☒ Yes	Select from:	Rich text input [must be under 2500 characters]
Forests	Select from: ☒ No, but we plan to within the next two years	Select from: ☒ Not an immediate strategic priority	In the reporting year, our focus has been expanding the management-level responsibility of climate-related issues.
Water	Select from: ☒ No, but we plan to within the next two years	Select from: ☒ Not an immediate strategic priority	In the reporting year, our focus has been expanding the management-level responsibility of climate-related issues.
Biodiversity	Select from: ☒ No, but we plan to within the next two years	Select from: ☒ Not an immediate strategic priority	In the reporting year, our focus has been expanding the management-level responsibility of climate-related issues.

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☑ Assessing environmental dependencies, impacts, risks, and opportunities
- ☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- ☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ☑ Monitoring compliance with corporate environmental policies and/or commitments
- ☑ Measuring progress towards environmental corporate targets
- ☑ Measuring progress towards environmental science-based targets
- ☑ Setting corporate environmental policies and/or commitments
- ☑ Setting corporate environmental targets

Strategy and financial planning

- ☑ Conducting environmental scenario analysis
- ☑ Managing annual budgets related to environmental issues
- ☑ Implementing the business strategy related to environmental issues
- ☑ Developing a business strategy which considers environmental issues
- ☑ Managing environmental reporting, audit, and verification processes
- ☑ Managing major capital and/or operational expenditures relating to environmental issues
- ☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

(4.3.1.3) Coverage of responsibilities

Select all that apply

- ☒ Dependencies, impacts, risks, and opportunities related to our banking activities
- ☒ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

The CEO has set a vision for the group to become a sustainability leader. The CEO sits on the Board. Sustainability and climate action are clearly highlighted across the organisation as a CEO-priority. The CEO manages the Group on a day-to-day basis and makes decisions on matters affecting the Group. The Executive Committee (ExCo) assists and advises the CEO in reaching decisions on the Group's strategy, governance and internal controls, performance and risk management. The CEO is also a member of the Sustainable Business Advisory Committee (SBAC), who oversees the Group's performance as a sustainable business and delivery of AIB's sustainability strategy and is the overarching Board Advisory Committee responsible for the guidance of the Group's sustainability agenda. The SBAC is scheduled to meet at least four times in every year and in 2022 met six times. The Executive Committee (ExCo) is the most senior management committee of the Group and is accountable to the CEO. Subject to financial and risk limits set by the Board and excluding those matters that are reserved specifically for the Board, the ExCo, under the stewardship of the CEO, has responsibility for the day-to-day management of the Group's operations. 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.

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

13.3

(4.5.3) Please explain

In 2023, AIB established a variable remuneration scheme which is based on company performance. Three of the six measures within this scheme flow from ESG targets and measurements in the Group Balanced Scorecard. 40% of the outturn of the variable remuneration is linked to these ESG measures. Our performance against our Group Balanced Scorecard is reviewed and challenged quarterly by ExCo and regularly by the Board. In addition, since 2021, senior executives have an ESG related performance goal, and a mandatory sustainability goal has been included in all employee performance reviews since 2022. The % of total C-suite and board-level monetary incentives linked to the management of climate change is 13.3% under "Green Finance".

Forests

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ No, and we do not plan to introduce them in the next two years

(4.5.3) Please explain

In 2023, AIB established a variable remuneration scheme which is based on company performance. Three of the six measures within this scheme flow from ESG targets and measurements in the Group Balanced Scorecard. 40% of the outturn of the variable remuneration is linked to these ESG measures. Our performance against our Group Balanced Scorecard is reviewed and challenged quarterly by ExCo and regularly by the Board. In addition, since 2021, senior executives have an ESG related performance goal, and a mandatory sustainability goal has been included in all employee performance reviews since 2022.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ No, and we do not plan to introduce them in the next two years

(4.5.3) Please explain

In 2023, AIB established a variable remuneration scheme which is based on company performance. Three of the six measures within this scheme flow from ESG targets and measurements in the Group Balanced Scorecard. 40% of the outturn of the variable remuneration is linked to these ESG measures. Our performance against our Group Balanced Scorecard is reviewed and challenged quarterly by ExCo and regularly by the Board. In addition, since 2021, senior executives have an ESG related performance goal, and a mandatory sustainability goal has been included in all employee performance reviews since 2022.

[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☒ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☒ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

☒ Progress towards environmental targets

☒ Achievement of environmental targets

Strategy and financial planning

- ☒ Increased green asset ratio of portfolio/fund

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- ☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Remuneration principally consists of base salary (with a cap of 500,000 applying), allowances and pension contributions. Allowances consist of non-pensionable cash allowances of up to 30,000, while employer pension contributions of up to 20% of base salary are payable in respect of Executive Directors and ExCo members. The variable remuneration scheme comprises financial and non-financial measures. The non-financials measures account for 40% of the total award opportunity and consists of three equally weighted elements – gender balance, green lending and customer engagement. Further, annual pay reviews incorporate individual performance outturns (aspire ratings). As part of the 2024 goal setting, all employees have been assigned a ‘sustainability’ goal. Metrics of Group wide variable remuneration includes Green Lending targets (targets cannot be shares as market sensitive). C-Suite management, subject to meeting eligibility criteria, may be eligible for Variable Remuneration. Board level are not eligible for Variable Remuneration.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

In 2023, AIB established a variable remuneration scheme which is based on company performance. Three of the six measures within this scheme flow from ESG targets and measurements in the Group Balanced Scorecard. 40% of the outturn of the variable remuneration is linked to these ESG measures. Our performance against our Group Balanced Scorecard is reviewed and challenged quarterly by ExCo and regularly by the Board. In addition, since 2021, senior executives have an ESG related performance goal, and a mandatory sustainability goal has been included in all employee performance reviews since 2022.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- ☒ Chief Financial Officer (CFO)

(4.5.1.2) Incentives

Select all that apply

- ☒ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

- ☒ Progress towards environmental targets
- ☒ Achievement of environmental targets

Strategy and financial planning

- ☒ Increased green asset ratio of portfolio/fund

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- ☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Remuneration principally consists of base salary (with a cap of 500,000 applying), allowances and pension contributions. Allowances consist of non-pensionable cash allowances of up to 30,000, while employer pension contributions of up to 20% of base salary are payable in respect of Executive Directors and ExCo members. The variable remuneration scheme comprises financial and non-financial measures. The non-financials measures account for 40% of the total award opportunity and consists of three equally weighted elements – gender balance, green lending and customer engagement. Further, annual pay reviews incorporate individual performance outturns (aspire ratings). As part of the 2024 goal setting, all employees have been assigned a 'sustainability' goal.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

In 2023, AIB established a variable remuneration scheme which is based on company performance. Three of the six measures within this scheme flow from ESG targets and measurements in the Group Balanced Scorecard. 40% of the outturn of the variable remuneration is linked to these ESG measures. Our performance

against our Group Balanced Scorecard is reviewed and challenged quarterly by ExCo and regularly by the Board. In addition, since 2021, senior executives have an ESG related performance goal, and a mandatory sustainability goal has been included in all employee performance reviews since 2022.

[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☒ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☒ Climate change

(4.6.1.2) Level of coverage

Select from:

☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain

(4.6.1.4) Explain the coverage

Our Environmental Policy enables us to carry out activities in our own operations taking environmental protection into account, to manage the direct and indirect environmental impact of our business in a responsible way and to achieve continual improvement in environmental performance. AIB is certified to ISO 14001 for environmental management. As per our Third Party Management Risk Policy, all Outsourced, Critical and Important suppliers are required to attest to key aspects of a range of policies within the bank on an annual basis. This attestation includes our Environmental Policy.

(4.6.1.5) Environmental policy content

Environmental commitments

- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to take environmental action beyond regulatory compliance
- ☒ Other environmental commitment, please specify : achieve continual improvement of its environmental management system and to manage the direct and indirect environmental impact of our business in a responsible way, Minimise environmental impact by preventing polluting activities, reducing waste

Climate-specific commitments

- ☒ Other climate-related commitment, please specify : • Support initiatives to decarbonise our operations and to prevent, mitigate, adapt or respond to climate change • Encourage environmental protection and climate action among our stakeholders

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- ☒ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

- ☒ Publicly available

(4.6.1.8) Attach the policy

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

☒ Climate change

(4.6.1.2) Level of coverage

Select from:

☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☒ Direct operations

(4.6.1.4) Explain the coverage

Our Energy Policy enables us carry out our business as energy efficiently as possible, reduce our carbon footprint and to achieve continuous improvement in energy performance. AIB is certified to the international standard ISO 50001:2018 for energy management.

(4.6.1.5) Environmental policy content

Environmental commitments

☒ Commitment to comply with regulations and mandatory standards

☒ Other environmental commitment, please specify :Conduct our business and operations as energy efficiently as possible, achieve continual improvement, consider energy efficiency as part of the life cycle cost.

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☒ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

☒ Publicly available

(4.6.1.8) Attach the policy

AIB_Energy_Policy.pdf

[Add row]

(4.7) Does the policy framework for the portfolio activities of your organization include environmental requirements that clients/investees need to meet, and/or exclusion policies?

	Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies
Banking (Bank)	Select from: ☒ Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies

[Fixed row]

(4.7.1) Provide details of the policies which include environmental requirements that clients/investees need to meet.

Banking (Bank)

(4.7.1.1) Environmental issues covered

Select all that apply

- ☒ Climate change
- ☒ Forests

(4.7.1.2) Type of policy

Select all that apply

- ☒ Credit/lending policy

(4.7.1.3) Public availability

Select from:

- ☒ Publicly available

(4.7.1.4) Attach the policy

aib-group-excluded-activities-policy.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

- ☒ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

- ☒ Biotech, health care & pharma
- ☒ Fossil Fuels
- ☒ Power generation
- ☒ Transportation services

(4.7.1.7) Commodities covered by the policy

Select all that apply

☒ Timber products

(4.7.1.8) Commodity value chain stage covered by the policy

Select all that apply

☒ Production

☒ Processing

☒ Trading

☒ Manufacturing

☒ Retailing

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

50

(4.7.1.10) Basis of exceptions to policy

Select all that apply

☒ Other, please specify :There are no exceptions to this policy. The Excluded Activities rules apply to all business customers with a Gross Connected Exposure of >£/€300k and who are relationship managed

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Our Group Credit Risk Policy includes a list of excluded business activities that are considered to be incompatible with Group strategy due to negative environmental impacts associated with activities including deforestation. The policy rule prohibits providing new money for any term lending facilities to businesses, or any of their subsidiaries, involved in the excluded business activities. This rule applies to all business customers with a Gross Connected Exposure of >£/€300k and who are relationship managed. Our policy was approved by our Board. The list of excluded activities is publicly available. In addition, under our Green Bond Framework, AIB takes care that the Eligible Green Loan Portfolio complies with official international, national and local laws and regulations on a best effort basis. Within credit assessment due diligence, assets likely to have significant effects on the environment by virtue of their size, nature or location must undergo an environmental impact assessment (EIA) which will have to be submitted to competent authorities when applying for project development. In addition, where an asset is likely to have a significant effect on a designated European conservation site, an appropriate assessment must be carried out under the Habitats Directive. AIB may rely on analysis provided by external parties, in addition to our own assessment.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Other environmental commitment, please specify :The Excluded Activities rules apply to all business customers with a Gross Connected Exposure of >£/€300k and who are relationship managed.

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

- ☒ No, and we do not plan to measure this in the next two years

(4.7.1.17) Explain why your organization does not measure the % of clients/investees compliant with the policy

Our excluded activities list sets out a range of business activities that are considered to be incongruent with Group strategy. The excluded activities include exploration, extraction and upgrading of oil sands projects; nuclear power generation; nuclear waste transportation, and decommissioning and/or final disposal of high-level nuclear waste. The policy rule prohibits providing new money for any term lending facilities to businesses, or any of their subsidiaries, involved in the excluded business activities. This rule currently applies to all new business customers with a Gross Connected Exposure of /300k in high transition risk sectors and that are relationship managed. Lending linked to fossil fuel-related activities (including coal, oil and gas-related activities) represents <1% of our lending activities, and is therefore considered immaterial for our business.

Banking (Bank)

(4.7.1.1) Environmental issues covered

Select all that apply

- ☒ Climate change
- ☒ Forests
- ☒ Water
- ☒ Biodiversity

(4.7.1.2) Type of policy

Select all that apply

☒ Other banking policy, please specify :Sustainable Lending Framework

(4.7.1.3) Public availability

Select from:

☒ Publicly available

(4.7.1.4) Attach the policy

Sustainable-Lending-Framework.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☒ Direct operations and upstream/downstream value chain

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☒ Retail

☒ Services

☒ Hospitality

☒ Manufacturing

☒ Infrastructure

☒ Power generation

☒ Transportation services

☒ Food, beverage & agriculture

☒ Biotech, health care & pharma

(4.7.1.7) Commodities covered by the policy

Select all that apply

☒ Timber products

☒ Cattle products

(4.7.1.8) Commodity value chain stage covered by the policy

Select all that apply

- ☒ Production
- ☒ Processing
- ☒ Trading
- ☒ Manufacturing
- ☒ Retailing

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

30

(4.7.1.10) Basis of exceptions to policy

Select all that apply

- ☒ Other, please specify :There are no exceptions, the purpose of the SLF document is: • To provide clarity on what AIB consider a Green or Transition loan • To outline how AIB identifies and monitors Green and Transition loans

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

As part of AIB commitments to provide Green and Transition lending, the Bank has developed a set of criteria to provide transparency on the types of activities to be considered as Green, Transition or social activities. The purpose of the SLF document is: • To provide clarity on what AIB consider a Green or Transition loan • To outline how AIB identifies and monitors Green and Transition loans For % of portfolio covered, 30% is the total new green lending compared to all new lending in 2023 and is not a prescriptive measurement against the framework.

(4.7.1.12) Requirements for clients/investees

Additional references/Descriptions

- ☒ Other additional reference/description, please specify :The purpose of the SLF document is: • To provide clarity on what AIB consider a Green or Transition loan • To outline how AIB identifies and monitors Green and Transition loans

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☒ No, and we do not plan to measure this in the next two years

(4.7.1.17) Explain why your organization does not measure the % of clients/investees compliant with the policy

The purpose of the SLF is to provide clarity on what AIB consider a Green or Transition loan and to outline how AIB identifies and monitors Green and Transition loans. This allows for the classification of loans as green or transition. All new lending requests shall be processed as part of the usual credit process, subject to AIBs credit policies and procedures. Question 4.7.1.9 outlines the % of applications in scope for SLF.

[Add row]

(4.7.2) Provide details of your exclusion policies related to industries, activities and/or locations exposed or contributing to environmental risks.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☒ Coal mining

(4.7.2.2) Fossil fuel value chain

Select all that apply

☒ Upstream

☒ Midstream

☒ Downstream

(4.7.2.3) Year of exclusion implementation

2020

(4.7.2.4) Phaseout pathway

Select all that apply

- ☒ New business/investment for new projects
- ☒ New business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2025

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

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

(4.7.2.7) Description

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. Our excluded activities list sets out a range of business activities that are considered to be incongruent with Group strategy. The excluded activities include exploration, extraction and upgrading of oil sands projects; nuclear power generation; nuclear waste transportation, and decommissioning and/or final disposal of high-level nuclear waste. The policy rule prohibits providing new money for any term lending facilities to businesses, or any of their subsidiaries, involved in the excluded business activities. This rule currently applies to all new business customers with a Gross Connected Exposure of /300k in high transition risk sectors and that are relationship managed. AIB has limited exposure to fossil fuels with <1% with less than of the loan book classified as fossil fuels (where a company is included as fossil fuels if more than 5% of revenues come from those activities).

