

Module: Introduction

Page: Introduction

CC0.1

Introduction

Please give a general description and introduction to your organization.

AIB is a financial services group operating predominantly in the Republic of Ireland and the UK. It provides a comprehensive range of services to personal, business and corporate customers in its target markets and has leading market shares in banking products in the Republic of Ireland.

AIB's business has been restructured in recent years with the aim of becoming a customer focused, profitable and lower risk institution, well positioned to support economic recovery in Ireland while seeking to generate sustainable shareholder returns.

2016 was the 50th anniversary of the formation of AIB – an amalgamation of three constituent banks, the oldest of which was founded in 1825.

2016 was a foundation year in the creation of a more sustainable approach to banking, through the establishment of both AIB's first Sustainable Business Advisory Committee (SBAC) and corresponding Office of Sustainable Business (OSB).

CC0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed

Fri 01 Jan 2016 - Sat 31 Dec 2016

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country

Ireland
United Kingdom
United States of America

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

EUR(€)

CC0.6

Modules

As part of the request for information on behalf of investors, companies in the electric utility sector, companies in the automobile and auto component manufacturing sector, companies in the oil and gas sector, companies in the information and communications technology sector (ICT) and companies in the food, beverage and tobacco sector (FBT) should complete supplementary questions in addition to the core questionnaire.

If you are in these sector groupings, the corresponding sector modules will not appear among the options of question CC0.6 but will automatically appear in the ORS navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below in CC0.6.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

The "Sustainable Business Advisory Committee" (SBAC) chaired by Helen Normoyle (an independent non-executive AIB Board member) oversees the Board's responsibilities relating to Sustainability and Climate Change matters.

The SBAC advises the Board of Directors on sustainability, environment and climate change issues, supervising the execution of the bank's sustainable business strategy in accordance with the approved Group Strategic and Financial Plan.

With a commitment to meet at least four times a year, the SBAC has met formally three times since its formation in April 2016. In addition, there have been many informal meetings along with a number of site visits to companies that are recognised leaders in sustainability.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Energy managers	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator Other: Behaviour change related indicator	a) Carbon reduction and energy management objectives are assigned to the Property & Facilities department and feed into the overall objectives for that business/department unit. An Energy & Environmental team is established within the department under the management of the Energy & Environmental Manager. Obtainment of objectives are assessed through a formal Performance Review and business review system for appraisal during the year and at year end. The achievement of objectives and performance in the role determines the level of pay increase achieved. b) AIB are obliged to fulfill the obligations set out in the National Energy Efficiency Action Plan (NEEAP), and subsequent revisions, as originally published by the Government in 2009. Accordingly AIB must work to meet the Public Sector requirement of achieving 33% energy savings by 2020 (from 2006 - 2008 baseline). Shorter term targets are set based on these long term objectives. Examples of two such targets can be observed with the scope extension of AIB's ISO 50001 (Energy) and ISO 14001 (Environmental) Certification.
		Emissions reduction project Emissions reduction target Efficiency project Efficiency target Behavior change related	Carbon reduction and energy management objectives are assigned to the Property & Facilities department and feed into the overall objectives for that business/department unit. An Energy & Environmental team is established within the department under the management of the Energy & Environmental Manager. Obtainment

Environment/Sustainability managers	Monetary reward	indicator Environmental criteria included in purchases Supply chain engagement Other: Integration of climate change and other sustainable issues into overall business practises	of objectives are assessed through a formal Performance Review and business review system for appraisal during the year and at year end. The achievement of objectives and performance in the role determines the level of pay increase achieved. The Head of Sustainable business advises and supports AIB's Leadership Team and the "Sustainable Business Advisory Committee" SBAC on sustainability issues, this role is subject to the same monetary rewards for performance as described above. As part of the implementation of ISO14001 & ISO 50001 Environmental & Energy Management Systems at AIB's head offices, projects were implemented to achieve targets related to reduction of energy consumption and carbon emissions. The achievement of these objectives are subject to the same monetary rewards for performance as described above.
Chief Operating Officer (COO)	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator Supply chain engagement Other: Behaviour change related indicator	Following on from above, the Property and facilities department lies within the management area of the Chief Operating Officer, thus the achievement of objectives by the energy and environment team within property and facilities feeds into the achievement of objectives by the COO.

Further Information

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Annually	Board or individual/sub-set of the Board or committee appointed by the Board	1) Ireland 2) UK 3) US	> 6 years	• AIB Group has an Enterprise Risk Management approach to identifying, assessing and managing risks, the core elements of which are set out in an Enterprise Management Framework. This is in turn supported by a number of frameworks and policies covering the management of specific risk categories (credit risk, operational risk etc.) which are reviewed and approved by the Board on an on-going basis. The types of risks include: Regulatory risks such as environmental legislation concerning planning, energy efficiency, carbon taxes. Physical risks such as flooding, snow and ice. Other risks such as consumer behavior patterns and international socio-economic conditions. • The Office of Sustainable Business provide advice and support AIB's Leadership Team on environmental sustainable issues.

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

AIB Group has adopted an Enterprise Risk Management approach to identifying, assessing and managing risks, the core elements of which are set out in a Board approved, Enterprise Management Framework.

- This framework is in turn supported by a number of other Board approved policies and frameworks covering the management of specific risk categories at both a company level (credit risk, reputational risk, legislative risk) and asset level (flood risk, operational risk, temperature extremes).

The key elements of the Group Risk Management approach are risk appetite, risk governance and risk management organisation, risk identification and assessment process, stress and scenario testing and risk training.

- The Head of Property and Engineering referred to at "CC1.2a" above is responsible for ensuring that climate change risks are noted within their operational risk register and that this is assessed and updated on an annual basis. This is returned to the Divisional Risk team and comprises part of the overall Risk Register for the Group.

While the Board has ultimate responsibility for the governance of all risk taking activity within AIB, it has delegated a number of risk governance responsibilities to various committees or key officers.

- Please see attachment below with a diagram that summarize the Risk Governance Structure of the Group (AIB's Annual Report 2016, pp 59)

- The Executive Risk Committee is the principle executive forum for the review and challenge of enterprise-wide risk management and control. It continuously reviews the effectiveness of the Group's risk frameworks and policies and is responsible for monitoring and reviewing the Group's risk profile, risk trends, risk concentrations and policy exceptions and for reviewing all breaches of Board and Leadership Team approved risk appetite and limits.

CC2.1c

How do you prioritize the risks and opportunities identified?

- a) The key elements of the Group Risk Management approach are Risk appetite, Risk governance and risk management organisation, Risk identification and assessment process, Risk strategy and stress and scenario testing.
- The Head of Property & Engineering referred to at "CC1.2a" above is responsible for ensuring that climate change risks are noted within their operational risk register and that this is assessed and updated on an annual basis. This is returned to the Divisional Risk team and comprises part of the overall Risk Register for the Group.
 - In addition A) the Product Development and Marketing teams would assess any potential opportunities which may arise from climate change and develop and introduce any appropriate products and/or services, B) The Office of Sustainable Business provides guidance to policy and framework owners on aligning to sustainability standards.
- b) As part of the AIB's ISO14001:2015 and ISO 50001:2011 Environmental & Energy Management System, Risk and Opportunities are identified based on the following: context of the organization, interested parties, environmental aspects and compliance obligations.
- The aspects register is the main tool used to prioritize opportunities and those risks that are deemed most adverse to the environment e.g. greenhouse gas emissions, water consumption, waste segregation. The energy review register is the main tool to prioritize energy reduction opportunities.

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

AIB recognises that as the major financial institution in Ireland it plays a pivotal role in helping Irish society transition to a low carbon economy and to enabling Ireland to achieve its climate change targets. It is focused on meeting the needs of its customers and the societies it serves.

i) Our business strategy is linked to achievement in the short term of our energy efficiency target of 33% reduction in consumption by 2020 and in the long term to achieving the target of 77% reduction by 2036 (see CC 3.1a)

In order to make AIB a more sustainable business and better able to respond to climate change related issues and align these issues with the business, we developed a materiality evaluation of key sustainable issues (in accordance the Global Reporting Initiative) and we identified climate change, environmental impact of lending activities & environmental footprint as key "environmental" material issues.

AIB's sustainability strategy embeds climate change and environmental principles into the decision-making processes throughout the organisation.

A Sustainable Business Executive Council supports the execution of the bank's sustainable business strategy in accordance with the approved group strategic and financial plan.

Climate Change is incorporated into AIB's risk assessments.

ii) Examples of how business strategy and business decisions have been influenced is that AIB is the largest provider of finance for renewable energy development in Ireland. This sector has been identified as a key growth sector for the organisation with dedicated teams in place to provide support. AIB sanctioned over €130m in finance for renewable energy projects which will assist Ireland in meeting its 2020 and 2030 renewable energy targets.

iii) Regulatory changes (eg: mandatory emission reporting and our commitment to roll out our ISO 50001 Management Systems to all our branches by the end of 2017 as method of compliance) and opportunities to develop green business have influenced the strategy as outlined in (ii) above.

AIB has set targets for levels of finance provided to the renewable industry and has published sector insight reports and held 11 regional seminars to highlight opportunities within the sector for its business customers.

iv) Short Term Strategy has been influenced by:

Incorporating Climate Change aspects into the Group's internal operations with energy efficiency targets.

Calculating Carbon Footprint according to ISO 16064 standard and communicating this information among our staff to increase behavioural changes.

Training Staff on Climate Change and Energy Efficiency.

Customer and Public awareness on Climate Change and Energy Efficiency via poster campaigns within branches and local seminars (eg: Agri Sector Seminars outlining climate change as key opportunity and indeed challenge facing the sector)

Sponsoring Environmental campaigns and projects.

v) Long term strategy has been influenced by:
 Establishment of Sustainable Business Advisory committee to provide oversight to AIB's social and environmental impact agenda. Our Office of Sustainable Business will publish our 1st dedicated sustainable report in 2017.
 Dedicated focus on financing projects that promote renewable energy: large wind farms and biomass projects
 Research into establishing green investment bonds for launch onto Irish market.
 Setting of long term energy efficiency science based targets for the organisation
 Clients Environmental risk profile is screened are managed within delegated risk appetite limits and in compliance with policies, systems and controls defined or approved by the central risk function and set out in frameworks and policies.
 Commercialization of new services as the Forestry Finance Packages for our Agricultural customers.

vi) This is gaining advantage over our competitors through:
 Reputation and Leadership: Developing a long term Climate Change mitigation strategy has provided the organisation with an increase attractiveness to different stakeholders, who perceive AIB as a green leader.
 Business growth: New products and services are being developed to manage opportunities arising due to Climate Change: Forestry loans to Farmer Sector, Home Improvement Loans with a free Building Energy Rating certificate, etc.

vii) Opportunities to develop green business have influenced climate change related business decisions in 2016. The most substantial business decisions to be influenced by the strategy have been:

- a) Commencement of research and product development for the launch of green investment bonds
- b) Intensive focus on financing the renewable energy industry both at home and abroad. AIB sanctioned over €130m in finance for renewable energy projects in 2016.

vii) The Paris Agreement has influenced the strategy in a number of ways:

- a) Setting of science based targets as outlined in ix) below
- b) Focus on providing finance to help Ireland meet its longer term (2030) carbon reduction targets via Renewable energy financing, the establishment of a €100 million energy efficiency loan fund for SME customers
- c) Establishment of a Sustainability Advisory executive committee of the board to guide its strategy over the long term.

viii) In 2016 AIB has used the forward looking scenario analysis, the 2°C scenario to determined and set targets for energy reduction and carbon emissions reduction in line with the science based target organisation's proposed methodology (77% reduction by 2036 and 52% by 2025). AIB intends to validate these targets once the methodology for financial institutions has been determined. This ambitious target is closely linked to our business strategy of leading the low carbon transition in Ireland.

CC2.2c

Does your company use an internal price on carbon?

Yes

CC2.2d

Please provide details and examples of how your company uses an internal price on carbon

An internal carbon price is used when evaluating funding of energy efficiency projects and as a driver to reach the bank emissions reduction target (33% by 2020 - see ABS1, 2 and 5 targets in section CC 3.1a). This evaluating criteria has a significant funding impact on projects with lower return on investment but with a potential to reduce AIB's carbon footprint significantly.

Two examples on how this pricing affects our investment decisions are a) renewable electricity purchases across the group (see RE1 target in section CC 3.1.d) and most recently and on-going an efficiency project to improve the resilience of the existing transformers on Bankcentre that will reduce our Scope 2 emissions by 141 tCO₂e.

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	- The National Energy Efficiency Action Plan (NEEAP) was written into law in 2009 - Energy End-Use Efficiency and Energy Service Regulations 2009. - With AIB's classification as a Public Sector organisation in 2012 (as now 99.8% State owned), we are obliged to fulfill the obligations as set out in NEEAP under this law.	Implement AIB's obligations under the law including: a) Achievement of 33% energy savings by 2020 in the public sector (from 2007 - 2009 baseline). b) Report in the Annual Report of energy efficiency actions and progress towards 2020 target. c) Compliance with guidelines for Green Public Procurement in the Public Sector. Green procurement meaning that energy considerations and life cycle costs should be taken into account in procurement decisions. d) Develop & implement energy management programmes appropriate to make incremental progress year on year e) Publish a 3 year energy efficiency strategy and identify longer term initiatives to achieve to achieve transformational change f) Implementation of ISO 50001 Energy Management System g) Publish formal targets and objectives and report against them in the annual report - h) Energy Certificates to be prominently displayed in all buildings with useful floor areas greater than 500m2
Energy efficiency	Support	Development of an ongoing relationship with the Sustainable Energy Authority of Ireland (SEAI) in support of a number of strategic initiatives including the submission of the first report by AIB to the SEAI around Public Sector Energy Consumption, documenting progress on the requirement for AIB to meet a 33% energy reduction by 2020 as a Public Sector Body (based on 2007 - 2009 baseline).	- Develop and implement energy management programmes appropriate to make incremental progress year on year. - Publication of a 3 year energy efficiency strategy and identification of longer term initiatives to achieve transformational change. - Implementation of ISO 50001 Energy Management System - Publication of formal targets and objectives and report against them in the annual report.
Energy efficiency	Support	Investigation of the development of support for the SEAI Better Energy Communities Programme by AIB's Green Fund: - The "One Good Idea" campaign is a programme put in place in partnership with the SEAI that aims to encourage young people to spread the message about climate change and energy efficiency. - One Good Idea is an opportunity to inspire people to make small lifestyle changes that will use energy more efficiently and help tackle climate change. - School project groups submit their "One Good Idea" and get their message out there by designing and activating a creative, innovative and inspiring awareness campaign that shows people in the community how just one good idea can make a difference to ourselves. - Among the judging panel were our pocket and our plant. See Section 6 for more details.	- A Proposal entitled 'National School Energy Retrofit Programme' was authorised in principle by the AIB Board in November 2012. This provided authorisation to progress the investigation and potential development of a 3 year partnership with the SEAI for a school related energy programme. - This Programme would be funded from AIB's Green Fund; a €1.2m Fund that has been generated over a number of years as a result of customer transitions to e-statements. - A key part of the energy programme was the "One Good Idea" campaign, discussed across page. - Due to the generous support of AIB, SEAI was able to expand this annual competition from post-primary schools to include all primary schools in the country. With AIB's support, SEAI launched a nationwide campaign which comprised of the four winning teams developing posters for display on bus shelters and in public transport around the country, as well as digital displays in all AIB branches
Other: Environmental	Support	- AIB is a Lead Member of Business in the Community Ireland (BITC), a not for profit group which supports CSR and sustainability. - BITC believes in one central premise - action to address climate change is urgently required and a strong	Continue to work with BITC in relation to supporting their efforts - on behalf of large businesses in Ireland, in relation to environmental sustainability

sustainability		corporate response must be part of the solution. AIB supports BITC's efforts in this area.	issues.
Energy efficiency	Support	• AIB has a €100 million fund for lending to enable Irish Small & Medium Enterprises (SMEs) to radically lower their energy bills. Through this, the bank will take into account the projected saving from energy efficiency projects when calculating the borrower's repayment capacity. • This is in partnership with the Sustainable Energy Authority of Ireland (SEAI), as well as the Irish Green Building Council. • Research carried in conjunction with the above, found that energy expenditure accounts for approximately 9% of operating costs in most SMEs.	Continue to work with the Sustainable Energy Authority of Ireland (SEAI), as well as the Irish Green Building Council in relation to supporting their efforts of energy savings across Ireland.