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

- ☒ Oil from tar sands

(4.7.2.2) Fossil fuel value chain

Select all that apply

- ☒ Upstream
- ☒ Midstream
- ☒ Downstream

(4.7.2.3) Year of exclusion implementation

2020

(4.7.2.4) Phaseout pathway

Select all that apply

- ☒ New business/investment for new projects
- ☒ New business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2025

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

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

(4.7.2.7) Description

AIB is committed to embedding sustainability at the core of everything we do. With this in mind, AIB has developed a Sustainability Exclusion List where a number of sectors considered to be incongruent with our views of sustainability have been identified for exclusion from investment. In this regard, corporate issuers whose primary business activities are in the following sectors will be excluded from the SRI Portfolio: • Exploration, extraction and upgrading of sand oil 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. Our excluded activities list sets out a range of business activities that are

considered to be incongruent with Group strategy. The excluded activities include exploration, extraction and upgrading of oil sands projects; nuclear power generation; nuclear waste transportation, and decommissioning and/or final disposal of high-level nuclear waste. The policy rule prohibits providing new money for any term lending facilities to businesses, or any of their subsidiaries, involved in the excluded business activities. This rule currently applies to all new business customers with a Gross Connected Exposure of /300k in high transition risk sectors and that are relationship managed. AIB has limited exposure to fossil fuels with <1% with less than of the loan book classified as fossil fuels (where a company is included as fossil fuels if more than 5% of revenues come from those activities).

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☒ Fracked oil and gas

(4.7.2.2) Fossil fuel value chain

Select all that apply

☒ Upstream

☒ Midstream

☒ Downstream

(4.7.2.3) Year of exclusion implementation

2020

(4.7.2.4) Phaseout pathway

Select all that apply

☒ New business/investment for new projects

☒ New business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2025

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

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

(4.7.2.7) Description

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. Our excluded activities list sets out a range of business activities that are considered to be incongruent with Group strategy. The excluded activities include exploration, extraction and upgrading of oil sands projects; nuclear power generation; nuclear waste transportation, and decommissioning and/or final disposal of high-level nuclear waste. The policy rule prohibits providing new money for any term lending facilities to businesses, or any of their subsidiaries, involved in the excluded business activities. This rule currently applies to all new business customers with a Gross Connected Exposure of /300k in high transition risk sectors and that are relationship managed. AIB has limited exposure to fossil fuels with <1% with less than of the loan book classified as fossil fuels (where a company is included as fossil fuels if more than 5% of revenues come from those activities).

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

- ☒ Other, please specify :Energy & Climate Action, Animal Welfare, Ecosystems Protection, Healthcare/Genetic Engineering, Adult Entertainment, Surveillance/Arms Related/Military

(4.7.2.3) Year of exclusion implementation

2021

(4.7.2.4) Phaseout pathway

Select all that apply

- ☒ New business/investment for new projects

(4.7.2.5) Year of complete phaseout

2025

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

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

(4.7.2.7) Description

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. Our excluded activities list sets out a range of business activities that are considered to be incongruent with Group strategy. The excluded activities include exploration, extraction and upgrading of oil sands projects; nuclear power generation; nuclear waste transportation, and decommissioning and/or final disposal of high-level nuclear waste. The policy rule prohibits providing new money for any term lending facilities to businesses, or any of their subsidiaries, involved in the excluded business activities. This rule currently applies to all new business customers with a Gross Connected Exposure of /300k in high transition risk sectors and that are relationship managed. AIB has limited exposure to fossil fuels with <1% with less than of the loan book classified as fossil fuels (where a company is included as fossil fuels if more than 5% of revenues come from those activities).

[Add row]

(4.8) Does your organization include covenants in financing agreements to reflect and enforce your environmental policies?

	Covenants included in financing agreements to reflect and enforce policies
	<i>Select from:</i> ☒ Yes

[Fixed row]

(4.8.1) Provide details of the covenants included in your organization's financing agreements to reflect and enforce your environmental policies.

Row 1

(4.8.1.1) Environmental issue

Select all that apply

- ☒ Climate change
- ☒ Forests
- ☒ Water
- ☒ Biodiversity

(4.8.1.2) Types of covenants used

Select all that apply

- ☒ A purpose or use of proceeds clause that refers to a taxonomy aligned activity
- ☒ Margin or pricing depends on sustainability criteria
- ☒ Legal mandate to obtain third party verification of sustainability criteria
- ☒ Covenants related to compliance with your environmental policies

(4.8.1.3) Asset class/product types covered by covenants

Select all that apply

- ☒ Corporate loans
- ☒ Corporate real estate
- ☒ Asset finance
- ☒ Debt and equity underwriting

(4.8.1.4) Criteria for how covenants are applied

Select from:

- ☒ Selected clients

(4.8.1.6) % of portfolio covered in relation to total portfolio value

15

(4.8.1.7) Provide details on which environmental policies your covenants enforce and how

At AIB Group, we offer Green Mortgages across AIB, EBS and Haven, which means our lowest mortgage interest rates are available for energy-efficient homes. All three entities provide Green Mortgages to homes with a BER rating of between A1 and B3, (or an Energy Performance Certificate (EPC) rating of A (non-domestic only), A or B in the UK) to new, switching and existing mortgage customers. In H2 2023, our new green lending definition was expanded to include new mortgage lending to energy-efficient homes (BER A1-B2 / EPC A-B), aligned to our Sustainable Lending Framework (SLF). Our Green Mortgage products may include lending to homes with a B3 BER rating. The SLF is an AIB Framework that outlines the key parameters on which a transaction can be classified as green. This expanded definition has been applied to all relevant lending activity for the full year. In 2023, 30% of all new lending was green lending (approx. 15% of total portfolio). We also offer green loans for personal customers, and sustainability linked and green loans for corporates, regular issuances of Green and Social Bonds for responsible investors, a deeper community connection and advisory services as our people developed their expertise in sustainable finance.

[Add row]

(4.9) Does your organization offer its employees a pension scheme that incorporates environmental criteria in its holdings?

Climate change

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

☒ Yes, as the default investment strategy for all plans

(4.9.2) Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated

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.

Forests

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

☒ Yes, as the default investment strategy for all plans

(4.9.2) Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated

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.

Water

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

- ☒ Yes, as the default investment strategy for all plans

(4.9.2) Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated

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.

[Fixed row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

- ☒ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

- | | |
|--|--|
| ☒ UN Global Compact | ☒ Task Force on Climate-related Financial Disclosures (TCFD) |
| ☒ Equator Principles | ☒ Science-Based Targets Initiative for Financial Institutions (SBTi-FI) |
| ☒ Net Zero Banking Alliance | ☒ Other, please specify : World Economic Forum Stakeholder Capitalism Metrics |
| ☒ Science-Based Targets for Nature (SBTN) | |
| ☒ UNEP FI Principles for Responsible Banking | |

(4.10.3) Describe your organization's role within each framework or initiative

*UN Global Compact- Signed up in Feb 2021, and submitted our first Communication of Progress in March 2022. Net Zero Banking Alliance - Signed up in April 2021
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. As a recent signatory to the Equator Principles, the Bank has a grace period to implement the EP across the relevant areas in the organisation. This involves training all applicable staff and updating procedures and processes where required. These steps will form part of our Implementation Plan, which is due to be submitted to the Equator Principles Association in July 2023. Science Based Targets Network (SBTN) / Science-Based Targets Initiative for Financial Institutions (SBTi-FI) - As at 6 April 2023, financed emissions targets for 75% of the AIB loan book (based on the group lending portfolio at year end December 2021) are validated by the Science Based Target Initiative (SBTi). AIB is the first bank globally to secure a scientifically validated electricity generation maintenance target. Taskforce on Climate-related Financial Disclosures - We signed up in September 2019, and began reporting on our implementation of the recommendations in our FY2020 reporting. 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. Global Reporting Initiative (GRI) Community Member - We have been reporting in line with GRI requirements since 2019 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.
 [Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☒ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☒ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☒ Paris Agreement

(4.11.4) Attach commitment or position statement

AIB-sustainability-report-2023.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☒ Yes

(4.11.6) Types of transparency register your organization is registered on

Select all that apply

☒ Mandatory government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

AIB's Lobbying activity in Ireland (CRO - 24173) is publicly available here - <https://www.lobbying.ie/organisation/803/aib-group> AIB is also registered on the EU Transparency register REG Number - 885308748162-21

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

As a Group operating predominantly in Ireland, we are deeply rooted in our economy and society with market leading franchises and an extensive range of relationships. Engaging systematically and effectively with our stakeholders is a responsibility and the focus of AIB's approach to ESG. Our stakeholder management and engagement programme is a continuous process which is overseen by our Executive Committee. Global events of recent years – the Covid-19 pandemic, war in Ukraine, energy security, cost of living pressures and the existential threat posed by climate change – mean that truly meaningful engagement with stakeholders has never been more important. In 2023, we carried out a 'double materiality' assessment in advance of the incoming Corporate Sustainability Reporting Directive (CSRD) assessing on 'Impact' and 'Financial' materiality. Through this exercise, our stakeholders told us that 7 material topics were among their most pressing priorities, a reduction from our previous assessment. Throughout our FY2023 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 which can be found in our FY2023 Annual Financial Report. AIB has also signed up to the Net Zero Banking Alliance, Equator Principles, WEF Stakeholder Capitalism metrics and UN Global Compact in 2021. We continue to make progress in building a climate resilient business and expanding our range of products to address environmental issues. Our 2023 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 2023. In 2024, we will complete a refresh of our materiality exercise and will report in line with CSRD disclosures. In engaging formally with stakeholders this year, we will do so against the backdrop not only of global uncertainties, but also of a significantly evolving and changing banking landscape in Ireland with the departure of a number of competitor banks.

[Fixed row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☒ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☒ Other trade association in Europe, please specify :UNEP FI

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☒ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☒ Mixed

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☒ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

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.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

43665.67

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

UNEP FI helps to transform the role of financial institutions in contributing to the transition to a sustainable economy. They help the finance industry contribute to the Sustainable Development Goals and align financing with the Paris Climate Agreement. AIB does not attempt to influence policy, law or regulation that may impact the environment.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☒ Paris Agreement

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

☒ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☒ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☒ GRI

☒ TCFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☒ Climate change

☒ Forests

- ☒ Water
- ☒ Biodiversity

(4.12.1.4) Status of the publication

Select from:

- ☒ Complete

(4.12.1.5) Content elements

Select all that apply

- | | |
|---|--|
| ☒ Strategy | ☒ Value chain engagement |
| ☒ Governance | ☒ Dependencies & Impacts |
| ☒ Emission targets | ☒ Biodiversity indicators |
| ☒ Emissions figures | ☒ Public policy engagement |
| ☒ Risks & Opportunities | ☒ Water pollution indicators |
| ☒ Content of environmental policies | |

(4.12.1.6) Page/section reference

FY2023 Sustainability Report: See our Sustainability Strategy, pages 11-13; Climate & Environmental Action, page 14-32; Our Governance Structure, pages 56-57; Our Policies and Frameworks, pages 63 & 93; Our ESG Data Tables, pages 100-103; FY2023 Annual Financial Report, see our ESG Disclosures, page 54-65.

(4.12.1.7) Attach the relevant publication

AIB-sustainability-report-2023.pdf

(4.12.1.8) Comment

n/a
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ Annually

Forests

(5.1.1) Use of scenario analysis

Select from:

☒ No, and we do not plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☒ Not an immediate strategic priority

(5.1.4) Explain why your organization has not used scenario analysis

AIB has focused on measuring and reducing the emissions associated with our business activities and developing a climate transition plan. Therefore, forests scenario analysis within the value chain has not been a strategic priority during the reporting year.

Water

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ Annually

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☒ IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

- ☒ Acute physical
- ☒ Chronic physical
- ☒ Policy

(5.1.1.6) Temperature alignment of scenario

Select from:

- ☒ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2030

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

- ☒ Global regulation

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

As part of setting science-based targets we utilised the IEA NZE 2050 scenario for the Residential Mortgage and Electricity Generation portfolios.

(5.1.1.11) Rationale for choice of scenario

Transition Risk scenarios which are aligned with new NGFS short term commentary included an attempt to allocate the shocks into a three year horizon which is more closely aligned with the Bank's financial planning processes and timelines. Physical Risk scenarios are aligned with best practises including the most severe outlook.

Water

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☒ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 4.0°C and above

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☒ Other, please specify :2055

(5.1.1.9) Driving forces in scenario

Finance and insurance

☒ Cost of capital

Direct interaction with climate

☒ On asset values, on the corporate

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

In 2023, AIB completed the development of an enhanced flood-risk model to support the quantification of flood-related risks. The newly developed model represents a significant step forward in terms of both granularity and flexibility relative to previous approaches which were based on the 2022 ECB Climate Stress test methodology. The impact and likelihood of potential climate risks have been assessed in the short (3-10 years), and longterm (10 years) time horizons. In addition to baseline flood risk, data is available from JBA to model the effects of climate change using science-based climate change scenarios from the Intergovernmental Panel on Climate Change (IPCC). The available IPCC scenarios are differentiated in terms of their “representative concentration pathway” (RCP) of greenhouse gasses and range from “RCP 2.6” (consistent with 1.5C warming by 2100) to “RCP 8.5” (a very high emission scenario). RCPs work intuitively – the greater the RCP value, the stronger the physical risk signal will be for the scenario. The data available to support flood modelling has limitations – most notably, it is not currently possible to precisely locate a significant proportion of collateral properties to a precise location. To mitigate this, the model calculates area approximations of flood risk for these properties that, whilst being conservative, are also realistic. These approximations are calibrated by performing the same calculations for the cohort of properties that have been located to building level and comparing to the actual flood risk for these properties. As remediation work on geolocation of the back book progresses, the proportion of properties requiring area approximation of flood risk will decrease.

(5.1.1.11) Rationale for choice of scenario

Aligned with industry best practices including the more severe IPCC scenario.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☒ NGFS scenarios framework, please specify :Transition Scenarios

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

☒ Policy

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2030

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

☒ Global regulation

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

In 2023 AIB has engaged with Oxford Economics to create bespoke climate scenarios for use in the Climate Transition Models. OE use the NGFS long term scenarios as a start and created short term scenarios with input from AIB. Two scenarios were used in 2023. Paris Aligned The Paris-Aligned scenario involves governments taking steps to implement stringent climate policy to target 1.5 degrees in a timely and anticipated fashion. It is based on the NGFS Orderly Transition scenario. Energy prices increases sharply over the forecast horizon; however, the economy is not severely impacted, as climate policies are expected and anticipated, creating opportunities in 'green' industries. Sudden Realisation The Sudden Realisation scenario aims to achieve the same as the Paris-Aligned scenario, however the transition is not anticipated. The sudden change in policy is based on the NGFS Disorderly Transition scenario. As the change to policies is not anticipated, there is a greater impact to the economy than the Paris-Aligned scenario.

(5.1.1.11) Rationale for choice of scenario

Transition Risk scenarios which are aligned with new NGFS short term commentary included an attempt to allocate the shocks into a three year horizon which is more closely aligned with the Bank's financial planning processes and timelines. Physical Risk scenarios are aligned with best practises including the most severe outlook.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☒ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

☒ Policy

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 1.5°C or lower

(5.1.1.7) Reference year

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2030

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

☒ Global regulation

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Flood maps and vulnerability functions are provided by JBA. In addition data is available from JBA to model the effects of climate change using science-based climate change scenarios from the Intergovernmental Panel on Climate Change (IPCC). The available IPCC scenarios are differentiated in terms of their “representative concentration pathway” (RCP) of greenhouse gasses and range from “RCP 2.6” (consistent with 1.5C warming by 2100) to “RCP 8.5” (a very high emission scenario). RCPs work intuitively – the greater the RCP value, the stronger the physical risk signal will be for the scenario. The flood risk models uses the RCP pathway scenarios to produce results from flooding under various different events, e.g. 1 in 10 year event, 1 in 50 year event, 1 in 100 year event etc. Some RCPs map closely to the Network for Greening of the Financial System (NGFS) scenarios: RCP2.6 maps to the NGFS “(Dis)Orderly” scenarios RCP6.0/8.5 maps to the NGFS “Hot House (Current Policies)” scenario, with RCP 6.0 the closer of the two and RCP 8.5 the more aggressive in terms of physical risk.