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Energy Cork	Consistent	To help consolidate and raise awareness of Cork's position at the forefront of economic, commercial, research and educational activity in the energy sector in Ireland and to actively contribute to economic growth and job creation in Cork.	AIB supports Energy Corks work in developing Cork as a hub of innovation in energy technology
IBEC	Consistent	IBEC is the leading voice of Irish business and employers, representing the interests of thousands of organisations in industry and commerce as well as academic and charitable institutions. Its Energy and Environment Policy ('EEP') Unit regularly discuss climate mitigation and low carbon technologies. Their primary concern is to ensure that national climate policy, and any associated Oireachtas legislation adheres to three key principles, namely: a) being based on scientific evidence and robust economic analysis; b) being consistent with the evolving EU energy/climate policy framework; and, c) creating opportunities for sustainable development and job creation.	AIB expressed support to IBEC position working with other stakeholders to further climate change goals in Ireland in a way that does not damage Irish Industries international competitiveness.
IWEA - Irish Wind Energy Association	Consistent	IWEA" is Ireland's leading renewable energy representative body and as such has an active interest in the potential for renewable energy, and in particular wind energy, in Ireland. IWEA warmly welcomes the development of a National Climate Change Adaptation Framework and is firmly of the view that Irish wind energy as our leading renewable energy asset can, alongside other Irish renewables, make a continued valuable contribution to this national transition agenda and deliver a cost effective renewable option for Ireland's homes, communities and businesses.	AIB supports IWEA strongly believes that education and awareness measures must make up a key role of explaining and building support for both climate mitigation and adaptation within an Irish context. AIB sponsored the Irish Wind Farmers Association annual conference in 2015 to ensure a broader societal awareness of the impacts of climate change across our society.

ISEA - Irish Solar Energy Association	Consistent	ISEA is committed to bringing attention to the value of solar energy's contribution to Ireland's economic and environmental future. ISEA is committed to contributing to the development of viable renewable energy policies that support the development of solar in Ireland via lobbying activities, conferences, and other forums that bring key stakeholders together to shape policy.	AIB recognizes the potential for solar in Ireland as a means for meeting Ireland's renewable energy and electricity targets, and as a long-term sustainable and clean option with numerous benefits for Ireland economically, socially and environmentally. It is important for businesses to see the demonstration effect of investing in energy efficiency. That is why, in 2015, we announced our intention to construct our own rooftop Solar PV plant at our Dublin headquarters, one of the largest projects of its kind in Ireland.
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CC2.3d

Do you publicly disclose a list of all the research organizations that you fund?

Yes

CC2.3e

Please provide details of the other engagement activities that you undertake

As a large employer, we can make a difference by making our staff and customers more aware of their own environmental impact. For example:

- a) As in previous years since 2009, AIB participated in Earth Hour 2016. The engagement with WWF, the promoter of the initiative, held formalized as "Participating Company". Participation of AIB's branches is promoted in our intranet to raise awareness and understanding on Climate Change and using our twitter account to reach our customers.
- b) All AIB staff undertakes a bespoke online interactive energy awareness course since 2015. AIB have licensed it to the ISI Centre and Skillnets for distribution to the wider corporate community.
- b) AIB sponsors Energy Efficiency Seminars for SME's around the country.

CC2.3f

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

- 1) The Office of Sustainable Business (OSB) was established in January 2016 to advise and support AIB's Leadership Team and the Sustainable Business Advisory Committee (SBC) on sustainability issues including our climate change strategy. The SBAC has met formally three times since its formation in April 2016. In 2016 the OSB developed our first materiality evaluation of key sustainability issues. We identified 32 material issues.
- 2) Internal monitoring, i.e. contract reviews associated with energy suppliers and choosing products that consume less energy, is carried out by the Property & Engineering team who have been trained in all aspects of AIB's climate change strategy.
- 3) AIB's Environment & Energy Policies are communicated to all relevant parties. Our executive leadership teams are in charge of implementing them.

Further Information

Attachments

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?

Absolute target

Renewable energy consumption and/or production target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
Abs1	Scope 1+2 (location-based)	89.9%	77%	2011	25964	2036	Yes, but this target has not been approved as science-based by the Science Based Targets initiative	We have used the SDA Tool v8 available on sciencebasedtargets.org to develop our medium term (ABS5) and long term (ABS1) science-based targets. (See documents attached). The lack of methodology for setting scope 3 targets for financial institutions has prevented us from publishing these targets. We have been in constant communication with the Science Based Targets organisation to keep up to date with the latest developments regarding the development of a methodology for financial institutions. It is our understanding that this is at an advanced stage and we will continue to participate with this process with the ultimate goal of publishing our targets. Note: All AIB locations included but as in our ABS2 target, emissions of F-Gases and Vehicle Fleet are out of the scope.
Abs2	Scope 1+2 (location-based)	98%	33%	2009	21766	2020	No, but we are reporting another target which is science-based	AIB are obliged to fulfill the obligations set out in the National Energy Efficiency Action Plan (NEEAP), and subsequent revisions, as originally published by the Government in 2009. Accordingly AIB must work to meet the Public Sector requirement of achieving 33% energy savings by 2020 (from 2007-2009 baseline). Shorter term targets are set based on these long term objectives: • In 2016 both ISO 50001 (Energy) and ISO 14001 (Environmental) management systems in our certified scope had successful audits. • One of the aims of the Environmental ISO 14001 and Energy Management ISO 50001 Systems, is to continue to accurately monitor and measure emissions from Scope 1 & 2 sources. • Commitment to have all AIB branches operating with both management systems by 2017.
	Scope 3: Waste						No, but we are reporting another	15% Reduction in Waste by 2020 with an 85% mean recycling rate across group. Shorter term targets are set based on these long term objectives. For example: a) waste characterization study to identify waste streams and

Abs3	generated in operations	12%	15%	2014	391	2020	target which is science-based	opportunities of improvement b) 3% overall waste reduction targets to be achieved at our ISO locations in 2016.
Abs4	Scope 3: Purchased goods & services	2.2%	15%	2014	74	2020	No, but we are reporting another target which is science-based	Target 15% reduction in water supply consumption by 2020 Shorter term targets are set based on these long term objectives. For example: 3% overall water reduction targets to be achieved at our ISO locations in 2016.
Abs5	Scope 1+2 (location-based)	89.9%	52%	2011	25964	2025	Yes, but this target has not been approved as science-based by the Science Based Targets initiative	We have used the SDA Tool v8 available on sciencebasedtargets.org to develop our medium term (ABS5) and long term (ABS1) science-based targets. (See documents attached). The lack of methodology for setting scope 3 targets for financial institutions has prevented us from publishing these targets. We have been in constant communication with the Science Based Targets organisation to keep up to date with the latest developments regarding the development of a methodology for financial institutions. It is our understanding that this is at an advanced stage and we will continue to participate with this process with the ultimate goal of publishing our targets. Note: All AIB locations included but as in our ABS2 target, emissions of F-Gases and Vehicle Fleet are out of the scope.

CC3.1d

Please provide details of your renewable energy consumption and/or production target

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment
RE1	Electricity consumption	2009	36854	0%	2017	100%	Our Green strategy includes 100% renewable electricity targets: By the end of 2017 AIB's Electricity Purchase is 100% from renewables in both the UK and Ireland.

CC3.1e

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions or renewable)	Comment
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energy)			
Abs1	20%	31.49%	To calculate our % change from base year we have used the following formula: ((2016 emissions - base year emissions)/base year emissions)*100. Our emissions have been reduced by 24.25% (Our target has been 31.49% completed, a 77% reduction is our final goal)
Abs2	63.63%	84.18%	AIB is obliged to reduce by a 33% its scope 1+2 emissions. Note that this obligation only applies to Republic of Ireland emissions. Furthermore as per legal requirement, emissions of F-Gases and Vehicle Fleet are out of the scope. 2016 Scope 1 and 2 emission (not including F-Gases and Vehicle Fleet) are 15719 metric tonnes of CO2eq To calculate our % change from base year we have used the following formula: ((2016 emissions - base year emissions)/base year emissions)*100. There is reduction of emissions of 27.78% (Our target has been 84.18% completed, a 33% reduction is our final goal)
Abs3	33.33%	100%	2016 Scope 3 waste emissions are 102.6 metric tonnes of CO2eq. If we use the same formula as above to calculate % change from base year ((2016 emissions - base year emissions)/base year emissions)*100, there is a decrease of 73.76 % on our emissions. Our final goal 15% reduction has been achieved. (This is mainly due to waste being diverted from landfill)
Abs4	33.33%	63.93%	2016 Scope 3 water supply emissions are 66.9 metric tonnes of CO2eq. If we use the same formula as above to calculate % change from base year ((2016 emissions - base year emissions)/base year emissions)*100, there is a decrease of 9.59 % on our emissions. (Our target has been 63.93% completed, a 15% reduction is our final goal)
Abs5	35.71%	44.09%	To calculate our % change from base year we have used the following formula: ((2016 emissions - base year emissions)/base year emissions)*100. Emissions have been reduced by 24.25% (Our target has been 44.09% completed, a 52% reduction is our final goal)
RE1	87.5%	100%	AIB succeed in achieving having 100% of its electricity produced by renewable sources. In 2016 AIB maintained its purchase of electricity in the Republic of Ireland and Northern Ireland from 100% renewable and since 1st December 2016 our GB Branches have green power sourcing too.

CC3.2

Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

Yes

CC3.2a

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
	The core digital platforms include Internet Banking (full responsive infrastructure),		Other: Defra - emission			a) The following assumptions have been made in the calculation; 1) Each customer who switched to e-statements would have previously received a statement once a quarter. 2) Online customers = 1,000,000. 3) Assuming a conservative estimate of 1 sheet of paper per statement, approximately 4,000,000 sheets of

Group of products	Mobile App, iBusiness Banking, Tablet banking and AIB Social Media channels. With 1M digital customers, 600K mobile customers and 270K daily online transactions.	Avoided emissions	factor of 1.017tCO ₂ e per tonne of paper.	0.1%	Less than or equal to 10%	paper or 20 tonnes of paper would have been sent. 4) Defra provides an emission factor of 1.017tCO ₂ e per tonne of paper. Hence, AIB have saved 20.34 tCO ₂ e annually through the use of e-statements. This is a conservative estimate and the emission savings are likely to be much greater taking into account transport emissions for postage. b) AIB also introduced online account opening and loan approvals using electronic copies of documents, further reducing the need for paper documentation.
Product	AIB Code Reader: This product replaced the issuing of a credit sized piece of card containing numerous security codes to facility aspects of its online banking system. With 1M digital customers, 600K mobile customers and 270K daily online transactions.	Avoided emissions	Other:	0.1%	Less than or equal to 10%	Approximately 1,000,000 people have signed up to internet banking which means that a significant amount of emissions has been saved as regards the re-issuing of these code cards. If an average weight of A4 card weight 10g, and roughly 12.5 card can be cut from each sheet, there is a saving of approximately 3.20 tonnes or (according to Defra paper has an emissions factor of 1.017 tCO ₂ e) 3.26 tCO ₂ e since its introduction, though this is conservative estimate.
Company-wide	Thin-client technology to replace the traditional PC workstation: As per AIB 2016 Annual Financial Report - FTE average employees =10,226	Avoided emissions	Other:	0.1%	Less than or equal to 10%	The following assumptions have been made in the calculations: 1) Average Desktop (Dell dimension E310, Pentium 4, 2.8 GHz) = Max 132 watts, sleep and off = 1.7 watts. (Figures from Dell's website) 2) working week = full use of desktop, 8h per day -> (132 * 8h * 261 days/year) / 1000 ; desktop off, 16h per day-> (1.7 * 16h*261 days/year)/1000 3) weekends - desktop off = (1.7*247*104)/1000 4) desktop usage per year = SUM of 2+3 => 286.9582 kwatts 5) 10,226 AIB employees - 1 desktop per employee => 2,934,434.55 kwatts 6) Thin-client technologies are typically a tenth of the electrical power consumption of standard PC's. => 293,443.455 Kwatts per year
Product	Energy Course: As a large employer, we can make a difference by making our staff more aware of their own environmental impact. We developed a bespoke online interactive energy awareness course compulsory to all AIB staff. This course have been licensed to the ISI Centre and Skillnets for distribution to the wider corporate community.	Avoided emissions	Other:	0.1%	Less than or equal to 10%	Skillnets actively supports and works with businesses in Ireland to address their current and future skills needs. We believe that training and up-skilling are key elements in: a) keeping Irish companies competitive b) informing them on how important their energetic decisions are for climate change. Thanks to the interactive awareness course we will help the Irish community to reduce their GHG emissions.
Group of products	Transition from fossil fuels: As part of our overall business, we are focused on financing renewable projects and lending in the Energy Sector. We have dedicated renewable energy an energy efficiency teams.	Avoided emissions	Other:	0.1%	Less than or equal to 10%	In 2016 we have financed green projects, working with companies from across the value chain, big and small, to transition Ireland away from fossil fuels. Anaerobic Digesters, LED lighting to Irish schools or wind farms are some of the projects financed with our €100 Million Energy Efficiency Fund.
						1) In 2016 we extended centralised Printing on Demand to 200

Group of products	2016 implemented projects to avoid emissions due to transport, energy savings in offices and avoidance of paper use: 1) Printing on Demand extended to our branch network 2) A DocuSign eSignature service is available at the car finance portal 3) Remote scanning programme	Avoided emissions	Other:	0.1%	Less than or equal to 10%	branches around the country. 2) Docusign allows AIB to send a digital version of a document to another party or parties for digital signature. This negates the need for us to print then post the document to the signing party, allowing reduction time to complete signing, reduce cost to process through reduced paper and posting cost. 3) Remote scanning programme with the objective to digitalise all types of customer documentation and correspondence with is sent into HO. This is live in 72 locations. A total of 258,796 pages were scanned in 2016 reducing significantly paper demand in each branch. Meant that receipts were no longer printed unless customers chose to opt-in for the service. This has significantly reduced littering, paper printing and wastage and has met a customer demand for a greener environment.
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CC3.3

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

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	11	
To be implemented*	7	176
Implementation commenced*	4	1642
Implemented*	4	140
Not to be implemented		

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
									a) Savings assessed using metered data on all primary plant and major

Energy efficiency: Building services	The reprogramming of the BMS to allow increased capacity & future proofing, Greater Operational Consistency between the two buildings within the Headquarter campus and interoperability between equipment between these buildings. Specific improvements include improved scheduling capability and optimisation and the implementation of weather compensation.	56.18	Scope 1 Scope 2 (location-based) Scope 2 (market-based)	Voluntary	10909	61200	4-10 years	Ongoing	and major secondary plant such as pumps and AHU's. Carbon savings were calculated based on the estimated kWh of electricity saved annually $136364 \text{ kWh} \times 0.000412 \text{ tCO}_2\text{eq/kWh}$ (Defra 2016) = 56.18 CO ₂ e b) Payback period: 5.61 years
Energy efficiency: Building services	The Optimisation of the underfloor heating system by the improved control system than its current operation, and also the resolution of electrical and mechanical issues that were flagged up in the Underfloor heating status report issued on Jan 2016. (Location: AIB Headquarter)	43.19	Scope 1	Voluntary	26788	83579	1-3 years	16-20 years	a) Savings assessed through observation of the reduced load of the primary and secondary pumps in the system. The loading on the primary pumps were 100% the project and 22% after while the loading on the two 75kW secondary pumps reduced from 73% to 69%. Carbon savings were calculated based on the estimated kWh of electricity saved annually $74540 \text{ kWh} \times 0.000412 \text{ tCO}_2\text{eq/kWh}$ (Defra 2016) = 30.71 CO ₂ e and gas savings of 61040 kWh x

									0.0002044 tCO ₂ eq/kWh (Defra 2016) = 12.48 CO ₂ e b) Payback period: 3.1 years / Lifetime of the initiative: 20 years
Energy efficiency: Building services	Upgrading of the Current lights that are used in the Car Park to energy efficient LED lighting. (Location: our Head Office in Sandyford)	4.89	Scope 2 (location- based) Scope 2 (market- based)	Voluntary	1763	41772	21-25 years	21-30 years	a) Electricity savings determined through utility bills and comparison of 2015 baseline consumption with consumption during the post implementation period of the project Carbon savings were calculated based on the estimated kWh of electricity saved annually 11753 kWh x 0.000412 tCO ₂ eq/kWh (Defra 2016) = 4.84 CO ₂ e. b) Payback: 23.69 years // Lifetime: 25 years
Energy efficiency:	The 2 no. cooling towers were installed and commissioned in 2006 in our Headquarter. The towers currently serve both process and cooling loads in the form of tri generation equipment including CHP, stand-by generators and chillers. The building was occupied before the towers were fully commissioned and anecdotal	25.25	Scope 2 (location- based)	Voluntary	10005	41017	14 years	11-15	a) Savings determine through metering of two secondary condenser pumps drawing 58.4 kW prior to implementation and 51.1 kW post implementation. Carbon savings

efficiency. Building services	were fully commissioned and anecdotal evidence would suggest that since handover the cooling towers have not performed in line with the design intent. The aim of the project was to carry out the following: 1. Cooling Tower Site Performance Testing 2. Connected Cooling & Process Load Validation 3. Reconfiguration Works 4. Testing & Commissioning	35.25	based / Scope 2 (market-based)	voluntary	12385	14247	<1 year	years	Carbon savings were calculated based on the estimated kWh of electricity saved annually 85567.57 kWh x 0.000412 tCO2eq/kWh (Defra 2016) = 35.25 CO2e b) Payback: 1.11 years / Lifetime: 15 years
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CC3.3c