(5.1.1.11) Rationale for choice of scenario

Transition Risk scenarios which are aligned with new NGFS short term commentary included an attempt to allocate the shocks into a three year horizon which is more closely aligned with the Bank’s financial planning processes and timelines. Physical Risk scenarios are aligned with best practises including the most severe outlook.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☒ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

☒ Policy

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2030

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

☒ Global regulation

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

We continue to be focused on flood risk as the most significant acute and chronic physical risk. Our approach continues to evolve in line with industry developments and numbers may change with time. The physical flood risk is aligned with our CRR449a Pillar 3 disclosure showing “sensitivity” to physical risk for NFC’s secured by immovable property under an adverse climate scenario. Adverse climate scenario is defined as: RCP 8.5 to 2035, and a 1:100 risk of a flood event. The threshold of risk for sensitive is set at a 1% flooding risk (1:100) and the adverse climate change scenario to 2035. This approach aligns to the EBA 2021 ESG Risk Management guidance in so far as there is prescriptive guidance.

(5.1.1.11) Rationale for choice of scenario

Transition Risk scenarios which are aligned with new NGFS short term commentary included an attempt to allocate the shocks into a three year horizon which is more closely aligned with the Bank’s financial planning processes and timelines. Physical Risk scenarios are aligned with best practises including the most severe outlook.

[Add row]

(5.1.2) Provide details of the outcomes of your organization’s scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☒ Risk and opportunities identification, assessment and management

☒ Strategy and financial planning

- ☑ Resilience of business model and strategy
- ☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

- ☑ Portfolio

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

The key results of the IEA NZE scenario included defined Science Based Targets to 2030 for the Residential Mortgage and Electricity Generation portfolios including associated lending targets and strategies for AIB. The Board approved the validated financed emissions targets covering 75% of customer loans (as at 31.12.2021). The investment planning process was informed by the net zero trajectory, to meet targets to 2030 and beyond. For example AIB are investigating retrofitting propositions in both the domestic mortgage and Commercial Real Estate sectors. This will provide finance for retrofitting less energy efficient homes through our Green Consumer Loan and mortgage options. 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 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. We have set Financed Emissions Targets covering 75% of our Group loan portfolio as at 31 December 2021, based on decarbonisation scenarios with outcomes to 1.5C. We were delighted in 2023 to receive validation from the SBTi for our financed emissions targets, and in so doing, AIB became the first bank in the world to secure a scientifically validated electricity generation maintenance target. The attainment of these targets remains a central tenet of our strategy, and at the business level we will continue to use identified drivers to support delivery against them throughout our lending portfolio: For Residential Property and Commercial Real Estate (CRE), these emissions reduction targets have been translated into what would need to be achieved in terms of new lending to energy-efficient buildings. Given the already low emissions from our renewable-focused Electricity Generation portfolio, the target is a maintenance target range. For Corporate Lending, the required emissions reduction targets relate to larger entities with over 500 employees which have themselves set and obtained externally approved SBTi. The financial impacts of climate and environment are considered within two key processes. Firstly, the financial impact associated with our net zero targets is a formal part of business and financial planning. Business areas are required to consider the impact on projected revenues, costs and margins associated with meeting these targets over the period of the plan and outlook to 2030. Secondly, within the European Central Bank (ECB) 2022 Climate Risk Stress Test, analysis was completed based on the scenarios of the Network for Greening the Financial System (NGFS). These included quantitative forecasts for short- and long-term transitional risk, short-term drought/heat risk and short-term flood risk. Some examples of key opportunities aligned to the strategic and investment planning process include residential and commercial retrofits, lending for sustainable farming measures, sustainable lending for corporates that commit to ESG targets, EV financing, ESG advisory, research and customer supports.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- ☒ Risk and opportunities identification, assessment and management

(5.1.2.2) Coverage of analysis

Select from:

- ☒ Portfolio

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

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.

[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

- ☒ No, but we are developing a climate transition plan within the next two years

(5.2.15) Primary reason for not having a climate transition plan that aligns with a 1.5°C world

Select from:

☒ Other, please specify :To be published in 2025

(5.2.16) Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world

Although AIB does not have a standalone Transition Plan, we began reducing emissions for our own operations in 2016 and, in 2020, AIB became the first Irish bank to make net zero commitments, including our commitment to be net zero in our own operations by 2030, and to reach net zero in our financed emissions by 2050. We launched our Green Mortgage product in 2019 followed by our green personal loan in 2021. We were the first bank in the world to get SBTi approved maintenance targets for electricity generation in April 2023 and have set SBTi approved financed emissions targets for 75% of the AIB loan book. To support our customers, in 2019 we launched our Climate Action Fund with an ambition to lend 5bn over a five-year period. Due to exceptional demand, this doubled to 10bn in 2021 with an increase to 30bn by 2030. In 2019, AIB was the first Irish Bank to publish a Green Bond Framework and, in 2020, AIB was the first Irish Bank to issue a Green Bond for 1bn. Over the last four years, AIB has raised a combined 4bn from the issuance of Green Bonds.

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☒ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☒ Products and services

☒ Upstream/downstream value chain

☒ Investment in R&D

☒ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- ☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Increased awareness of climate change by businesses 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: We have set a new, increased Climate Action Fund, aiming to provide a total of 30bn to aid national and global efforts to realise a necessary lower-carbon economy by the end of 2030. To ensure real, transformative action, our dedicated green financing division, Climate Capital, will complement our other segments – Retail Banking, Capital Markets and AIB UK – and focus on establishing renewables technology in North America, UK and Europe. We recognise we have a long-term role to play in providing the finance for Ireland's transition to a low-carbon economy. This fund is realised through the Group's various green and transition products for personal, SME and corporate customers in Ireland, the UK and further afield, and focuses on energy, climate and infrastructure projects. In 2019, AIB was the first Irish bank to publish a Green Bond Framework and, in 2020, AIB was the first Irish bank to issue a Green Bond, raising 1bn. We have since issued another four Green Bonds, bringing the total raised to 4bn, of which 750m was issued in 2023. Our green and transition lending continues to grow. We closed out 2023 with 30% of total new green lending compared to all new lending. This includes our Green Mortgage lending, which accounted for 45% of our overall mortgage lending. Green Mortgage products – AIB is unique in maintaining three distinct mortgage brands – AIB, EBS and Haven. Following the Launch of the AIB Green Mortgage, AIB Green Personal Loan, and Haven Green Mortgage in 2021 we have continued to enhance our mortgage propositions. Providing finance to produce renewable energy lending – through our multi-disciplinary Energy, Climate Action and Infrastructure team. Providing finance for retrofitting less energy efficient homes – through our Green Consumer Loan and SBCI retrofitting loans.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

We have approximately 4,000 active suppliers on our database and we transacted with 2527 of these in 2023. Since 2016 we have been encouraging our top tier suppliers to disclose carbon emissions details through CDP and encouraged them to join us in our pledge to do more. The suppliers were invited directly to join CDP reporting and AIB's supplier relationship management team supported the supplier in registration. In 2023 the number of suppliers who requested to participate in reporting to CDP increased by 14% to 114, and the number of suppliers submitting responses increased by 27% to 90 giving us greater insight into our Scope 3 emissions. AIB suppliers must adhere to all legal obligations in each jurisdiction in which they operate or provide services (e.g. environmental and labour law), as well as any specific requirements included in our own policies. Key suppliers must attest annually to key policies (or clauses in them that are relevant to our supply chain). These include our Code of Conduct, Conflicts of Interest policy, Anti-Bribery & Corruption policy, Data Protection policy, Speak Up policy and our Human Rights Commitment. In 2020 we launched our Responsible Supplier Code which sets out our expectations of suppliers, and includes the responsible and ethical behaviours we look for in the companies with whom we do business. Based on our Code of Conduct, the Responsible Supplier Code also references our Anti-Bribery & Corruption policy, Conflicts of Interests policy, Human Rights Commitment and our Speak Up policy. As such, we will only do business with suppliers that adhere to this Code; we require evidence that our suppliers have an ESG plan in place or are working towards putting one in place; and all successful suppliers are required to join the Supplier Financial Qualification System (SFQS).

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☒ Risks

☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Ireland's Climate Action Plan has set a ten 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 operations) – to decarbonise in these sectors. Case Studies: The Group has considered energy efficiency and energy saving as key elements in reducing CO₂ emissions. Key initiatives to meet these targets are incorporated in our property and fleet strategies, our energy purchasing decisions (such as our virtual Corporate Power Purchase Agreement), and actions taken to continuously increase our energy efficiency (e.g. increasing our real-time energy monitoring capabilities). In relation to our property, we are continuously improving our existing branch and office building estate to reduce its energy consumption, carbon footprint and reliance on fossil fuels. Lighting across our estate is set to be more efficient through a multi-year LED upgrade programme. Installation on a broad spectrum of lighting infrastructure will bring energy and cost reduction – typically, LEDs provide an energy reduction of 40-60% – in addition to a better operating environment for staff and customers, and a lower maintenance requirement. In 2023 we extended our LED programme to 73 locations including 71 branches. As committed to in Ireland's Programme for Government and set out in the Climate Act 2021, the Climate Action Plan sets out 2030 targets in both energy efficiency and carbon reduction, both of which the LED programme will deliver on. In addition this programme aligns with the continual improvement of energy efficiency as per the ISO 50001 International Standard and fully supports our Net Zero Operational ambition by reducing Scope 2 GHG emissions. To date an investment of c. 2.4m has been allocated to this programme in order to enhance the working environment of the upgraded locations, and reduce operational costs, energy consumption and related carbon emissions.

Operations

(5.3.1.1) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- ☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

As a bank our building network spans Ireland as well as having a presence in the UK and the USA. While we are not operating in an emissions intensive sector, we recognise our property portfolio nonetheless could have a significant footprint if not actively managed. Since 2018 we have embarked on a strategic review of our operations starting with those based in older, inefficient buildings – and any new buildings we intend to occupy must have high energy efficiency and limited environmental impact. Case study: The refurbishment of our 1,300 sq. m., 4-storey over-basement office building in Galway, Ireland, which was originally constructed some 50 years ago, took place over two phases in 2022 and 2023. The refurbished building had to satisfy an energy-efficiency requirement while also increasing capacity to accommodate an amalgamation with another location close by. Internally, the building was stripped back to a 'grey box', and all services and internal

finishes were replaced. The upper floors of the building were in use as office spaces, while the ground floor and basement – forming the former retail bank space – had been closed and unused for approximately two years. Externally, the walls were insulated, the windows were replaced, and the roof finish was replaced, insulated and reinstalled to improve the carbon footprint of the building. The legacy oil boiler heating system was replaced with a more energy efficient heating and cooling system. The lighting system was upgraded to an LED installation with improved controls including motion sensors. Accommodating staff from a nearby location that was being amalgamated, the redesigned interior provided 116 workstations and collaboration spaces on the upper floors and 20 hot desks. The basement was repurposed to become a staff canteen with additional facilities such as showers and a drying room for staff who prefer to walk, run or cycle to work. Visually the internal appearance was greatly improved with the installation of open plan layouts and ceiling rafts (exposing the concrete structure). The project involved a significant proportion of recycled or locally sourced materials, focusing on principles of the circular economy, recovering and integrating existing equipment into the new design. There was also a focus on social impacts. Accessibility was improved, a new Local Working Hub (LWH) provides employees with an alternative working option, and parking facilities were forgone in favour of facilities encouraging active transportation. Investment in the building upon completion of the project covered construction works, life cycle investment and sustainability items while, overall, the refurbishment will reduce its energy consumption compared to the pre-refurbishment period. Indeed, the energy and carbon savings achieved (including the building amalgamation) at the end of 2023 were: 95,228 kWh of electricity and 65,762 kWh of fossil fuel energy, saving a total 40 tCO2e annually.

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- | | |
|---|--|
| ☒ Assets | ☒ Capital allocation |
| ☒ Revenues | ☒ Other, please specify : Revenue |
| ☒ Direct costs | |
| ☒ Indirect costs | |
| ☒ Access to capital | |

(5.3.2.2) Effect type

Select all that apply

- ☒ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☒ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Case Study: AIB has publicly communicated ambitions to achieve net zero and increase our proportion of sustainable lending in our customer lending portfolio. In 2022, we set financed emissions targets for three sectors using a Sector Decarbonisation Approach (SDA) – i) Residential Mortgages; ii) Commercial Real Estate; and iii) Electricity Generation, and a fourth Corporate Portfolio Coverage Target all of which have been validated by SBTi. A significant proportion of the Decarbonisation Scenarios are outside of AIB's direct control, and, as such, we rely on regulation, policy, technology adoption, market trends and consumer behaviours. Targets and baselines were set using Partnership for Carbon Accounting Financials (PCAF) Greenhouse Gas (GHG) guidance in relation to data. Given the data availability challenges for financed emissions calculations, there is an acknowledgement that proxies are required when direct customer emissions data is not available. We are continuing to put measures and actions in place to enhance our data across our lending portfolio. Progress towards the achievement of our targets will help us mitigate Climate & Environmental risks and achieve our ambition of net zero and increase our sustainable lending. We measure, monitor and report the targets and associated business actions whilst acknowledging that progress may not be linear on a year-on-year basis given the reliance on external developments. As we move into 2024, we will validate our Science Based Targets as a result of the growth in inorganic loans during 2023 following the Ulster Bank acquisition. Case Study 2: In December 2023, following extensive review and challenge by the Board during the year and in line with the Group's strategic planning process, the Board approved the Group's Strategy for 2024 – 2026. The Strategy focuses on three core priority areas: Customer Experience, Operational Efficiency and Greening the Loan Book and is built on commitments to deliver for all stakeholders. Recognising rising customer demand, the need to do more to help combat climate change and our ambition to be a driving force in the transition to a lower-carbon future, we are going to build a dedicated Climate Capital segment to complement our other segments, Retail Banking, Capital Markets and AIB UK. The new Climate Capital segment will expand our capability and capacity in this space, as a market leader in financing energy transition and infrastructure.

[Add row]

(5.10) Does your organization use an internal price on environmental externalities?

(5.10.1) Use of internal pricing of environmental externalities

Select from:

☒ No, and we do not plan to in the next two years

(5.10.3) Primary reason for not pricing environmental externalities

Select from:

☒ Not an immediate strategic priority

(5.10.4) Explain why your organization does not price environmental externalities

AIB has focused on measuring and reducing the emissions associated with our business activities and developing a climate transition plan. Therefore, pricing environmental externalities has not been a strategic priority during the reporting year.

[Fixed row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Clients	Select from: ☒ Yes	Select all that apply
Suppliers	Select from: ☒ Yes	Select all that apply ☒ Climate change
Smallholders	Select from: ☒ Yes	Select all that apply
Investors and shareholders	Select from: ☒ Yes	Select all that apply ☒ Climate change
Other value chain stakeholders	Select from: ☒ Yes	Select all that apply ☒ Climate change

[Fixed row]

(5.11.3) Provide details of your environmental engagement strategy with your clients.