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

Method		Comment
Compliance with regulatory requirements/standards		AIB strives to be compliant with all relevant regulatory requirements and standards. To ensure full compliance is achieved and consistently repeated AIB has implement both an Environmental (EMS), as well as an Energy Management System (EnMS). One of the primary cornerstones was an ability to actively measure/monitor its level of compliance, and have this compliance expressed as a percentage. The EMS greatly facilitated AIB achieving full compliance with regard to its Trade Effluent Licences. Other environmental aspects that had to be complied with were Greenhouse Gas regulations, Chemicals management and labelling, as well as ensuring the appropriate emergency response procedures were in place to deal with potential environmental incidents e.g. an oil leak entering storm drains etc.
Dedicated budget for other emissions reduction activities		By the end of 2016 AIB's electricity purchase was 100% from renewables in both the UK and Ireland. As well as supplying AIB with 100% Green Electricity, the utility companies (Total and GoPower) provide an enhanced online reporting mechanism - providing accurate and up to date consumption data. This has allowed the organisation to more effectively track, monitor and manage energy consumption performance
Employee engagement		Our Energy and Environmental Management Systems have detailed energy and environmental awareness plans. Our intranet has dedicated information aimed to increase behavioural change (carbon infographic, waste segregation tips, energy saving tips, etc.) our 'Energy awareness course' was designed to make staff more aware of their environmental / energy impacts.
Financial optimization calculations		All energy expenditure and energy processes are reviewed annually to identify if savings can be made and where these savings can be made. Necessary investments and budget for energy and fuel efficiency projects are made based on supporting financial optimization calculations as well as meeting and supporting the objectives of the organisations' Energy Policy and Environment Policy.
Internal incentives/recognition programs		A "Green Fund" Steering Committee comprising representatives from Corporate Social Responsibility, Brand Management, Advertising and the Product Development Area was established to research, identify and recommend environment related projects that would be eligible to receive funding from AIB's 'Green Fund'. For every customer who makes the switch to eStatements AIB donated two euros towards the AIB 'Add more Green Fund'. If a customer switches both a bank account and a credit card statement to eStatements a total of four euros was donated to the Fund on their behalf.
Internal finance mechanisms		Maximise efficiency of existing energy supplier arrangements/contracts. A business case is made for each initiative proposed based on financial optimisation calculations as well as supporting the objectives of the organisations' Environmental Policy.
Other		AIB Business banking sponsors Energy Efficiency Seminars for SME's around the country.

Further Information

Attachments

[https://www.cdp.net/sites/2017/00/600/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC3.TargetsandInitiatives/AIB Science Based Targets - Medium Term.pdf](https://www.cdp.net/sites/2017/00/600/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC3.TargetsandInitiatives/AIB%20Science%20Based%20Targets%20-%20Medium%20Term.pdf)
[https://www.cdp.net/sites/2017/00/600/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC3.TargetsandInitiatives/AIB Science Based Targets - Long Term.pdf](https://www.cdp.net/sites/2017/00/600/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC3.TargetsandInitiatives/AIB%20Science%20Based%20Targets%20-%20Long%20Term.pdf)

Page: CC4. Communication

CC4.1

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

Publication	Status	Page/Section reference	Attach the document	Comment
In voluntary communications	Complete	Page 1 / AIB Carbon Infographic	https://www.cdp.net/sites/2017/00/600/Climate Change 2017/Shared Documents/Attachments/CC4.1/AIB Carbon Infographic.jpg	To calculate AIB's carbon footprint, data from across the organisation including First Trust, AIB GB and EBS in relation to energy, waste, paper, water and travel is collated and analysed annually.
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Pages 21 and 22 / Sustainable Banking / Working with the environment	https://www.cdp.net/sites/2017/00/600/Climate Change 2017/Shared Documents/Attachments/CC4.1/AIB Annual Financial Report 2016.pdf	AIB Annual Financial Report 2016
In voluntary communications	Underway - this is our first year			AIB will publish information about its response to climate change and GHG emissions performance in its 1st Sustainability Report in September 2017.
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Pages 32 and 33 / Sustainable Banking / Working with the environment	https://www.cdp.net/sites/2017/00/600/Climate Change 2017/Shared Documents/Attachments/CC4.1/shareholders-report-2016.pdf	AIB Annual Shareholders Report 2016

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	The potential for carbon taxes to be levied; the						Estimated financial implications are as follows: a) In December 2009, a 4.2 cent/litre and 4.9 cent/litre carbon tax was introduced on	Listed below are the methods to manage this risk: 1) On its 5 largest sites AIB has achieved ISO 14001:2015 and ISO 50001:2011 certifications, its continuous improvement program helping us to be best in class in environment and energy performance. This provide a method of managing the major contributors to its carbon footprint, namely energy, waste and water. These management systems will be rolled out across the group in 2017. 2) Annual calculation and verification of the carbon footprint 3) Environmental & Energy Awareness training contribute to decreasing energy consumption and thus reduced	Cost of management is estimated to be: •

Carbon taxes	increased cost of energy, plus associated taxes, are already evident with further potential price increases predicted; higher waste costs for collection and disposal are also current and represent future risks to the business from an operational costs/expenditure perspective.	Increased operational cost	1 to 3 years	Direct	Virtually certain	Medium	petrol and diesel fuels respectively. This was increased in December 2011 by 33% meaning that, per tonne, the overall carbon tax is €20/tonne. In 2016 AIB carbon emissions in Ireland were 21,519 tCO ₂ e (€430,380) which is approximately 0.031% of the total operating expenses for the bank. *Figures based on p24, AIB financial report for 2016 • The carbon tax applies to kerosene, marked gas oil, liquid petroleum gas, fuel oil, natural gas and solid fuels.	carbon costs. 4) All AIB's electricity in Northern Ireland and in the Republic of Ireland is now from green sources and thus is free from fuel/carbon taxes. 5) AIB Group has an Enterprise Risk Management approach to identifying, assessing and managing risks, the core elements of which are set out in an Enterprise Management Framework. Case study: When set up our 1st energy reduction target (33% by 2020), the Board approach was to appoint AIB's 1st Energy Manager securing the bank commitment to prioritise energy efficiency. Main task was to review the state of our buildings taking an energy efficiency design approach. The review of the main buildings and an alignment with the ISO 50001 standard obtained significant savings and led to further resources . In 2016 successful verification of the savings made resulted in the accrual of energy	€10,000 to €12,000 for resources required to carry out annual study of carbon emissions. • €500,000 annually on capital improvement projects such as boiler replacement and led lighting in AIB branches.
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								credits under the EEOS Scheme.	
Emission reporting obligations	Mandatory emission reporting is required now in UK and Ireland: 1) For its UK operations AIB is required to comply with ESOS, (Energy Service Obligation Scheme) 2) Carbon reporting is a part of Irish legislation via the EAS (Energy Auditing Scheme), which transposes the EU Energy efficiency directive into Irish law - SI 426 of 2014. In addition, under SI 542 Energy Services Directive, AIB has been considered a Public Body (since 2012) as it is 99.8%	Increased operational cost	1 to 3 years	Direct	Virtually certain	Medium-high	The Energy Auditing Scheme (EAS) in ROI and the ESOS in the UK & NI require the completion of energy audits or ISO 50001, such audits have to be signed off by a qualified auditor. The estimated cost of this verification is circa €25,000.	Listed below are the methods to manage this risk: 1) AIB Group has an Enterprise Risk Management approach to identifying, assessing and managing risks, the core elements of which are set out in an Enterprise Management Framework which was approved by the Board in March 2012. This framework is in turn supported by a number of frameworks covering the management of specific risk categories (credit risk, operational risk etc.) which are reviewed and approved by the Board on an on-going basis. 2) Energy consumption from operations and transportation have been gathered for all AIB's operations in the UK and Ireland by the Energy and Environmental team. From the analysis of this data it was decided that ISO 50001 in ROI and energy	Cost of management is estimated to be: • €10,000 to €12,000 for resources required to carry out annual study of carbon emissions. • €25,000 for compliance with EAS & ESOS.

	State owned. As such the organisation is now required to achieve 33% energy savings by 2020 (from 2006 - 2008 baseline).							auditing in the UK would be our methods of compliance. In the UK energy audits were carried out at a representative sample of sites to identify mitigation and reduction activities for future implementation. In ROI, ISO 50001 was extended in Dec 2015 to cover 60% of AIB's energy consumption and sampling audits were carried out to cover an extra 10% and achieve the 70% required by the legislation. These actions helped to fully achieve the reporting requirements of both mandatory schemes.	
								We carefully manage this risk taking the following actions: 1) All AIB's electricity in Northern Ireland and in the Republic of Ireland is now from green sources and thus is free from fuel/carbon taxes. 2) Implementing energy reduction measures across our business has the effect of reducing carbon emissions and	

Fuel/energy taxes and regulations	The trend in increasing wholesale energy commodity prices is driving energy costs higher. In addition, governments in UK and Ireland where AIB has operations have increased taxes on fuels and legislation governing their use. A tax increase in fuel and energy will have economic cost such as higher prices when purchasing goods, fuels and electricity. This could directly increase our energy expenses.	Increased operational cost	1 to 3 years	Direct	Likely	Medium-high	Financial implications are as follows: a) In December 2009, a 4.2 cent/litre and 4.9 cent/litre carbon tax was introduced on petrol and diesel fuels respectively. This was increased in December 2011 by 33% meaning that, per tonne, the overall carbon tax is €20/tonne. In 2016 AIB carbon emissions in Ireland were 21,519 tCO₂e (€430,380) which is approximately 0.031% of the total operating expenses for the bank. *Figures based on p24, AIB financial report for 2016. • This is applicable to AIB's oil & gas usage. b) We've estimated that the trend in increasing wholesale energy commodity prices could mean an operational cost increase of circa €0.8M to €1M annually. c) For the period 2015 to 2018 AIB aims to spend an average of €3.1m on improving energy reduction measures across its Head offices and branches network.	lowering energy costs, and somewhat insulates AIB from future energy price increases. 3) Achieving, maintaining and improving AIB's ISO 50001 is aiding the bank in ensuring its energy reduction targets. It also ensures that all identified energy savings opportunities are actually delivered, thus managing the impact of these costs. 4) Ongoing Staff Energy Awareness training contribute to decreasing energy consumption and thus reduced carbon costs. Example: ISO 50001 requires the maintenance of an opportunities register for energy reduction initiatives. Since 2014 and thanks to these flagged opportunities we have achieved an impressive realisation of 55% in energy saving in AIB's flagship headquarters in Dublin. Further significant savings have been identified in 2016 through more intricate projects	The estimated management cost are: • approximately €11,000 per year, including: Surveillance audits part of both ISO 14001 and 50001 ISO standards & Pegasus Legal Register maintenance (Energy, H&S and Environment) • €0.5M annually on capital improvement projects.
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								including cooling tower refurbishment, transformer resilience and underfloor heating optimisation. It estimated that these projects will push the cost savings of the building to more than €1,000,000.	
General	AIB is exposed to this risk by: a) It's own operations: The bank stated in AIB's Environmental Policy "we will meet or exceed all relevant environmental obligations under laws and regulations in each of the jurisdictions in which we operate".						a) The estimated financial cost of not adhering to this could range from the €1,000 fine (for breach of Trade Effluent Licence) to €10,000 for maintenance/installation	Listed below are the methods to manage this risk: 1) As part of its ISO 14001 Environmental Management System implementation, and in accordance with its environmental policy, AIB closely monitors all changes to relevant environmental regulations e.g. degree of compliance with its Trade Effluent Discharge Licence associated with Water Pollution Act 1970-1990. 2) An online legislative directory called Pegasus Legal Register is helping AIB to fulfill this ISO requirement. AIB employs the compliance assessment questionnaires provided as part of this package to assess its level of	The estimated management cost is approximately €11,000 per year, including: • Surveillance

environmental regulations, including planning	Accordingly, any future environmental regulations introduced will be complied with. b) Client's requirements to fulfill the Environmental Regulations applicable to their industry sectors. A non-compliance with the law can have impacts on their cashflows and capacity of loans repayment.	Increased capital cost	1 to 3 years	Direct	Likely	Medium	of associated equipment. b) From a credit risk and indirect exposure aspect, AIB can leave itself open to an increased level of risk where its customers are required to comply with changes in environmental legislation.	compliance with current legislation and track its annual improvement. By keeping track of additions/repeals AIB is able to assess the potential consequences that may ensue. 3) AIB Group has an Enterprise Risk Management approach to identifying, assessing and managing risks, the core elements of which are set out in an Enterprise Management Framework which was approved by the Board in March 2012. This framework is in turn supported by a number of frameworks covering the management of specific risk categories (credit risk, operational risk etc.) which are reviewed and approved by the Board on an on-going basis.	audits part of both ISO 14001 standard. • Pegasus Legal Register maintenance (Energy, H&S and Environment)
	There is some uncertainty around the effect of electric energy prices that							AIB Group has an Enterprise Risk Management approach to identifying, assessing and managing risks, the core elements of which are set out in an Enterprise	

Uncertainty surrounding new regulation	may be caused by Ireland joining the Single European Electricity Market in 2016. The I-SEM or Integrated Single Electricity Market is the new wholesale market for electricity for the island of Ireland which will replace the existing all-island Single Electricity Market (SEM) by the end of 2017. It has come about due to changes in EU legislation designed to harmonise cross border trading arrangements across all European electricity markets.	Increased operational cost	1 to 3 years	Direct	Likely	Low-medium	Indirect exposure via its customers means that AIB has the potential to be affected by the introduction of more stringent legislation, where its customers are required to comply with new in energy legislation. AIB has EUR100 million available for lending to enable Irish SMEs to lower their energy bills. This represents approximately 1.15 % of overall lending in 2016. (See p31 2016 annual financial report)	Management Framework which was approved by the Board in March 2012. This framework is in turn supported by a number of frameworks covering the management of specific risk categories (credit risk, operational risk etc.) which are reviewed and approved by the Board on an on-going basis. AIB's ISO 50001 Energy Management System, in accordance with its energy policy, closely monitors all changes to relevant energy regulations. An online legislative directory called Pegasus Legal Register is helping AIB to fulfill this ISO requirement.	a) The estimated management cost is approximately €11,000 per year, including: • Surveillance audits part of both ISO 14001 and 50001 ISO standards. • Pegasus Legal Register maintenance (Energy, H&S and Environment)
	From a customer standpoint,						a) Customer financial implications: AIB is a major financier of	The following actions reflect our management approach: 1) AIB will keep abreast of industry trends and will aim to contribute to any proposed regulations. 2) AIB's Energy & Renewable Team, works with various industry experts and customers to bring about a	

Renewable energy regulation	uncertainty surrounding renewable energy regulation can affect the viability of new projects potentially making them unfeasible under cost/benefit analysis and thus affects AIB's ability to create lending in this area. From an operational point, AIB installed 50 sq. m of PV panels in one of its branches in 2014 and has planning permission to install 905 PV panels at its headquarters (225kWe).	Reduced demand for goods/services	1 to 3 years	Direct	Very likely	Low-medium	renewable energy projects in Ireland, it is estimated by Sustainable Energy Authority of Ireland that Ireland needs to invest €1.5bn per annum to meet our EU 2020 targets, AIB have launched a €100M fund aimed at lending to businesses support this target (This represents approximately 0.77% of overall lending in 2016. (See p7 2016 annual financial report) b) Operational financial implications: AIB will purchase the power generated annually offsetting grid consumption costs. Estimated cost: €40,000.	flexible and practical approach to support the delivery of large green energy projects.(eg: In 2016 a €38 million financing package for the construction of two wind farms in county Kilkenny was concluded. Both wind farms will become operational during the second quarter of 2017 and will generate 23.4 MW of electricity, sufficient to meet the demand of approximately 15,800 homes.) 3) In addition AIB is leading by example and will install the largest urban rooftop PV plant in Ireland and the first PV car port. It is hoped that this will create confidence within the Irish market regarding the viability if PV particularly in urban areas.	Management costs are business as usual so will drive no additional costs. The only specific cost of management is the installation of PV system, €350,000 .
	Ireland's ratification of the Paris Agreement was discussed in Dáil							This risk is managed as follows: 1) AIB have dedicated teams in the agricultural, sustainability and energy sectors who will stay abreast of and influence any drafting of new legislation. 2) AIB will develop	

Voluntary agreements	Éireann on 27 October 2016, after which its ratification was approved. Ireland's obligation will form part of the European Union's overall commitment to reduce greenhouse gas emissions by at least 40% by 2030, compared to 1990 levels The new Paris Accord may present risks for AIB depending on how Ireland decides to implement measures to meet this 40% reduction target. The agricultural sector are a major customer of AIB and any legislative measures which have negative effect on that sector may be a risk to AIB.	Reduced demand for goods/services	3 to 6 years	Indirect (Client)	About as likely as not	Low-medium	The financial risk of such measures are at present unknown until the relevant legislation is implemented.	relevant supporting products to assist their customer base. 3) Staff and Customer awareness training The agricultural sector is a major AIB client. In 2016 the implications of Paris Agreement for Irish agriculture were detailed in our AGRI matters magazine (see attached doc, pag 9-10). To support Ireland's proposal to the EU to include 'positive aspects' of agriculture that reduce global greenhouse gas emissions like farm afforestation, AIB has developed a new Forestry loan line. AIB's Forestry Finance Package is designed to match the grants and premiums payments to both farmers and non-farmers who are participating in Afforestation Grant and Premium Schemes.	Estimated internal costs for relevant sector teams are around the range of €200,000. By the end of 2015, AIB launched €700 million Agri Funds to support the growth and ongoing development of the agri sector at farm level.
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CC5.1b