Row 1

(5.11.3.1) Type of clients

Select from:

☒ Clients of Banks

(5.11.3.2) Environmental issues covered by the engagement strategy

Select all that apply

☒ Climate change

(5.11.3.3) Type and details of engagement

Financial incentives

☒ Provide financial incentives for progress against climate-related targets

(5.11.3.4) % of client-associated scope 3 emissions as reported in question 12.1.1

Select from:

☒ 51-75%

(5.11.3.5) % of portfolio covered in relation to total portfolio value

Select from:

☒ 26-50%

(5.11.3.6) Explain the rationale for the coverage of your engagement

AIB Group plays a role throughout the housing value chain, including providing finance for housing development and supplying mortgages. Housing represents 52% of our loan portfolio and was identified as a material topic by our stakeholders during our double materiality assessment in 2023. We want to encourage our customers to go green. As we aim to reach net zero across our customer portfolio, we can do this by providing a range of products and services that will enable our customers to reduce their own carbon emissions. In 2023 AIB Group held a 33% share of the mortgage market in ROI, giving thousands of individuals, couples and

families keys to their new home. At AIB Group, we offer Green Mortgages across AIB, EBS and Haven, which means our lowest mortgage interest rates are available for energy efficient homes. All AIB mortgage entities provide Green Mortgages to homes with a BER rating of between A1 and B3, (or an Energy Performance Certificate (EPC) rating of A (non-domestic only), A or B in the UK) to new, switching and existing mortgage customers. In H2 2023, our new green lending definition was expanded to include new mortgage lending to energy efficient homes (BER A1-B2 / EPC A-B), aligned to our Sustainable Lending Framework (SLF). The SLF is an AIB Framework that outlines the key parameters on which a transaction can be classified as green. This expanded definition has been applied to all relevant lending activity for the full year. Throughout 2023 we increased mortgage interest rates across AIB, EBS and Haven in response to ECB rate rises, while ensuring that our Green Mortgages continued to offer lower rates. AIB's housing strategy is aligned to SDG 11 'Sustainable Cities and Communities'. This is relevant in a national context because a lack of housing supply to buy or rent in the private sector, the high cost of building and affordability of house prices have led to a high need nationally and have led to negative economic and social implications for Ireland, as those on low income, youth and non-homeowners are most affected. Availability of affordable housing in Ireland is a national issue linked to retail and corporate lending. Our mortgage products are primarily targeted at Irish resident adults with sufficient sustainable income to service the debt over the life of the mortgage. Therefore, we have identified that increasing the supply of energy-efficient social housing is a key-way to increase our positive impact in this area.

(5.11.3.7) Describe how you communicate your engagement strategy to your clients and/or to the public

Our purpose is empowering people to build a sustainable future, so effective and systematic stakeholder engagement is a key focus of our approach to sustainability and our strategic growth. Our stakeholder management and engagement is a continuous process overseen by our Executive Committee. Find more details on our stakeholder engagement per group throughout our FY2023 Sustainability Report and on pages 9 - 10.

(5.11.3.8) Attach your engagement strategy

[AIB-sustainability-report-2023.pdf](#)

(5.11.3.9) Staff in your organization carrying out the engagement

Select all that apply

☒ Other, please specify :Mortgage Advisors

(5.11.3.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply

☒ Other, please specify :Customers

(5.11.3.11) Effect of engagement, including measures of success

In 2023 new Green Mortgages accounted for 1.8bn of new lending and represented 45% of all new mortgage lending across the Group. In H2 2023, our new green lending definition was expanded to include new mortgage lending to energy-efficient homes (BER A1-B2 / EPC A-B), aligned to our Sustainable Lending Framework (SLF). Our Green Mortgage products may include lending to homes with a B3 BER rating. The SLF is an AIB Framework that outlines the key parameters on which a transaction can be classified as green. This expanded definition has been applied to all relevant lending activity for the full year.

(5.11.3.12) Escalation process for engagement when dialogue is failing

Select from:

☒ No, we don't have an escalation process

[\[Add row\]](#)

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☒ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Information collection

☒ Collect environmental risk and opportunity information at least annually from suppliers

☒ Collect GHG emissions data at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

☒ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☒ 1-25%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☒ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

We have a Group-wide Third Party Management (TPM) programme aimed at ensuring our suppliers are managed appropriately and effectively. Our procurement function maintains oversight and face-to-face interaction with suppliers where required and the Responsible Supplier Code sets out our expectations of suppliers. As a Group we maintain approximately 4,000 suppliers with whom we contract. They are integral to both meeting our net zero ambitions and maintaining ethical operations throughout our supply chain. We have a Responsible Supplier Code that sets out our expectations of suppliers and includes the behaviours we look for. We will only do business with suppliers that adhere to our Responsible Supplier Code and we require evidence that they have an ESG plan in place or are working towards putting one in place. It is imperative that anything that goes against our ethics is identified and removed. Where there is wrongdoing, or suspected wrongdoing, we want to empower our people to speak up. Our Speak-Up policy sets out how employees, agency staff, tied agents, suppliers, contractors, consultants, and those providing an outsourced service, can raise any issue or seek advice at any stage.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☒ Unknown

[Add row]

(5.11.8) Provide details of any environmental smallholder engagement activity

Row 1

(5.11.8.1) Commodity

Select from:

☒ Timber products

(5.11.8.2) Type and details of smallholder engagement approach

Capacity building

- ☒ Disseminate technical materials
- ☒ Organize capacity building events

(5.11.8.3) Number of smallholders engaged

0

(5.11.8.4) Effect of engagement and measures of success

Often times forestry is a partial activity on a smallholding/farm and therefore it is not possible to get an accurate indication of number of smallholders engaged and measures of success regarding timber.

Row 2

(5.11.8.1) Commodity

Select from:

- ☒ Cattle products

(5.11.8.2) Type and details of smallholder engagement approach

Capacity building

- ☒ Disseminate technical materials
- ☒ Offer on-site technical assistance and extension services
- ☒ Organize capacity building events

Smallholder financing

- ☒ Use of government subsidized financing schemes

Smallholder insurance

- ☒ Provide financial incentives for sustainable practices

(5.11.8.3) Number of smallholders engaged

25000

(5.11.8.4) Effect of engagement and measures of success

We have an ambition to be net zero in our Agri portfolio by 2050. We are acting and supporting farmers and the food industry now, working with the Government and the Climate Action Plan, Agri partners and through initiatives around the country to collectively meet Ireland's low-carbon ambitions for this vital sector. From "farm-gate" to industry operating at global scale in the agriculture and food supply chain, our teams engagement with stakeholders affords unique insight into sustainable farming, nutrition and food production developments. When it comes to this support in particular, we know that information is key. Our specialist Agri team comprises 15 people based around the country, including a Head of Sustainability for Agriculture, Food & Fishing, who was appointed in May 2023. This team has the experience, understanding and track record of supporting the sector so it can continue to develop and thrive sustainably. It provides strong, objective farm financial and technical analysis on individual farm cases as needed. AIB produces a biannual ezine for our customers interested in the latest developments and news from Ireland's agriculture sector. Delivered straight to the mailboxes of 25,000 customers and Agri industry personnel, Agri Matters is intended to bolster our support of this sector, offering tailored economic and investment information, while profiling customers with interesting success stories. We also share information from our partners, including Teagasc, which is currently running a regular feature on its Signpost programme, an advisory programme supporting climate and sustainability actions on farms. In July, AIB became the exclusive financial institution partner with the Farm Zero C project, based in Shinagh, outside Bandon, West Cork. Farm Zero C, a joint project with Carbery, the West Cork-based international food ingredients company, and BiOrbic, Ireland's National Bioeconomy Research Centre, aims to create an economically viable, climate neutral model for Irish dairy farming. This project brings together a group of research and industry experts in a world-first attempt to come up with a farm-level solution for a global problem, and we will support it every step of the way.

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

- ☒ Other value chain stakeholder, please specify :Customers/Clients of banks

(5.11.9.2) Type and details of engagement

Education/Information sharing

- ☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- ☒ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- ☒ Share information about your products and relevant certification schemes

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- ☒ Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

We recognise the important role AIB Group plays in supporting our customers and the wider economy. There is therefore an onus on us to upskill our colleagues in order to support our customers, in particular on the ESG agenda. For our business customers, this presents an opportunity for us to help them as they navigate the evolving landscape. In 2023, we created a new Continuing Professional Development (CPD) Certificate in 'Understanding ESG for Business Customers' in association with the Institute of Bankers (IOB). The purpose of this training is to empower our colleagues to take action and build on their ESG knowledge. On this training, Cathy Bryce, AIB Group's MD of Capital Markets, commented: "The transition to low carbon presents an opportunity for us to be there for our customers, and to help them understand and support them as they navigate these evolving regulatory requirements and opportunities."

(5.11.9.6) Effect of engagement and measures of success

Course participants are empowered with information on how a business can initiate a climate action plan. Along with international standards for carbon footprinting, the training covers how a customer may conduct a materiality assessment to support and prioritise key sustainability topics for action, and includes a framework for businesses to structure sustainability efforts and the must-haves in a successful sustainability transformation approach.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

- ☒ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

- ☒ Share information on environmental initiatives, progress and achievements
- ☒ Other education/information sharing, please specify :Attend ESG focused Investor events/meetings.

Innovation and collaboration

- ☒ Collaborate with stakeholders in creation and review of your climate transition plan
- ☒ Other innovation and collaboration, please specify :On request arrange meetings with AIB's Chief Strategy and Sustainability officer. Investor Relations provide invites to Investors to attend the annual Sustainability Conference.

Other

- ☒ Other, please specify :Investor Relations extend invite to Investors to provide input on the Bank's materiality exercise.

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- ☒ Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Rationale is to inform and educate ESG Investors on AIB's sustainability strategy and provide a progress update to our ESG Investors.

(5.11.9.6) Effect of engagement and measures of success

Following our investor meetings on the updates to the Green and Social Bond Frameworks we have seen an increase in the number of quality ESG funds, including new 'dark green' investors, participating in our green bond issuances demonstrating strong recognition of AIB's ESG credentials. Recent Green Bond issuances are significantly oversubscribed with a tighter price achieved known as 'the Greenium'.

[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

	Consolidation approach used	Provide the rationale for the choice of consolidation approach
Climate change	<i>Select from:</i> ☒ Operational control	<i>The operational control approach has been taken to account for 100% of the GHG emissions from within our operations.</i>
Forests	<i>Select from:</i> ☒ Other, please specify :Not an immediate strategic priority	<i>Not an immediate strategic priority</i>
Water	<i>Select from:</i> ☒ Other, please specify :Not an immediate strategic priority	<i>Not an immediate strategic priority</i>
Plastics	<i>Select from:</i> ☒ Other, please specify :Not an immediate strategic priority	<i>Not an immediate strategic priority</i>
Biodiversity	<i>Select from:</i> ☒ Other, please specify :Not an immediate strategic priority	<i>Not an immediate strategic priority</i>

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

☒ No

(7.1.1) 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?

	Has there been a structural change?
	Select all that apply ☒ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

☒ Yes, a change in methodology

☒ Yes, a change in boundary

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

Change in methodology used to calculate A) "Commuting emissions": A commuting survey was introduced in September 2023, this was issued to employees in Ireland and in the UK with the aim of obtaining information about commuting travel patterns. Information collected in these jurisdictions is utilised to determine % of employees using each travel method and to calculate the number of km per method of transport across the year. This model was applied to calculate our commuting emissions in the UK and Ireland. B) Vehicle fleet emissions: AIB started a phased approach to transition its corporate vehicle fleet to electric. In 2023, we switched 44 vehicles to EV and emissions from these vehicles are now accounted as Scope 2 emissions. Boundary: Addition to our inventory of a Scope 3 category: "Downstream Leased Assets". This addition will reflect operations of assets owned by AIB Group which were leased to other entities in the reporting year 2023.

[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☒ No, because the impact does not meet our significance threshold

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

In accordance with the GHG Protocol, a material misstatement is deemed to be that returning a variance of greater than or equal to 5%. This applies to the baseline year and all subsequent reported years. In instances where, due to a change in calculation methodology, a structural change to the organisation or improvements in data accuracy, our emissions are materially misstated, AIB will update these figures in the subsequent annual reporting.

(7.1.3.4) Past years' recalculation

Select from:

☒ No

[Fixed row]

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

Select all that apply

- ☒ ISO 14064-1
- ☒ IEA CO2 Emissions from Fuel Combustion
- ☒ US EPA Emissions & Generation Resource Integrated Database (eGRID)
- ☒ 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
- ☒ Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
- ☒ Other, please specify :Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities. U.S. Environmental Protection Agency. US EPA Center for Corporate Climate Leadership (Indirect Scope 3 emissions), SEAI and CRU (SEM)

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

	Scope 2, location-based	Scope 2, market-based	Comment
	<i>Select from:</i> ☒ We are reporting a Scope 2, location-based figure	<i>Select from:</i> ☒ We are reporting a Scope 2, market-based figure	n/a

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

- ☒ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

4784

(7.5.3) Methodological details

Scope 1 emissions were calculated using: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol) and the UK Government's emission conversion factors for greenhouse gas company reporting (2019). The organisational boundary of AIB was defined as the company's operations and activities in Ireland, the UK and the US. Emissions were calculated from activities under AIB's operational control. We selected a 2019 baseline for our operational emissions targets as neither 2020 nor 2021 reflected a standard year's operation due to pandemic-related reductions.

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

10025

(7.5.3) Methodological details

Scope 2 (location-based) emissions were 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 (2019); CRU (SEM) and the International Energy Agency electricity emissions factors (2019). The organisational boundary of AIB was defined as the company's operations and activities in Ireland, the UK and the US.

Emissions were calculated from activities under AIB's operational control. We selected a 2019 baseline for our operational emissions targets as neither 2020 nor 2021 reflected a standard year's operation due to pandemic-related reductions.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO₂e)

64

(7.5.3) Methodological details

Scope 2 (market-based) emissions were calculated using The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, supplier-based emission factors and the EPA USA residual mix emission factors. The organisational boundary of AIB was defined as the company's operations and activities in Ireland, the UK and the US. Emissions were calculated from activities under AIB's operational control. We selected a 2019 baseline for our operational emissions targets as neither 2020 nor 2021 reflected a standard year's operation due to pandemic-related reductions.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO₂e)

488

(7.5.3) Methodological details

Scope 3 PGAS emissions were calculated using The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, the UK Government's emission conversion factors for greenhouse gas company reporting (2019) and CEDA. The organisational boundary of AIB was defined as the company's operations and activities in Ireland, the UK and the US. Emissions were calculated from activities under AIB's operational control.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

129.0

(7.5.3) Methodological details

Scope 3 Capital Goods emissions were calculated using The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and CEDA. The organisational boundary of AIB was defined as the company's operations and activities in Ireland, the UK and the US. Emissions were calculated from activities under AIB's operational control.

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

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

5512.0

(7.5.3) Methodological details

Scope 3 Category 3 emissions were 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 (2019) and the International Energy Agency electricity emissions factors (2019). The organisational boundary of AIB was defined as the company's operations and activities in Ireland, the UK and the US. Emissions were calculated from activities under AIB's operational control.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

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.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

199.0

(7.5.3) Methodological details

Scope 3 Category 3 emissions were calculated using The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and Revised Edition (the GHG Protocol); the UK Government's emission conversion factors for greenhouse gas company reporting (2019) The organisational boundary of AIB was defined as the company's operations and activities in Ireland, the UK and the US. Emissions were calculated from activities under AIB's operational control.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

3845.0

(7.5.3) Methodological details

Scope 3 Category 3 emissions were calculated using The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and Revised Edition (the GHG Protocol); the UK Government's emission conversion factors for greenhouse gas company reporting (2019) The organisational boundary of AIB was defined as the company's operations and activities in Ireland, the UK and the US. Emissions were calculated from activities under AIB's operational control.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

4287.0

(7.5.3) Methodological details

Scope 3 Category 3 emissions were calculated using The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and Revised Edition (the GHG Protocol); the UK Government's emission conversion factors for greenhouse gas company reporting (2019) The organisational boundary of AIB was defined as the company's operations and activities in Ireland, the UK and the US. Emissions were calculated from activities under AIB's operational control.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Emissions associated from the operation of assets that are leased by AIB were 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.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

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 relevant for the distribution of our services.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

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.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

The reason to consider this category not relevant 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.

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

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

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.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

In 2019, AIB did not lease assets to a third party, therefore these emissions were considered not relevant.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

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

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

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

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

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

[Fixed row]

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

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

2886

(7.6.3) Methodological details

Emissions were calculated using The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and Revised Edition; the UK Government's emission conversion factors for greenhouse gas company reporting, SEAI, IPPC, US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources. The organisational boundary of AIB was defined as the company's operations and activities in Ireland, the UK and the US. Emissions were calculated from activities under AIB's operational control.

[Fixed row]

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

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

4948

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

536

(7.7.4) Methodological details

The organisational boundary of AIB was defined as the company's operations and activities in Ireland, the UK and the US. Emissions were calculated from activities under AIB's operational control. Emissions were calculated using The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol) and a) Location Based: the UK Government's emission conversion factors for greenhouse gas company reporting, SEM (CRU), USA EPA eGrid; b) supplier-based emission factors, the European residual mix (AIB) and Green e-residual emissions (US).

[Fixed row]

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

Purchased goods and services

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3405

(7.8.3) Emissions calculation methodology

Select all that apply

- ☒ Average data method
- ☒ Spend-based method

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

100

(7.8.5) 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). Water: Water data shows only water supplied to AIB Group. Emissions factors used are based on DEFRA 2023 guidelines. Paper: Paper consumption is based on total spend per AIB division. Total emissions for paper were estimated using an economic input-output model which has used emissions factors from the "Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities. U.S. Environmental Protection Agency". Data Centre: These are emissions associated with the energy use of the co-located datacentres. CRU (SEM) conversion factors used. 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. AIB is a member of the CDP Supply Chain Programme.

Capital goods

(7.8.1) Evaluation status

Select from:

- ☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

604

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Spend-based method

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

100

(7.8.5) Please explain

Capital Goods is comprised of IT equipment. Total emissions for IT are estimated using an economic input-output model which has used emission factors from the "Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities. U.S. Environmental Protection Agency".

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

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

2950

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

☒ Distance-based method

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

100

(7.8.5) Please explain

WTT & TD 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 and IEA Well-to-tank and transmission and distribution loss conversion factors.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) 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

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

33

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Waste-type-specific method

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

(7.8.5) 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 2023 were used to calculate emissions.

Business travel

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

2243

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Distance-based method

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

100

(7.8.5) 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 2023 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

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

6166

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

☒ Distance-based method

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

0

(7.8.5) Please explain

a) A commuting survey was introduced in September 2023, this was issued to employees in Ireland and the UK with the aim of obtaining information about commuting travel patterns. Information collected in these jurisdictions is utilised to determine % of employees using each travel method and to calculate the number of km per method of transport across the year. This model was applied to calculate our commuting emissions in the UK and Ireland. This is a change in methodology from previous year. b) The U. S. Census Bureau, 2022 American Community Survey has been used to identify journey times, journey distances and modes of travel for that region. c) Working from home emissions not included. The relevant emission factor for each transport type provided by DEFRA (2023) were used to estimate emissions based in the UK and Ireland on resultant data. EFs from EPA Center for Corporate Climate Leadership were used to calculate the emissions for commuting in the US.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Emissions associated from the operation of assets which are leased by AIB have been included in Scope 1 and Scope 2 disclosed in previous sections. We calculated the emissions from these rental 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

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) 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 relevant for the distribution of our services.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) 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

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

The reason to consider this category not relevant 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

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) 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

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

49

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

☒ Fuel-based method

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

0

(7.8.5) Please explain

Scope 1 emissions from the lessee are estimated based on floor area occupied and building utility consumption. Scope 2 emissions from the lessee are calculated as per submetering information.

Franchises

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

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

Other (upstream)

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

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

Other (downstream)

(7.8.1) Evaluation status

Select from:
☒ Not relevant, explanation provided

(7.8.5) Please explain

AIB has not identified any additional downstream emissions not already reported in other categories.
[Fixed row]

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

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

[Fixed row]

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

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:
☒ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☒ Complete

(7.9.1.3) Type of verification or assurance

Select from:
☒ Limited assurance

(7.9.1.4) Attach the statement

AIB GHG Emissions FY24_ Limited Verification Statement.pdf

(7.9.1.5) Page/section reference

2

(7.9.1.6) Relevant standard

Select from:
☒ ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

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

Row 1

(7.9.2.1) Scope 2 approach

Select from:
☒ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☒ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☒ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☒ Limited assurance

(7.9.2.6) Page/ section reference

2

(7.9.2.7) Relevant standard

Select from:

☒ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.2.1) Scope 2 approach

Select from:

☒ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☒ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.2.5) Attach the statement

AIB GHG Emissions FY24_ Limited Verification Statement.pdf

(7.9.2.6) Page/ section reference

(7.9.2.7) Relevant standard

Select from:

☒ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

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

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

- | | |
|---|---|
| ☒ Scope 3: Capital goods | ☒ Scope 3: Waste generated in operations |
| ☒ Scope 3: Business travel | ☒ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) |
| ☒ Scope 3: Employee commuting | |
| ☒ Scope 3: Downstream leased assets | |
| ☒ Scope 3: Purchased goods and services | |

(7.9.3.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☒ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.3.5) Attach the statement

AIB GHG Emissions FY24_ Limited Verification Statement.pdf

(7.9.3.6) Page/section reference

2

(7.9.3.7) Relevant standard

Select from:

☒ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

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

Select from:

☒ Decreased

(7.10.1) 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 renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

We are reporting location-based Scope 2 emissions, so renewables do not affect the total.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO₂e)

922.4

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

11

(7.10.1.4) Please explain calculation

The emissions total (992.4 tonnes) is derived from the emissions of reduction activities/projects implemented in 7.55.2. These emissions are then divided by total Scope 1&2 from 2022 (9,163 tonnes) x100. $-992.4/9,163 \times 100$ -10.8% (rounded to -11%).

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

13.8

(7.10.1.2) Direction of change in emissions

Select from:

☒ Increased

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

AIB started a phased approach to transition its corporate vehicle fleet to electric. In 2023, we switched 44 vehicles to EV, emissions from these vehicles are now accounted under Scope 2 emissions. The emission from the EV fleet under Scope 2 are (13.8 tonnes). These emissions are then divided by total Scope 1&2 from 2022 (9,163 tonnes) x100. $13.8/9,163 \times 100 = 0.15\%$ increase. As the increase is negligible, it's rounded as zero. Please note that the reductions in our Scope 1 emissions associated with the removal of fuelled vehicles from our fleet has been accounted under the "Other Emissions activities" as per disclosure under 7.55.2.

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

350

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

4

(7.10.1.4) Please explain calculation

*The emissions total (350 tonnes) is derived from the remaining unidentified emissions (YOY reduction change Increase due to Methodology change - Reduction from Energy Initiatives Unidentified emission) // 132913.8-992.4 350 (rounded). These emissions are then divided by total Scope 1&2 from 2021 (9,163 tCO2e) x100. - 350/9,163*100 -3.81% (rounded to 4%). These unidentified emissions are due to a) EF updates and b) behavioural changes (increased awareness through staff on promoting "conservation of energy in buildings"). The proportion of emissions attributed to a and b above is unknown. Therefore these emissions are reported under the "unidentified changes" category instead of other table categories.*

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

☒ Location-based

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:

☒ Yes

(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Row 1

(7.23.1.1) Subsidiary name

AIB UK

(7.23.1.2) Primary activity

Select from:

☒ Other financial

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☒ LEI number

(7.23.1.9) LEI number

54930061N57ORAEPGX16

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

207

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

266

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

150

(7.23.1.15) Comment

Under SI 2018/1155, the Streamlined Energy & Carbon Reporting ('SECR') regulations, AIB UK discloses annually the energy consumption and related carbon emissions which result directly from its operations - see the AIB Group (UK) p.l.c. Annual Financial Report at [aibgb.co.uk/content/dam/gb/business/Documents/Help and Guidance/Regulatory-Information/annual-financial-report/aib-group-\(uk\)-p.l.c.-annual-financial-report-2023.pdf](https://aibgb.co.uk/content/dam/gb/business/Documents/Help%20and%20Guidance/Regulatory-Information/annual-financial-report/aib-group-(uk)-p.l.c.-annual-financial-report-2023.pdf). Please note the data reported covered 9 months

actual and 3months extrapolated. The figures above reflect full 12 months to 31.12.2023, and are reflected in the independently verified statement covering the GHG emissions for AIB Group.

[Add row]

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

Select from:

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

(7.30) 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)	Select from: ☒ Yes
Consumption of purchased or acquired electricity	Select from: ☒ Yes
Consumption of purchased or acquired heat	Select from: ☒ No
Consumption of purchased or acquired steam	Select from: ☒ No
Consumption of purchased or acquired cooling	Select from: ☒ No
Generation of electricity, heat, steam, or cooling	Select from: ☒ Yes

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☒ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

178.17

(7.30.1.3) MWh from non-renewable sources

13598.91

(7.30.1.4) Total (renewable and non-renewable) MWh

13777.08

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

11971.37

(7.30.1.3) MWh from non-renewable sources

9121.84

(7.30.1.4) Total (renewable and non-renewable) MWh

21093.21

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

0

Total energy consumption

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

12149.54

(7.30.1.3) MWh from non-renewable sources

22720.75

(7.30.1.4) Total (renewable and non-renewable) MWh

34870.29

[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Ireland

(7.30.16.1) Consumption of purchased electricity (MWh)

19715.83

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19715.83

United Kingdom of Great Britain and Northern Ireland

(7.30.16.1) Consumption of purchased electricity (MWh)

1204.28

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

1204.28

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

173.11

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

173.11

[Fixed row]

(7.45) 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.

Row 1

(7.45.1) Intensity figure

0.0000017

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

7834

(7.45.3) Metric denominator

Select from:

☒ unit total revenue

(7.45.4) Metric denominator: Unit total

4722

(7.45.5) Scope 2 figure used

Select from:

☒ Location-based

(7.45.6) % change from previous year

(7.45.7) Direction of change*Select from:*☒ Decreased**(7.45.8) Reasons for change***Select all that apply*☒ Other emissions reduction activities☒ Change in revenue**(7.45.9) Please explain**

The reduction in our tCO₂/unit total revenue emissions intensity figure (47% lower) has been driven largely by a combination of an increase in revenue and a reduction in our Scope 1 and 2 emissions. Our revenue increased by 62% (from 2,914m to 4,722m), whilst our Scope 1 and 2 emissions decreased from 9,163 tCO₂e to 7,834 tCO₂e (-15%). This decrease in emissions intensity is partially linked to emission reduction initiatives (full list outlined in question 7.55.2).

Row 2**(7.45.1) Intensity figure**

5.7e-8

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

7834

(7.45.3) Metric denominator*Select from:*☒ Other, please specify :Total Assets

(7.45.4) Metric denominator: Unit total

136348578804

(7.45.5) Scope 2 figure used

Select from:

☒ Location-based

(7.45.6) % change from previous year

19

(7.45.7) Direction of change

Select from:

☒ Decreased

(7.45.8) Reasons for change

Select all that apply

☒ Other emissions reduction activities

☒ Other, please specify :Change in total assets

(7.45.9) Please explain

The reduction in our tCO₂/unit total assets emissions intensity figure (19% lower) has been driven largely by a combination of an increase in total assets and a reduction in our Scope 1 and 2 emissions. Our total assets increased by 5% (from 129,752m to 136,349m), whilst our Scope 1 and 2 emissions decreased from 9,163 tCO₂e to 7,834 tCO₂e (-15%). This decrease in emissions intensity is partially linked to emission reduction initiatives (full list outlined in question 7.55.2).

[Add row]

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

Row 1

(7.52.1) Description

Select from:

☒ Energy usage

(7.52.2) Metric value

6.8

(7.52.3) Metric numerator

32035

(7.52.4) Metric denominator (intensity metric only)

4722

(7.52.5) % change from previous year

44

(7.52.6) Direction of change

Select from:

☒ Decreased

(7.52.7) Please explain

The 44% reduction in energy usage has been driven largely by a combination of an increase in total revenue and a reduction in our energy usage. Our revenue increased by 62% (from 2,914m to 4,722m), whilst our energy use decreased from 35,373 MWh to 32,035 MWh (-9%). This decrease in energy intensity is partially linked to emission reduction initiatives (full list outlined in question 7.55.2). Note 1: Energy Usage KPI MWh/unit of total revenue (m). Note 2: Energy usage excludes energy consumption from transport.

[Add row]

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

Select all that apply

☒ Absolute target

☒ Portfolio target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☒ Abs 3

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

Target language and summary AIB Group plc with date.pdf

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

04/05/2023

(7.53.1.6) Target coverage

Select from:

☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

☒ Hydrofluorocarbons (HFCs)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 1

(7.53.1.11) End date of base year

12/31/2019

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

4800

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

0.000

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

4800.000

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

100

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

100

(7.53.1.54) End date of target

12/31/2027

(7.53.1.55) Targeted reduction from base year (%)

33.6

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

3187.200

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

2819

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

2819.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ Yes, it covers land-related emissions/removals associated with bioenergy and non-land related emissions (e.g. non-FLAG SBT with bioenergy)

(7.53.1.79) % of target achieved relative to base year

122.83

(7.53.1.80) Target status in reporting year

Select from:

☒ Achieved

(7.53.1.82) Explain target coverage and identify any exclusions

AIB Group validated near-term science-based reduction targets with the Science Based Targets initiative (SBTi). Our Scope 1 target is disclosed here as ABS 3. Regarding Scope 2 emissions, AIB committed to increase annual sourcing of renewable electricity to 100% by 2030 from 2019 baseline. Note 1: Data from our locations in ROI (AIB, Payzone and EBS), UK (AIB NI and AIB GB), as well as our US locations have been considered. Note 2: This is a company-wide target but since Goodbody was only consolidated for the final 4 months of 2021, its emissions were excluded in the GHG inventory or associated targets for submissions to SBTi Note 3: This target meets a 4.2 % absolute annual emissions reduction between 'Base year' and 'Target year'. Note 4: The target boundary includes biogenic land-related emissions and removals from bioenergy feedstock. Baseyear (Scope 1: 4,784 tCO₂e, Biogenic emissions: 16 tCO₂e), Reporting Year (Scope 1: 2,784tCO₂e, Biogenic emissions: 35tCO₂e) Note 5: Year on year, AIB achieved a 9.4 % reduction and has achieved this target ahead of target year (2027). Note 6: We selected a 2019 baseline for our operational emissions targets as neither 2020 nor 2021 reflected a standard year's operation due to pandemic-related reductions. Note 7: During 2022, AIB implemented a hybrid working policy which governs working from home. Part of the energy reduction across AIB Group can be attributed to reduced operational capacity within our buildings. Note 8: For more information see C.6.1, C6.3 and C6.5a Note 9: PFC and SF6 are process related emissions not related to AIB activities. NF3 is used in a relatively small number of industrial processes not related to AIB direct emissions.

(7.53.1.83) Target objective

This target was established as short-term target to our 2030 operational Net Zero ambition.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

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

The Group has considered energy efficiency and energy saving as key elements in reducing CO₂ emissions. Key initiatives to meet these targets are incorporated in our property and fleet strategies. 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 - In 2022, we completed a major retrofit (including heat pump installation) of one of our main locations in Galway (Eyre Sq) and have eliminated fossil fuel use in this building - rationalisation strategy of our operations in older inefficient buildings - Replacement of older less efficient air conditioning systems and installation of small controls items across the branch network. - Ongoing monitoring of HVAC systems - Phased approach to transition our petrol/diesel fuelled corporate fleet to electric. - Staff engagement programmes.

[Add row]

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

	Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)	Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
Row 1	0.0000000000	0.0000000000

[Add row]

(7.53.4) Provide details of the climate-related targets for your portfolio.