Please describe your inherent risks that are driven by changes in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								This risk is managed by: a) Continuity &	

Snow and ice	Extreme weather events could affect AIB's business continuity, especially the activities at headquarters and the branch network. The presence of snow and ice could prohibit customer and staff access to AIB locations. The disruption of business will damage the daily business income in AIB. Also some sectors, could be adversely affected. Farming is one of the most sensitive businesses to climate change and AIB offers special services and financial packages to this sector. Disruption of their activity may lead to clients being unable to repay loans or investments.	Reduction/disruption in production capacity	Up to 1 year	Direct	More likely than not	Medium	A reduction in incomes could be expected due to: a) an inability to work in the office affected by the extreme weather b) a temporal reduction in the amount of daily business c) an inability for customers to access a branch for a morning d) failure to deliver normal client services as per service level agreements. The estimated financial costs are considered circa €250,000. b) The risk of customers unable to repay loans	Resilience Policy - Part of the Operational Risk Framework: This policy supports AIB in delivering a customer centric service across all our defined critical activities in order to maintain the highest level of availability of key customer service b) Implementation and continuous improvement of a Business Continuity Management System: AIB is an ISO 22301 certified business. This certification ensures AIB has suitable business continuity plans in place to cope with the risks associated with company outages which can occur due to unexpected disruptions or disasters. c) Following large snow falls in 2011, AIB Property & Facilities purchased a range of snow clearing machines to ensure safe access to its properties can be maintained. It also have agreed procedures with its facilities service providers in the event of heavy	The estimated management cost are: a) approximately €6,000 per year, including surveillance audits of the ISO 22301 standard b) de-icing equipment and other equipment needed to restore the situation is estimated as €15,000 and staff required to clear branches: €5,000/day. c) € 25,000 for marketing of awareness campaigns and seminars
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							is estimated on a possible loss of €14M, which correspond to a 0.1% of the total lending budget for 2016.	snowfall in future winters. d) Ongoing tailored awareness campaigns and seminars. In Nov 2016, over 600 attend AIB supported seminar in Cork for farmers and industry stakeholders to discuss and learn how best to position their farm businesses for the future. Opportunities and indeed challenges facing the sector at this time, including Brexit, climate change and globalisation were discussed.	
	Exceptional and extreme						Is difficult to estimate the financial implications of an event like this however, as examples: a) Onsite - AIB offices: A small part of the Bankcentre boundary is borders a local river which can be hugely affected by high tides. When a	This risk is managed by: a) Continuity & Resilience Policy - Part of the Operational Risk Framework: This policy supports AIB in delivering a customer centric service across all our defined critical activities in order to maintain the highest level of availability of key customer service b) Implementation and continuous improvement of a Business Continuity Management System: AIB is an ISO 22301 certified business. This	

Change in precipitation extremes and droughts	precipitation conditions are becoming more frequent in Ireland and UK. Flood risk are increasing in many regions due in part to climate change and has several implications: a) Business continuity risk due to potential flooding of AIB locations. Services to customers could be impacted, b) Increased flood incidence and severity can affect our individual customers (eg. default of mortgage payments, damage to their facilities, etc.) c) Also some sectors, could be adversely affected. Farming is one of the most sensitive businesses to climate change and AIB offers special financial packages to this sector. Disruption of their activity may lead to clients being unable to repay loans or investments. Therefore, AIB could face revenue loss due to the causes listed above.	Reduction/disruption in production capacity	1 to 3 years	Direct	Very likely	Medium-high	combination of high (Spring) tides and extreme precipitation arise, the river is prone to flooding. The basement is located at or below sea level. The cost of clean-up of flood water could easily run in excess of €500,000. Flood barriers have been installed in branches as AIB South Mall in Cork with high risk of flood: the remediation cost of such event occurring could be up to €250,000. b) Customers unable to repay loans: Loss of €14M, which correspond to a 0.1% of the total lending budget for 2016.	management system will help us to continue with daily work even after unusual incidents such as fires, floods, etc. c) AIB update its practices periodically to incorporate relevant developments, such useful data gathered during extreme climate events that could be used in future loan conditions. d) Installation of food protection measures where required. Example: AIB's headquarters was flooded following a period of extreme precipitation. Flood prevention measures have now been constructed onsite to help cope with such a scenario and in branches ranked with high flood risk, as South Mall in Cork. A flood response plan has been put in place and is reviewed annually by AIB Property & Facilities. The plan involves, training of maintenance operators, erecting purpose built flood barriers at risk points and the	The estimated management costs are: a) approximately €6,000 per year, including surveillance audits of the ISO 22301 standard b) Maintenance and training on barrier operation is €10,000 annually. c) The cost of managing this is included in the budget for the AIB Risk Team.
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								deployment of pumping equipment at specific locations	
Change in mean (average) temperature	Increases in the mean ambient temperature have resulted in increased running costs to our business: energy costs associated with heating and cooling buildings and computer equipment.	Increased operational cost	Up to 1 year	Direct	Very likely	Low	Changes in temperature extremes will increase heating, cooling and electricity costs. The estimated financial implications are that a 1% change in energy consumption will equal to an operational cost of €100,000.	To reduce this risk the following actions have been taken: 1) A structured energy management system according to ISO 50001 was put in place to manage this energy consumption risk and its driving factors. 2) Each year projects are identified which will reduce AIB's energy consumption. 3) AIB upgraded workstations across all of its locations to thin client technology which emit a lot less heat in to buildings thus reducing cooling demand. 4) Staff awareness and training Case Study: An energy saving project was identified as part of our ISO 50001 system: reprogramming our BMS as the wide network signals for the BMS in AIB Bankcentre have reached capacity. An assessment on 15 components of the HVAC system was carried out and a) The estimated management cost is approximately €11,000 per year, including: • Surveillance audits part of both ISO 14001 and 50001 ISO standards. • Pegasus Legal Register maintenance (Energy, H&S and Environment) b) For the period 2015 to 2018 AIB aims to spend in excess of €1m on improving energy reduction measures across its	

								our Engineering Team installed submeters and reconfigured the BMS system to improve its functionality. We recorded consumption before and after. This implementation has potential savings of 136,364 kWh.	Head offices and branches network.
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CC5.1c

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								To manage this risk AIB has taken 3 approaches: 1) To understand the environmental, social and governmental issues of most concern to our stakeholders AIB developed in 2016 a materiality evaluation of key sustainability issues. Their priorities in terms of material issues will change and evolve and consequently we will update our assessment of these issues on at least a yearly basis. We will combine direct	

Changing consumer behavior	Customers have shown a huge behavioral change with regard to switching to digital banking, and paperless e-statements. These changing demand could be extended to other "environmental" services and products. Our ability to respond to this new customer requirement could result in loss of clients and market share risk. We may not be able to predict the precise scale and impact of this trend, but we can choose to pay it very close attention. This has shone a light on the need for AIB to stay in touch with the various expectations of its customers and any attitude to broader environmental issues that such expectations present. Furthermore, AIB is focused on the leadership role it plays in driving the Irish economy. To this end the energy management team works closely with Business Banking and other customer facing teams to encourage energy efficiency practises among customers.	Reduced demand for goods/services	1 to 3 years	Direct	More likely than not	Medium	We need to provide services and products in line with our client needs. AIB will need to constantly invest in improving its digital offerings. However major expenditure is expected over the coming years lead the market with relevant "sustainable" products/services. To prevent a reduced demand for goods and services, we have estimated that €25M will be spent in the digital area which may be offset by winning new customers and increasing internal efficiency thus reducing costs. Failure to prevent this risk could have financial implications in the region of €250M. feedback from stakeholders with a revised survey of our stakeholder groups. 2) As part of the annual review, a constituent part of AIB's Environmental Management System, aspects such as ways to reduce customer impact on the environment (i.e. in line with introduction of e-statements etc.) are assessed to determine feasibility. 3) To manage developments in both areas, AIB has a Sustainable Business Executive Council and a Chief Digital Officer reporting to the COO. Case Study: 2016 Materiality assessment: We asked 1,150 of our stakeholders (consumers, AIB employees, not-for-profit organisations, and environmental, investor and industry groups) to consider and rank 15 global megatrends in terms of their likely future impact on our business. We identified 32	The cost of management is integrated into business as usual (consultants, managers, etc) that will develop new "sustainable products" and engage with stakeholders regarding environmental sustainability. It is estimated €25M will be spent in the digital area over the coming years.
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								material issues as result of this assessment and separated them into five distinct groups. Among them climate risk analysis, environmental footprint, sustainable supply chain and responsible products and services. These issues will underpin AIB's sustainability strategy and priorities will be validated annually.	
Induced changes in human and cultural environment	Over the last decade there has been a marked change in general attitude towards environmental protection and sustainability. Public and workplace staff alike are now more aware than ever of the need to make changes in terms of how we all impact the environment. AIB must ensure that all environmental aspects/direct risks are accounted for is a cornerstone of the environmental management system. Also, the bank need	Increased operational cost	>6 years	Direct	Very likely	Medium-high	Increase operational costs for day to day will increase but only markedly on practices already carried out at Bankcentre. Ensuring that maintenance tasks are carried out in line with schedules and that proper equipment is employed to combat risks are	The following has been implemented to manage this risks: 1) Implementation of an Energy and Environmental Management System at main head offices. 2) Staff training and awareness programme. 3) Materiality assessments to understand stakeholder concerns. 4) AIB continuous risk management process which identifies and evaluates the key risks facing the Group and its subsidiaries. An example of how this has worked in practice was the	Management costs are business as usual. Estimated cost of maintaining the environmental management system is