Row 1

(7.53.4.1) Target reference number

Select from:

☒ Por1

(7.53.4.2) Target type

Select from:

☒ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:

☒ SBTi for Financial Institutions

(7.53.4.5) Date target was set

04/05/2023

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☒ Portfolio level

(7.53.4.9) Portfolio

Select from:

☒ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☒ Loans

☒ Project finance

☒ Bonds

☒ Equity investments

☒ Real estate

(7.53.4.11) Sectors covered by the target

Select all that apply

☒ Power generation

(7.53.4.12) Target type: Absolute or intensity

Select from:

☒ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

75

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☒ Other, SDA metric please specify :kgCO2e

(7.53.4.17) Target denominator

Select from:

☒ Meters squared

(7.53.4.18) % of portfolio covered in relation to total portfolio value

22.37

(7.53.4.21) Frequency of target reviews

Select from:

☒ Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

2570000

(7.53.4.24) We have an interim target

Select from:

☒ No

(7.53.4.27) End date of target

12/31/2030

(7.53.4.28) Figure in target year

1285000

(7.53.4.29) Figure in reporting year

2200000

(7.53.4.30) % of target achieved relative to base year

28.793774319066145

(7.53.4.31) Target status in reporting year

Select from:

☒ Underway

(7.53.4.34) Is this a science-based target?

Select from:

☒ Yes, and this target has been approved by the Science-Based Targets initiative

(7.53.4.35) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

The figures provided for the reporting year relate to 2021, as these are the most recent figures available. The approach to setting Financed Emissions Targets and associated data collection is still evolving and is subject to change over time. As such, the figures disclosed may evolve in line with industry best practice. We have selected the interim year as 2027 as, under SBTi, reviews are required every 5 years (min.). Proportion of portfolio emissions calculated in the reporting year based on asset level data: 26% represents the proportion of EPC information held as outlined in Template 2 of our Pillar 3 ESG risk disclosures: Level of energy efficiency of loans collateralised by residential immovable property for total EU and Non-EU areas. There are no exclusions. For figure in our target year, our approach to calculating this figure is in line with SBTi standards. For 2030 and in line with a 1.5-degree pathway, we have committed to roughly halving our emissions by 2030 from our baseline value. This commitment is aligned with the IEA NZ decarbonisation scenario that we submitted as part of our SBTi submission. For long-term targets we have committed to reducing more than 90% of our emission by 2050 (also in line with SDA).

(7.53.4.38) Target objective

AIB will continue to provide at least 80% renewable or other zero-emissions electricity generation project financing and will only finance new capacity from zero-emission sources and additional exposure to existing capacity only if the infrastructure has an emissions abatement plan consistent with limiting warming to 1.5C with no or limited overshoot. AIB will continue to expand on its green propositions and green finance across its Retail Banking, Capital Markets and UK business. Future opportunities include providing residential and commercial financing options for retrofitting, solar panels as well as support for more sustainable farming. AIB will encourage relevant portfolio companies with the development of SBTi approved science-based targets. AIB has limited exposure to fossil fuels and will actively encourage these customers to develop SBTi approved science-based targets along with credible transition plans. AIB will publicly report progress against its scope 3 portfolio targets on an annual basis. AIB will ensure that the disclosure of metrics and targets will align with the recommendations of the TCFD. AIB will continue to support the Irish Government to meet its policy goals and actions required to deliver on its targets as set out in the Climate Action Plan. AIB will continue partnerships to build awareness of climate change and promote action to prevent food waste, biodiversity & community dialogues in addition to an annual Sustainability conference.

[Add row]

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

Select all that apply

☒ Targets to increase or maintain low-carbon energy consumption or production

☒ Net-zero targets

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

☒ Low 1

(7.54.1.2) Date target was set

04/05/2023

(7.54.1.3) Target coverage

Select from:

☒ Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:

☒ Electricity

(7.54.1.5) Target type: activity

Select from:

☒ Consumption

(7.54.1.6) Target type: energy source

Select from:

☒ Renewable energy source(s) only

(7.54.1.7) End date of base year

12/31/2019

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

34614.6

(7.54.1.9) % share of low-carbon or renewable energy in base year

1

(7.54.1.10) End date of target

12/31/2030

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

100

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

2

(7.54.1.13) % of target achieved relative to base year

1.01

(7.54.1.14) Target status in reporting year

Select from:

☒ Underway

(7.54.1.16) Is this target part of an emissions target?

AIB has now set and validated SBT for its operational emissions. For our Scope 2 emissions, we have committed to increase annual sourcing of renewable electricity to 100% by 2030 from a 2019 baseline. While to date we have been purchasing electricity on green tariffs, this target is based on “purchase of certified renewable electricity”. In 2022 AIB entered a vCPPA agreement with NTR to buy energy from two new solar farms in Ireland. Construction began in 2023, and the first solar farm commenced energisation in February 2024 and the second in June 2024.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☒ Science Based Targets initiative

(7.54.1.18) Science Based Targets initiative official validation letter

Target language and summary AIB Group plc with date.pdf

(7.54.1.19) Explain target coverage and identify any exclusions

This is a company-wide target and there are no exclusions. This target covers the sourcing of renewable electricity. In 2023, our electricity in the UK was procured from REGO backed sources, comprising 2% of the overall electricity procurement covered by this target. AIB will increase its supply of electricity backed by certificates of generation in 2024 when the two solar farms go live.

(7.54.1.20) Target objective

While AIB purchases electricity on green tariffs from our utility suppliers, we recognise that this is not sufficient to ensure that we reach Net Zero or to provide traceability for the renewable electricity we purchase. In 2022 we completed a Virtual Corporate Power Purchase Agreement (vCPPA) with NTR plc. This partnership will help us to deliver on our commitment to source 100% of our power requirements from certified renewable energy sources by 2030.

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

Under our agreement with NTR, two purpose-built solar farms were constructed in Co. Wexford (Ireland). The new solar assets achieved energisation in February and June 2024. The annual energy generated from these two solar farms will ensure that up to 80% of AIB's estimated electricity needs will be certified to a fully traceable renewable solar energy source. Construction began in 2023, and the first solar farm commenced energisation in February 2024 and the second in June 2024. In addition, we continue to invest in energy efficiency projects.

[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

☒ NZ1

(7.54.3.2) Date target was set

01/01/2019

(7.54.3.3) Target Coverage

Select from:

☒ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☒ Abs3

☒ Low1

(7.54.3.5) End date of target for achieving net zero

12/31/2030

(7.54.3.6) Is this a science-based target?

Select from:

☒ No, but we are reporting another target that is science-based

(7.54.3.8) Scopes

Select all that apply

- ☒ Scope 1
- ☒ Scope 2

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

- ☒ Carbon dioxide (CO₂)
- ☒ Methane (CH₄)
- ☒ Nitrous oxide (N₂O)
- ☒ Hydrofluorocarbons (HFCs)

(7.54.3.10) Explain target coverage and identify any exclusions

The target is a company-wide target and it covers Scope 1 and 2 emissions. There are no exclusions. We have set up two science-based targets that will create a pathway to deliver on our Net Zero ambition. Please refer to ABS 3 and LOW 1 for information on our Scope 1 and 2 targets.

(7.54.3.11) Target objective

While we are supporting our customers in the transition to a low-carbon economy, AIB Group is ever mindful of our own carbon footprint, with a clear ambition to reach net zero in our own operations by 2030. This demands that we accept responsibility for the direct impact of our own operations on the environment. While we have been on a journey for years to reduce our Scope 1 & 2 emissions and use our resources responsibly, the establishment of this ambition has put a sharp focus on all of our efforts – across our buildings, our partners and our colleagues.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

- ☒ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

- ☒ No, and we do not plan to within the next two years

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☒ Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

Options for target year neutralisation are presently being explored.

(7.54.3.17) Target status in reporting year

Select from:

☒ Underway

(7.54.3.19) Process for reviewing target

We continue to measure the Group's operational emissions. Our milestones to reach NZ in our operations by 2030 are reported under the ABS3 and LOW1 targets. Ongoing monitoring of the target progress is in place and options to remove our residuals emissions are currently being explored. As part of our regular reviews changes in existing GHG accounting guidance from the GHG Protocol and target criteria from SBTi are monitored.

Row 2

(7.54.3.1) Target reference number

Select from:

☒ NZ2

(7.54.3.2) Date target was set

01/01/2019

(7.54.3.3) Target Coverage

Select from:

☒ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☒ Por1

(7.54.3.5) End date of target for achieving net zero

12/31/2040

(7.54.3.6) Is this a science-based target?

Select from:

☒ No, but we are reporting another target that is science-based

(7.54.3.8) Scopes

Select all that apply

☒ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

(7.54.3.10) 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, with a timeline of 2050). Consumer Loan: Residential Mortgages Covered by target due to its materiality to AIB's total lending activity Consumer Loan: Personal Loans No option to set SBTs for this asset class Corporate Loan & Project Finance Portfolio: Electricity Generation Covered by target (mandatory) Corporate Loan Portfolio: Commercial Real Estate Covered by target (mandatory) Corporate Loan Portfolio: Other Long-Term Debt Covered by target (mandatory) Corporate Loan Portfolio: Fossil Fuels Covered by target (mandatory) Corporate Loan Portfolio: SME Not mandatory and is challenging for the SME counterparties (i.e. less than 500 employees) to currently set their own SBTs for the portfolio coverage targets Listed Equity & Bonds: Listed Corporate Bonds & Equity Covered by target (mandatory) Other Equity & Bonds The majority of exposure in this asset class has no option to set SBTs and the other portions such as private equity are optional and would be considered immaterial to AIB's overall

activity Loans & Advances to Banks No option to set SBTs for this asset class as it is just the cash and loans held at banks, primarily the Central Bank of Ireland and the Bank of England Other Assets No option to set SBTs for this asset class.

(7.54.3.11) Target objective

Scope 3 Portfolio Targets Headline target: AIB Group plc's portfolio targets cover 36% of its total investment and lending by total assets as of 2021. 1 Within its loan portfolio, AIB's portfolio targets cover 75% of its lending by total assets as of 2021. As of the same year, required activities made up 12% of AIB's total investment and lending by total assets while optional activities made up 33% and out of scope activities made up 55%.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☒ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☒ No, and we do not plan to within the next two years

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☒ No, we do not plan to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

Not applicable

(7.54.3.17) Target status in reporting year

Select from:

☒ Underway

(7.54.3.19) Process for reviewing target

We continue to measure, monitor and report the targets and associated business actions whilst acknowledging that progress may not be linear on a year-on-year basis given the reliance on external developments. Targets and baselines were set using Partnership for Carbon Accounting Financials (PCAF) Greenhouse Gas (GHG) guidance in relation to data. Given the data availability challenges for financed emissions calculations, there is an acknowledgement that proxies are required when direct customer emissions data is not available. We are continuing to put measures and actions in place enhance our data across our lending portfolio. Progress towards the achievement of our targets will help us mitigate Climate & Environmental risks and achieve our ambition of net zero and increase our sustainable lending. A significant proportion of the Decarbonisation Scenarios are outside of AIB's direct control, and, as such, we rely on regulation, policy, technology adoption, market trends and consumer behaviours.

Row 3

(7.54.3.1) Target reference number

Select from:

☒ NZ3

(7.54.3.2) Date target was set

01/01/2019

(7.54.3.3) Target Coverage

Select from:

☒ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☒ Por2

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

☒ No, but we are reporting another target that is science-based

(7.54.3.8) Scopes

Select all that apply

☒ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

(7.54.3.10) 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, with a timeline of 2050). Consumer Loan: Residential Mortgages Covered by target due to its materiality to AIB's total lending activity Consumer Loan: Personal Loans No option to set SBTs for this asset class Corporate Loan & Project Finance Portfolio: Electricity Generation Covered by target (mandatory) Corporate Loan Portfolio: Commercial Real Estate Covered by target (mandatory) Corporate Loan Portfolio: Other Long-Term Debt Covered by target (mandatory) Corporate Loan Portfolio: Fossil Fuels Covered by target (mandatory) Corporate Loan Portfolio: SME Not mandatory and is challenging for the SME counterparties (i.e. less than 500 employees) to currently set their own SBTs for the portfolio coverage targets Listed Equity & Bonds: Listed Corporate Bonds & Equity Covered by target (mandatory) Other Equity & Bonds The majority of exposure in this asset class has no option to set SBTs and the other portions such as private equity are optional and would be considered immaterial to AIB's overall activity Loans & Advances to Banks No option to set SBTs for this asset class as it is just the cash and loans held at banks, primarily the Central Bank of Ireland and the Bank of England Other Assets No option to set SBTs for this asset class.

(7.54.3.11) Target objective

Scope 3 Portfolio Targets Headline target: AIB Group plc's portfolio targets cover 36% of its total investment and lending by total assets as of 2021. 1 Within its loan portfolio, AIB's portfolio targets cover 75% of its lending by total assets as of 2021. As of the same year, required activities made up 12% of AIB's total investment and lending by total assets while optional activities made up 33% and out of scope activities made up 55%.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☒ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☒ No, we do not plan to mitigate emissions beyond our value chain

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☒ No, we do not plan to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

Options for target year neutralisation are presently being explored.

(7.54.3.17) Target status in reporting year

Select from:

☒ Underway

(7.54.3.19) Process for reviewing target

We continue to measure, monitor and report the targets and associated business actions whilst acknowledging that progress may not be linear on a year-on-year basis given the reliance on external developments. Targets and baselines were set using Partnership for Carbon Accounting Financials (PCAF) Greenhouse Gas (GHG) guidance in relation to data. Given the data availability challenges for financed emissions calculations, there is an acknowledgement that proxies are required when direct customer emissions data is not available. We are continuing to put measures and actions in place enhance our data across our lending portfolio. Progress towards the achievement of our targets will help us mitigate Climate & Environmental risks and achieve our ambition of net zero and increase our sustainable lending. A significant proportion of the Decarbonisation Scenarios are outside of AIB's direct control, and, as such, we rely on regulation, policy, technology adoption, market trends and consumer behaviours.

[Add row]

(7.55) 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.

Select from:

☒ Yes

(7.55.1) 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	0	`Numeric input
To be implemented	0	0
Implementation commenced	0	0
Implemented	6	993.4
Not to be implemented	0	`Numeric input

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☒ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

61

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

Select all that apply

☒ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

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

87393

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

850000

(7.55.2.7) Payback period

Select from:

☒ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 11-15 years

(7.55.2.9) 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 61 tonnes of CO2. NB#1: These initiatives exclude, AIB US, Payzone & Goodbody operations. NB#2: In addition to our lighting upgrades, a key element that contributes to the reduction of our carbon emissions is increased awareness through staff on-line learning. In particular, on promoting "conservation of energy in buildings".

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☒ Other, please specify :Ongoing planned maintenance activities combining of building fabric upgrades, small power controls and BMS system adjustments

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

22.4

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

Select all that apply

☒ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

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

34600

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

260000

(7.55.2.7) Payback period

Select from:

☒ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 6-10 years

(7.55.2.9) Comment

AIB have continued to reduce carbon emissions through reduction in energy consumption, through planned maintenance 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 adjustments to BMS systems. These initiatives are delivering annual carbon savings of 22.4 tonnes of CO2. NB#1: These initiatives exclude Payzone & Goodbody. NB#2: In addition to our planned maintenance activities, a key element that contributes to the reduction of our carbon emissions is increased awareness through staff on-line learning. In particular, on promoting "conservation of energy in buildings".

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☒ Other, please specify :Ongoing planned maintenance activities combining of building fabric upgrades, small power controls and BMS system adjustments

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

34.4

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

Select all that apply

☒ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

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

52900

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

380000

(7.55.2.7) Payback period

Select from:

☒ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 6-10 years

(7.55.2.9) Comment

AIB have continued to reduce carbon emissions through reduction in energy consumption, through planned maintenance 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 adjustments to BMS systems. These initiatives are delivering annual carbon savings of 34.4 tonnes of CO2. NB#1: These initiatives exclude Payzone & Goddbody. NB#2: In addition to our planned maintenance activities, a key element that contributes to the reduction of our carbon emissions is increased awareness through staff on-line learning. In particular, on promoting "conservation of energy in buildings".

Row 4

(7.55.2.1) Initiative category & Initiative type

Transportation

☒ Teleworking

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

422

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

Select all that apply

☒ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

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

0

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

0

(7.55.2.7) Payback period

Select from:

☒ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ Ongoing

(7.55.2.9) Comment

AIB adopted a hybrid working model in 2022. As such, part of the energy & emissions reduction across AIB Group can be attributed to reduced operational capacity within our office. Please note that AIB have continued to reduce carbon emissions through reduction in energy consumption, lower waste production and lower water usage. This was a business policy change rather than a direct investment. This initiative has associated cost savings but due to the implementation of other energy saving initiatives and awareness campaigns in our buildings it's not possible to provide a breakdown of those savings. For the above reasons we have selected "No Payback".

Row 5

(7.55.2.1) Initiative category & Initiative type

Company policy or behavioral change

☒ Site consolidation/closure

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

348.6

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

Select all that apply

☒ Scope 1

☒ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

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

0

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

0

(7.55.2.7) Payback period

Select from:

☒ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ >30 years

(7.55.2.9) Comment

We understand the contribution of buildings to carbon emissions, and in 2018 embarked on a rationalisation strategy of our operations starting with those based in older inefficient buildings. Consolidation and site closures in 2023 provided GHG savings circa 348.6 tonnes. The figures for cost savings and investment allocated to this initiative are sensitive information and have not been disclosed. This set of initiatives have a payback. However due to the sensitive investment information, we have indicated “No Payback” above.

Row 6

(7.55.2.1) Initiative category & Initiative type

Transportation

☒ Company fleet vehicle replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

105

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

Select all that apply

☒ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

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

0

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

0

(7.55.2.7) Payback period

Select from:

☒ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ Ongoing

(7.55.2.9) Comment

We are also conscious of the impact our fleet of vehicles has on the environment. To that end, we are continuing our phased approach to transitioning our 138-corporate vehicle fleet, which is on track for full electrification by 2027. In 2023, we switched a further 44 vehicles to EVs. As such, at the end of 2023, 47% of the fleet was EV, 4% was PHEV (plug-in hybrid) and 40% was hybrid, with the remaining 9% being petrol- or diesel fuelled. Due to sensitive information some figures are disclosed as “zero”.

[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☒ Financial optimization calculations

(7.55.3.2) Comment

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.

Row 2

(7.55.3.1) Method

Select from:

☒ Dedicated budget for energy efficiency

(7.55.3.2) Comment

AIB has a dedicated Energy Team which delivers the energy management strategy. To reduce the energy consumption of our property portfolio we have adopted a continuous improvement approach to increase our energy efficiency in our operations based on ISO 50001. 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. In 2023, we extended our LED upgrade programme to 73 locations, including 71 branches. To date, an investment of c. 2.4m has been allocated to this programme in order to enhance the working environment of the upgraded locations, and reduce operational costs, energy consumption and related carbon emissions.

Row 3

(7.55.3.1) Method

Select from:

☒ Employee engagement

(7.55.3.2) Comment

A large element of tackling our environmental impact is boosting employee awareness of sustainable practices and developing 'green skills' needed to bring positive changes across the organisation. This involves the education and motivation of colleagues. Awareness campaigns were held locally and Groupwide throughout 2023 with the overall aim to encourage individual responsibility in reducing waste, demand for natural resources and emissions. This included a Group-wide Sustainability in Action Week in September. Along with a general awareness campaign, teams of colleagues took part in The AIB Climate Challenge, making small changes to reduce their emissions. In total, nearly 50,000 activities – small actions such as turning off unnecessary lights, not wasting food and air-drying clothes – were logged, or roughly 4,100 activities a day, saving a combined 36,700 kgCO₂e, which is equivalent to travelling around the world 3.75 times.

Row 4

(7.55.3.1) Method

Select from:

☒ Compliance with regulatory requirements/standards

(7.55.3.2) Comment

AIB Workplace Operations has implemented an integrated Energy and Environment management system to meet the ISO 50001 (Energy) & ISO 14001 (Environment) international standards. Under these standards it is required to identify environmental requirements and demonstrate compliance on an on-going basis. AIB Group was re-certified to ISO 50001 and ISO 14001 in December 2023.

Row 6

(7.55.3.1) Method

Select from:

☒ Internal finance mechanisms

(7.55.3.2) Comment

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.

Row 7

(7.55.3.1) Method

Select from:

☒ Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

The Group has considered energy efficiency and energy saving as key elements in reducing CO₂ emissions. Key initiatives to meet these targets are incorporated in our property and fleet strategies, our energy purchasing decisions (such as our vCPPA), and actions taken to continuously increase our energy efficiency (e.g increasing our real-time energy monitoring capabilities).

[Add row]

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☒ No

C12. Environmental performance - Financial Services

(12.1) Does your organization measure the impact of your portfolio on the environment?

Banking (Bank)

(12.1.1) We measure the impact of our portfolio on the climate

Select from:

☒ Yes

(12.1.2) Disclosure metric

Select all that apply

☒ Financed emissions

(12.1.5) We measure the impact of our portfolio on forests

Select from:

☒ No, and we do not plan to do so in the next two years

(12.1.6) Primary reason for not measuring portfolio impact on forests

Select from:

☒ Not an immediate strategic priority

(12.1.7) Explain why your organization does not measure its portfolio impact on forests

Important but not an immediate strategic priority.

(12.1.8) We measure the impact of our portfolio on water

Select from:

☒ No, and we do not plan to do so in the next two years

(12.1.9) Primary reason for not measuring portfolio impact on water

Select from:

☒ Not an immediate strategic priority

(12.1.10) Explain why your organization does not measure its portfolio impact on water

Important but not an immediate strategic priority.

(12.1.11) We measure the impact of our portfolio on biodiversity

Select from:

☒ No, and we do not plan to do so in the next two years

(12.1.12) Primary reason for not measuring portfolio impact on biodiversity

Select from:

☒ Not an immediate strategic priority

(12.1.13) Explain why your organization does not measure its portfolio impact on biodiversity

Important but not an immediate strategic priority.

[Fixed row]

(12.1.1) Provide details of your organization's financed emissions in the reporting year and in the base year.

Banking (Bank)

(12.1.1.1) Asset classes covered in the calculation

Select all that apply

- ☒ Loans
- ☒ Project finance
- ☒ Bonds
- ☒ Equity investments
- ☒ Real estate

(12.1.1.2) Financed emissions (metric unit tons CO2e) in the reporting year

2200000

(12.1.1.3) % of portfolio covered in relation to total portfolio value

33

(12.1.1.4) Total value of assets included in the financed emissions calculation

43374210000.00

(12.1.1.5) % of financed emissions calculated using data obtained from clients/investees (optional)

3.7

(12.1.1.6) Emissions calculation methodology

Select from:

- ☒ The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

(12.1.1.8) Financed emissions (metric unit tons CO2e) in the base year

2570000

(12.1.1.9) Base year end

12/31/2021

(12.1.1.10) % of undrawn loan commitments included in the financed emissions calculation

0

(12.1.1.11) Please explain the details of and assumptions used in your calculation

We have set FETs covering 75% of our Group loan portfolio (c. 33% of total balance sheet investments) as at 31.12.21 for: Residential Mortgages; Commercial Real Estate; and Electricity Generation, and a fourth Corporate Portfolio Coverage Target based on 1.5C pathway. In accordance with the SBTi Target Submission Form and Guidance for Financial Institutions, an emissions screening was conducted for category 15 Scope 3 investments to provide a view of the key asset classes to focus on. Calculation of each lending portfolio's baseline emissions was in line with PCAF GHG guidance Calculation based on IEA decarbonisation pathways. Projections of the portfolio's physical emissions up to 2050 was considered along with quantification of the impact of decarbonisation levers to reduce emissions. Where primary data was not available, proxy methodology was utilised. Group performance tracking against FET is regularly monitored through internal governance and reported externally as required. Note, pathways and targets may be subject to change over time as data availability improves, scenario pathways are updated and the broader regulatory and industry environment evolves. Progress may not be linear on a year-on-year basis given the reliance on external developments. A significant proportion of the decarbonisation scenarios are outside of AIB's direct control. Scope 3 GHG data is collected and validated one year in arrears, so data published in reporting year (i.e., 2023) is based on validated 2022 GHG data. This is consistent with our CDP disclosure last year and AIB's annual reporting.

[Fixed row]

(12.2) Are you able to provide a breakdown of your organization's financed emissions and other portfolio carbon footprinting metrics?

	Portfolio breakdown
Banking (Bank)	Select all that apply ☒ Yes, by asset class

[Fixed row]

(12.2.1) Break down your organization’s financed emissions and other portfolio carbon footprinting metrics by asset class, by industry, and/or by scope.

Row 1

(12.2.1.1) Portfolio

Select from:
☒ Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:
☒ Emissions intensity (tCO2e/m2)

(12.2.1.4) Asset class

Select from:
☒ Loans

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

75

(12.2.1.7) Value of assets covered in the calculation

58392933652

(12.2.1.8) Financed emissions or alternative metric

2200000

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☒ Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

AIB has publicly communicated ambitions to achieve net zero and increase our proportion of sustainable lending in our customer lending portfolio. In 2022, we set financed emissions targets for three sectors using a Sector Decarbonisation Approach (SDA) – i) Residential Mortgages; ii) Commercial Real Estate; and iii) Electricity Generation, and a fourth Corporate Portfolio Coverage Target all of which have been validated by SBTi. A significant proportion of the Decarbonisation Scenarios are outside of AIB's direct control, and, as such, we rely on regulation, policy, technology adoption, market trends and consumer behaviours. Residential Mortgages In 2021, we set a baseline emissions intensity/target coverage of 40 kgCO₂e/m² and used the International Energy Agency (IEA) 2021 NZE2050 1.5C SDA Scenario to form the basis for the physical emissions intensity reduction of 58% required by 2030. Our Residential Mortgages portfolio comprised 50% of total lending at 29.4bn in 2021. In 2022, the portfolio remained at 50% and total lending increased to 30.3bn. Between 2021 and 2022, there has been a 5% reduction in emissions intensity, now standing at 38 kgCO₂e/m². Commercial Real Estate In 2021, we set a baseline emissions intensity/target coverage of 135 kgCO₂e/m² and used the International Energy Agency (IEA) 2021 NZE2050 1.5C SDA Scenario to form the basis for the physical emissions intensity reduction of 67% required by 2030. Our Corporate Real Estate portfolio comprised 10% of total lending at 5.6bn in 2021. In 2022, the portfolio comprised 12% and total lending increased to 7.5bn. Between 2021 and 2022, there has been a 9.6% reduction in emissions intensity, now standing at 122 kgCO₂e/m². Electricity Generation In 2021, we set a baseline maintenance target of 21 gCO₂e/kWh, vs Global 2023 463.7 gCO₂e/kWh. Our Electricity Generation portfolio comprised 3% of total lending at 1.6bn in 2021. In 2023, the portfolio increased to 4% and total lending increased to 2.6bn. AIB's Electricity Generation portfolio has a very low emissions intensity relative to the global average for power, given the high share of renewable energy assets such as offshore wind. As such, our Electricity Generation portfolio is already aligned to International Energy Agency (IEA) Decarbonisation pathways that deliver a 1.5C outcome. Our commitment is to maintain the existing intensity levels of 21g CO₂e/kWh of our Electricity Generation portfolio through 2030 by keeping the portfolio focused on renewable electricity generation projects. Corporate Portfolio Coverage In 2021, we set a target to increase Corporate Portfolio loan volumes covered by emission targets from 12% to 54% by 2030. Our Corporate Portfolio Coverage comprised 12% of total lending at 6.9bn in 2021. As of 2023, we have increased our Portfolio Coverage to 16% representing an increase of c.4% from 2021.

Row 2

(12.2.1.1) Portfolio

Select from:

☒ Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

☒ Emissions intensity (tCO2e/m2)

(12.2.1.4) Asset class

Select from:

☒ Project finance

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

75

(12.2.1.7) Value of assets covered in the calculation

58392933652

(12.2.1.8) Financed emissions or alternative metric

2200000

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☒ Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

AIB has publicly communicated ambitions to achieve net zero and increase our proportion of sustainable lending in our customer lending portfolio. In 2022, we set financed emissions targets for three sectors using a Sector Decarbonisation Approach (SDA) – i) Residential Mortgages; ii) Commercial Real Estate; and iii) Electricity Generation, and a fourth Corporate Portfolio Coverage Target all of which have been validated by SBTi. A significant proportion of the Decarbonisation Scenarios are outside of AIB's direct control, and, as such, we rely on regulation, policy, technology adoption, market trends and consumer

behaviours. Residential Mortgages In 2021, we set a baseline emissions intensity/target coverage of 40 kgCO₂e/m² and used the International Energy Agency (IEA) 2021 NZE2050 1.5C SDA Scenario to form the basis for the physical emissions intensity reduction of 58% required by 2030. Our Residential Mortgages portfolio comprised 50% of total lending at 29.4bn in 2021. In 2022, the portfolio remained at 50% and total lending increased to 30.3bn. Between 2021 and 2022, there has been a 5% reduction in emissions intensity, now standing at 38 kgCO₂e/m². Commercial Real Estate In 2021, we set a baseline emissions intensity/target coverage of 135 kgCO₂e/m² and used the International Energy Agency (IEA) 2021 NZE2050 1.5C SDA Scenario to form the basis for the physical emissions intensity reduction of 67% required by 2030. Our Corporate Real Estate portfolio comprised 10% of total lending at 5.6bn in 2021. In 2022, the portfolio comprised 12% and total lending increased to 7.5bn. Between 2021 and 2022, there has been a 9.6% reduction in emissions intensity, now standing at 122 kgCO₂e/m². Electricity Generation In 2021, we set a baseline maintenance target of 21 gCO₂e/kWh, vs Global 2023 463.7 gCO₂e/kWh. Our Electricity Generation portfolio comprised 3% of total lending at 1.6bn in 2021. In 2023, the portfolio increased to 4% and total lending increased to 2.6bn. AIB's Electricity Generation portfolio has a very low emissions intensity relative to the global average for power, given the high share of renewable energy assets such as offshore wind. As such, our Electricity Generation portfolio is already aligned to International Energy Agency (IEA) Decarbonisation pathways that deliver a 1.5C outcome. Our commitment is to maintain the existing intensity levels of 21g CO₂e/kWh of our Electricity Generation portfolio through 2030 by keeping the portfolio focused on renewable electricity generation projects. Corporate Portfolio Coverage In 2021, we set a target to increase Corporate Portfolio loan volumes covered by emission targets from 12% to 54% by 2030. Our Corporate Portfolio Coverage comprised 12% of total lending at 6.9bn in 2021. As of 2023, we have increased our Portfolio Coverage to 16% representing an increase of c.4% from 2021.

[Add row]

(12.3) State the values of your financing and insurance of fossil fuel assets in the reporting year.

Lending to all fossil fuel assets

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

157000000

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

(12.3.6) Details of calculation

As per our Q4 2023 Pillar 3 report (see Template 1 Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity), the Group provided information on exposures to sectors that are more prone to the risks that institutions may face from the transition to a low-carbon and climate resilient economy. Non-Paris Agreement aligned assets refers to non-financial corporate lending to counterparties with revenue from fossil fuel activities. As part of Template 1 of the Pillar 3 report, AIB disclosed loans to counterparties that are excluded from the EU Paris-aligned Benchmarks as specified in Article 12(1), points (d) to (g) and Article 12(2) of Commission Delegated Regulation (EU) 2020/1818. Article 12(1), (d) to (g) is outlined below: d) companies that derive 1 % or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite e) companies that derive 10 % or more of their revenues from the exploration, extraction, distribution or refining of oil fuels; f) companies that derive 50 % or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels; g) companies that derive 50 % or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO₂ e/kWh. The Group completed a bottom up review of the portfolio in line with the relevant revenue and emissions thresholds and determined that 157,000,000 of exposures were towards companies that highly contribute towards climate change. Percentage of portfolio value comprised of carbon-related assets in reporting year is the value of the carbon-related assets in your portfolio as at 31.12.2023 expressed as a % of the Group loan portfolio as at 31.12.2023 - (157,000,000/131,437,000,000) c.0.12%.

Lending to thermal coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ No, and we do not plan to report our portfolio's exposure to fossil fuel in the next two years

(12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

☒ Not an immediate strategic priority

(12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

Not an immediate strategic priority for AIB at this time.

Lending to met coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ No, and we do not plan to report our portfolio's exposure to fossil fuel in the next two years

(12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

☒ Not an immediate strategic priority

(12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

Not an immediate strategic priority for AIB at this time.

Lending to oil

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ No, and we do not plan to report our portfolio's exposure to fossil fuel in the next two years

(12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

☒ Not an immediate strategic priority

(12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

Not an immediate strategic priority for AIB at this time.

Lending to gas

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☒ No, and we do not plan to report our portfolio's exposure to fossil fuel in the next two years

(12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

☒ Not an immediate strategic priority

(12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

Not an immediate strategic priority for AIB at this time.

[Fixed row]

(12.4) Does your organization provide finance and/or insurance to companies in the commodity value chain? If so, for each commodity and portfolio, state the values of your financing and/or insurance in the reporting year.

Lending to companies operating in the timber products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☒ Production

☒ Processing

☒ Trading

☒ Manufacturing

☒ Retailing

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

12826425

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

3683851

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Lending to companies operating in the palm oil value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ No

Lending to companies operating in the cattle products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☒ Production

☒ Processing

☒ Trading

☒ Manufacturing

☒ Retailing

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

9622430

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

2655098

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Lending to companies operating in the soy value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ No

Lending to companies operating in the rubber value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ No

Lending to companies operating in the cocoa value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ No

Lending to companies operating in the coffee value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ No

[Fixed row]

(12.5) In the reporting year, did your organization finance and/or insure activities or sectors that are aligned with, or eligible under, a sustainable finance taxonomy? If so, are you able to report the values of that financing and/or underwriting?

Banking (Bank)

(12.5.1) Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy

Select from:

☒ Yes

(12.5.2) Taxonomy under which portfolio alignment is being reported

Select from:

☒ EU Taxonomy for Sustainable Activities

(12.5.3) Total assets in your portfolio (unit currency as selected in 1.2)

131437000000.00

(12.5.4) Total assets covered in the calculation of the taxonomy KPIs in the reporting year

92408612188

(12.5.5) Total assets excluded from the calculation of your alignment KPIs in the reporting year

45451052690

(12.5.6) Aligned assets based on turnover of investees in the reporting year (unit currency as selected in 1.2)

0

(12.5.7) Share of aligned assets based on turnover of investees out of total assets in the reporting year

0

(12.5.8) Eligible assets based on turnover of investees in the reporting year

0

(12.5.9) Share of eligible assets based on turnover of investees in the reporting year out of total assets in the reporting year

0

(12.5.10) Aligned assets based on CAPEX of investees in the reporting year (unit currency as selected in 1.2)

0

(12.5.11) Share of aligned assets based on CAPEX of investees out of total asset in the reporting year

0

(12.5.12) Eligible assets based on CAPEX of investees in the reporting year

0

(12.5.13) Share of eligible assets based on CAPEX of investees out of total asset in the reporting year

0

(12.5.14) Share of aligned assets contributing to climate change mitigation based on turnover of investees in the reporting year

0

(12.5.15) Share of aligned assets contributing to climate change mitigation that is transitional based on turnover of investees in the reporting year

0

(12.5.16) Share of aligned assets contributing to climate change mitigation that is enabling based on turnover of investees in the reporting year

0

(12.5.17) Share of aligned assets contributing to climate change adaptation based on turnover of investees in the reporting year

0

(12.5.18) Share of aligned assets contributing to climate change adaptation that is adapted based on turnover of investees in the reporting year

0

(12.5.19) Share of aligned assets contributing to climate change adaptation that is enabling based on turnover of investees in the reporting year

0

(12.5.20) Share of aligned assets contributing to climate change mitigation based on CAPEX of investees in the reporting year

0

(12.5.21) Share of aligned assets contributing to climate change mitigation that is transitional based on CAPEX of investees in the reporting year

0

(12.5.22) Share of aligned assets contributing to climate change mitigation that is enabling based on CAPEX of investees in the reporting year

0

(12.5.23) Share of aligned assets contributing to climate change adaptation based on CAPEX of investees in the reporting year

0

(12.5.24) Share of aligned assets contributing to climate change adaptation that is adapted based on CAPEX of investees in the reporting year

0

(12.5.32) “Do No Significant Harm” requirements met

Select from:

☒ Yes

(12.5.33) Details of “Do No Significant Harm” analysis

In order for residential mortgages to be aligned to the EU Taxonomy, the Technical Screening Criteria (TSC) for both ‘Substantial Contribution (SC) to Climate Change Mitigation (CCM)’ and ‘Do No Significant Harm (DNHS) to Climate Change Adaptation (CCA)’ must be met, as laid out in Annex 1 of the Commission Delegated Regulation (EU) 2021/2139, dated 4 June 2021. The physical climate risks that are material to the activity have been identified from those listed by performing a robust climate risk and vulnerability assessment with the following steps: (a) screening of the activity to identify which physical climate risks from the list may affect the performance of the economic activity during its expected lifetime; (b) where the activity is assessed to be at risk from one or more of the physical climate risks listed, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity; (c) an assessment of adaptation solutions that can reduce the identified physical climate risk. Full detail of DNSH to CCA requirement is included in Appendix 5 of our Pillar 3 report. For 2023 the DNSH to CCA requirement will be achieved, through the application of flood risk data to the residential mortgage portfolio, and the removal from the aligned population of any properties vulnerable to modelled flood damage.

(12.5.34) Details of calculation

AIB have carried out a risk assessment and identified flood risk (fluvial, coastal, groundwater, pluvial) as being a relevant hazard to the residential mortgage portfolio. The flood risk model (subject to appropriate validation and approval in AIB) will be applied to the residential mortgage book. Properties subject to flood damage, under the methodology outlined therein, will be identified and removed from the population that is aligned under the TSC for Substantial Contribution to Climate Change Mitigation. A property is determined to be damaged if it experiences a flood depth of more than 20cm when applying the flood risk model. If a property, otherwise aligned with the TSC for Substantial Contribution to Climate Change Mitigation, is determined to be damaged, it is removed from the taxonomy aligned population. For the Republic of Ireland, AIB’s proprietary flood risk model is applied. This model is currently subject to validation. The flood risk model parameters applied are as follows: Combined 1-in-200 year fluvial, pluvial and coastal flood risk; Assets with exposure to more than one peril type are allocated the highest of the damages from each individual hazard; IPCC scenario RCP 8.5; Time horizon 2041-2045. Properties, where possible, are mapped to their specific location (‘rooftop’) and if the modelled flood height at this location is more than 20cm, the property is determined to be subject to flood damage and removed from the aligned portfolio. For properties that cannot be mapped to a specific ‘rooftop’ the following approach is taken. If the property is mapped to a specific thoroughfare, the mean flood depth of all of the individual properties on that thoroughfare (not limited to AIB collateral) is taken and the property determined to be subject to flood damage if that mean flood depth is more than 20cm. If the property is mapped to a townland or other discrete area, the 90th percentile flood depth for all the individual properties in that area (not just AIB collateral) is taken and the property determined to be subject to flood damage if this flood depth is more than 20cm. For the United Kingdom, the same flood risk model is applied and, where the ‘rooftop’ can be identified, the flood depth data is applied to the property directly and those aligned properties subject to modelled flood depth of more than 20cm are removed from the aligned portfolio.

[Fixed row]

(12.6) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues?

	Existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues
	Select from: ☒ Yes

[Fixed row]

(12.6.1) Provide details of your existing products and services that enable clients to mitigate and/or adapt to the effects of environmental issues, including any taxonomy or methodology used to classify the products and services.

Row 1

(12.6.1.1) Environmental issue

Select all that apply

☒ Climate change

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

☒ Mitigation

☒ Adaptation

(12.6.1.3) Portfolio

Select from:

☒ Banking (Bank)

(12.6.1.4) Asset class

Select from:

☒ Loans

(12.6.1.5) Type of product classification

Select all that apply

☒ Products that promote environmental and/or social characteristics

☒ Products that have sustainable investment as their core objective

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☒ The EU Taxonomy for environmentally sustainable economic activities

☒ Internally classified

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

☒ Green buildings and equipment

(12.6.1.8) Description of product/service

Our 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 discount to incentivise customers financing energy efficient homes. Green Mortgages are a key product for our business. While we do not report the total Green mortgages outstanding at this time, we report new green mortgages drawdown annually. Collectively they account for 45% of new mortgage lending in 2023 in Ireland which we have reported in this response. Existing customer take up of the Green Mortgage is also strong. The EU Taxonomy is a sustainability classification system that translates the EU's climate and environmental objectives into criteria for specific economic activities for investment purposes. The EU Taxonomy aims to redirect capital flows to support the transition and help generate sustainable and inclusive growth. The EU Taxonomy Regulation (Regulation (EU) 2020/852) specifies that financial undertakings shall disclose how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable. To qualify as EU Taxonomy aligned, an economic activity must substantially contribute to one or more of the six EU environmental objectives under the technical screening criteria, whilst doing no significant harm (DNSH) to the other five objectives and complying with minimum social safeguards.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

4.17

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

3.98

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

☒ Yes

(12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

As part of AIB commitments to provide Green and Transition lending, the Bank has developed a Sustainable Lending Framework (SLF) to provide transparency on the types of activities to be considered as Green, Transition or social activities. EU Taxonomy aligned lending is a subset of the green lending categorisation as determined by the SLF. The criteria for EU Taxonomy are strict with many lending activities that contribute to the transition of a greener economy excluded as the activities do not meet the criteria. For AIB, EU Taxonomy aligned exposure identified materially comprises 1) lending to residential mortgages where the underlying assets meet the technical screening criteria for Climate Change Mitigation including an assessment of DNSH to Climate Change Adaptation and to a much less extent 2) lending to counterparties subject to the Non-Financial Reporting Directive (representing a small portion of total lending activity c.1%). In determining alignment for residential mortgages we have utilised the BER or EPC of the property to identify assets contained in the Top 15% of national stock (constructed pre 2020) or aligned to the Nearly Zero Energy Building Standard – 10% (constructed post 2020).

[Add row]

(12.7) Has your organization set targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring?

	Target set	Explain why your organization has not set targets for deforestation- and conversion-free and/or water-secure lending, investing and/or insuring
Forests	<i>Select from:</i> ☒ No, we have not set such targets and we do not plan to in the next two years	<i>Not an immediate strategic priority for AIB at this time.</i>
Water	<i>Select from:</i> ☒ No, we have not set such targets and we do not plan to in the next two years	<i>Not an immediate strategic priority for AIB at this time.</i>

[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party	Primary reason why other environmental information included in your CDP response is not verified and/or assured by a third party	Explain why other environmental information included in your CDP response is not verified and/or assured by a third party
	<i>Select from:</i> ☒ No, but we plan to obtain third-party verification/assurance of other environmental information in our CDP response within the next two years	<i>Select from:</i> ☒ Not an immediate strategic priority	<i>Not an immediate strategic priority.</i>

[Fixed row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

	Additional information	Attachment (optional)
	<i>Please see our Detailed Sustainability Report for FY2023 for further detail.</i>	<i>AIB-sustainability-report-2023.pdf</i>

[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Executive Officer (CEO)

(13.3.2) Corresponding job category

Select from:

☒ Chief Executive Officer (CEO)

[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:

☒ Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute

Verification statement

To the stakeholders of AIB Group PLC

EcoAct was engaged by AIB Group PLC (hereafter referred to as AIB) at 10 Molesworth Street, Dublin D02 R126 to provide independent third-party limited verification of its direct (Scope 1) and indirect (Scope 2 and selected 3) greenhouse gas emissions as detailed in the company's carbon footprint calculation for the period 1st January 2023 to 31st December 2023.

Objective & responsibilities

The objective of the GHG emissions verification was to confirm whether the GHG statements as reported in AIB's Annual report for FY23 were fairly stated and free from material error or omission in accordance with the criteria outlined below.

AIB is responsible for the organisation's emissions sources and GHG related information as well as the development and maintenance of records and procedures in accordance with its reporting requirements. The EcoAct verification team's responsibility is to express an independent verification opinion on the accuracy of the GHG emissions reported by AIB and supporting processes and procedures in place to aggregate and analyse data.

Criteria

- Calculation methodology: World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol);
- Reference methodologies: UK Government Conversion Factors for greenhouse gas (GHG) reporting 2023 (BEIS – Department for Business, Energy & Industries Strategy), The Sustainable Energy Authority of Ireland 2023, U.S. Environmental Protection Agency 2023 and other emissions factors as required.

Level of Verification and Materiality

A limited level of verification aligned with the ISO 14064-3:2019 standard with specification and guidance for the verification and validation of greenhouse gas statements was conducted.

The organisational boundary of AIB was established as to include operational sites in FY23 which accounts for 295 sites across Europe (UK and Ireland) and the US. AIB used the operational control approach, which is where the business has full operational control. The verification team reviewed the source data from AIB's GHG Emissions report, to identify emissions sources material to the carbon footprint.

Verification Opinion

Based on the data and information provided by AIB and the processes and procedures followed, nothing has come to EcoAct's attention to indicate that the GHG emissions totals reported for FY23 are not fairly stated and free from material error. The final, verified emissions total was **23,284 tCO₂e (location-based method)**.

AIB's Carbon Emissions Source	2023 Emissions (tCO ₂ e)
Scope 1 Emissions	2,886
Scope 2 Emissions (location-based)	4,948
Scope 2 Emissions (market-based)	536
Total Scope 1 and 2 (location-based)	7,834
Scope 3 Cat. 1 – Purchased goods and services ¹	3,405
Scope 3 Cat. 2 – Capital Goods ²	604
Scope 3 Cat. 3 - Fuel- and Energy-Related Activities	2,950
Scope 3 Cat. 5 – Waste	33
Scope 3 Cat. 6 – Business Travel	2,243
Scope 3 Cat. 7 – Employee Commuting	6,166
Scope 3 Cat. 13 – Downstream Leased Assets	49
Total Scope 3	15,450
Total tCO₂e scope 1,2 and 3 (location-based)	23,284
Total tCO₂e scope 1,2 and 3 (market-based)	18,872
Outside-of-scope emissions³	35

Description of activities

In accordance with the Limited Verification requirement, EcoAct selected and verified sufficient and appropriate level of evidence and data calculations to form the basis for our verification opinion.

Selected data for verification included: Scope 1 emissions (combustion of fuels), Scope 2 emissions (electricity) and Scope 3 emissions (purchased goods and services, capital goods, fuels and energy-related activities, waste, business travel, employee commuting and downstream leased assets).

The verification of AIB's emissions related information was conducted through the review and testing of its emissions calculations and selected primary evidence.

Amendments to the carbon footprint calculation, to correct data discrepancies, were made during the verification process by the AIB team prior to the finalization of the GHG emissions totals.

Further detailed findings and recommendations about AIB's emissions data have been made to the management of AIB throughout the verification and in an appendix to this statement.

¹ Only purchased paper, data centre electricity and water supply are in scope of AIB's category 1 emissions.

² Emissions related to IT Equipment.

³ Biogenic emissions from biofuel.

Verified by*Saskia Hassefras*

Managing Consultant
EcoAct,
London, September 2024

Independent review*Flavia Tavares*

Managing Consultant
EcoAct,
London, September 2024

Statement of Independence

EcoAct is an independent carbon management company. Our team has extensive experience in the verification of carbon data, information, systems and processes. The data required for the greenhouse gas calculations described herein were compiled by AIB. No member of the EcoAct team has a business relationship with AIB, its Directors or Managers beyond that required of this assignment. To our knowledge there has been no conflict of interest.