	to ensure that its staff understand climate risks (their influence to our daily operations and in a non-working environment. Also if staff is working in the frontline prepare them to respond to client needs.						the main source of cost. Financing these changes can vary from €100 to €2,000 on top of general maintenance carried out.	development of the "Supporting Customers to Cut Energy Course" that is available to frontline staff on AIB's iLearn intranet platform. The objective of this course is to enable staff to understand and explain what existing energy efficiency measures there are to AIB's SMS customers and how AIB can assist them financially.	approximately €50,000-€60,000
Fluctuating socio-economic conditions	AIB's performance is dependent on prevailing economic conditions, a depressed market reduces demand for credit and other financial products.	Reduced demand for goods/services	3 to 6 years	Direct	About as likely as not	Low-medium	AIB estimates that the financial implications are in the region of €250M depending on the economic changes.	AIB senior management and Board actively manage the business to adapt to economic conditions in its markets. The Board of Directors is responsible for the effective management of risks and opportunities and for the system of internal controls in the Group. The Group operates a continuous risk management process which identifies and evaluates the key risks facing the Group and its subsidiaries.	The cost of managing the risks is dependent on the relevant personnel and operations costs.
								Measures taken to manage this risk are among others	

Reputation	Concern about climate change has increased in the last decade. Investment decisions are not only taken by financial factors, sustainability criteria is also considered. Customers are demanding new lowcarbon economy products and services and environmental disclosure is now a legal requirement in some markets. It's important for AIB's that our brand is perceived as a proactive "sustainable" brand among interested parties (customers, shareholders, Local Authorities, etc). As a public and large financial company sustainability commitments and annual carbon footprint reductions are key for our "green" brand credibility and associated business value. Poor and non transparent environmental disclosure of these initiatives could affect negatively AIB's reputation and potentially lead to loss of customers and investors.	Reduced demand for goods/services	1 to 3 years	Direct	More likely than not	Medium	Financial losses due to loss of clients and investors are not easily quantifiable. The value of sustainability to our brand is currently being calculated by the newly established AIB Office of Sustainable business. This would help to understand these financial implications. Is well known that financial markets use more frequently sustainability indexes. As an example, in 2016 CDP had 826 institutional investors representing in excess of US\$ 100 trillion assets. A negative "climate change" image and a poor environmental disclosure could lead to financial losses due to loss of these investors that consider AIB's "sustainable image" when making an investment decision.	the following ones: 1) Achieving, maintaining and improving AIB's ISO 50001 and ISO 14001 Management Systems. 2) Calculating AIB's Carbon Footprint Calculation annually 3) CDP annual participation and reporting 4) Environmental information disclosed on Annual Reports, CSR and our website. 5) Environmental employee awareness 6) Materiality assessment of sustainability issues among AIB's stakeholders 7) Establishment of AIB's Office of Sustainable Business For example: We chose to conduct a materiality exercise to the standards of GRI, with the ultimate aim in mind of producing our first sustainability report in 2017. We aim to join other large organisations worldwide that report on their sustainability efforts, as part of	The costs of managing these and included in the annual budgets of the AIB's Office of Sustainable Business and the Environment and Energy Team. The estimated management cost the ISO 14001 and 50001 ISO systems is approximately €60,000 per year, including: • Surveillance audits. • Pegasus Legal Register maintenance (Energy, H&S and Environment) Materiality assessment report
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									our intention to operate fairly and transparently with the best interests of our customers at heart.	
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Further Information

Attachments

https://www.cdp.net/sites/2017/00/600/Climate_Change_2017/Shared_Documents/Attachments/ClimateChange2017/CC5.ClimateChangeRisks/agri_matters_spring_2016.pdf
https://www.cdp.net/sites/2017/00/600/Climate_Change_2017/Shared_Documents/Attachments/ClimateChange2017/CC5.ClimateChangeRisks/AIB_Annual_Financial_Report_2016.pdf

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- ☐ Opportunities driven by changes in regulation
- ☐ Opportunities driven by changes in physical climate parameters
- ☐ Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							• A carbon tax was introduced in Ireland in	The methods to manage this opportunity are: 1) Carbon emissions and energy consumption are monitored as part of our Environmental and Energy Management Systems. 2) Annual calculation and verification of the	

Cap and trade schemes	An increased focus on carbon emissions will deliver cost savings which in turn will help AIB to be more cost competitive in the market and enhance its brand.	Reduced operational costs	3 to 6 years	Direct	More likely than not	Low-medium	December 2009. The rate of tax is €20 per tonne with effect from 1 May 2014. Estimated financial implications are as follows: In 2016 AIB carbon emissions in Ireland were 21,519 tCO₂e (€430,380) which is approximately 0.031% of the total operating expenses for the bank. *Figures based on p24, AIB financial report for 2016 • The carbon tax applies to kerosene, marked gas oil, liquid petroleum gas, fuel oil, natural gas and solid fuels. carbon footprint: Since 2016, available data pertaining to AIB operations in the UK and US was combined with information from the Republic of Ireland to calculate the AIB carbon emissions. 3) Reporting of emissions to CDP. 4) Staff training and awareness: AIB staff compulsory Energy Awareness training contribute to decreasing energy consumption and thus reduced carbon costs. Example: ISO 50001 which AIB achieved across its head offices requires the maintenance of an opportunities register for energy reduction initiatives, in 2016 initiatives from this register such as upgrading to LED lighting, HVAC optimisation, boiler upgrades, CHP optimisation and BMS upgrades were carried out to mitigate the risk of carbon taxes to AIB. The cost of management this opportunity have been estimated as follows: • €10,000 to €12,000 for resources required to carry out annual study of carbon emissions. •Circa €1M will spend on energy reduction (carbon reduction) projects over the next 3 years by AIB.	
							It is difficult to To manage reporting obligations, AIB has an ISO 50001	

Emission reporting obligations	AIB aims to be recognised as a leader in sustainable banking and a leading sustainable brand. Meeting emissions reporting obligations in advance of them being enshrined in legislation should help AIB to demonstrate leadership in this area.	Wider social benefits	3 to 6 years	Direct	Likely	Low-medium	estimate the financial implications associated with opportunities as regards emissions reporting obligations. As part of ESOS legislation in the UK, AIB can be potentially liable for a fixed penalty of €5,000 + €500 per day until compliance with this legislation is reached. There are presently no financial sanctions in the Republic of Ireland. In addition it should be taken into account that as sustainability becomes increasingly important to consumers it is likely they will choose to engage with those brands who are recognised leaders in this field.	energy management system. Identifying legal requirements and monitoring of legislation forms such an integral part of it, means that ESOS compliance or with the EU Energy Efficiency Directive are high on the agenda for AIB. Example: When compliance with the Irish version of ESOS, Energy Auditing Scheme (EAS) came into force. We captured the 70% of our total primary energy thanks to an energy audit done on time. Furthermore, when implemented our ISO 50001 across our branches this would help: a) to capture this primary use (derogations are in place to accommodate companies that already have extensive energy analysis of their operations, as an ISO 50001) b) to ensure that all energy savings opportunities are actually delivered.	a) There is no additional cost, at present, to obligatory reporting of emissions. Nevertheless, the estimated management cost is approximately €11,000 per year, including: • Surveillance audits part of both ISO 14001 and 50001 ISO standards. • Pegasus Legal Register maintenance (Energy, H&S and Environment) b) Other costs: €25,000 for compliance with EAS & ESOS.
							Estimated financial	The methods to manage this opportunity are: 1)	

Carbon taxes	Carbon taxes are currently levied on all fuel and electricity in Ireland and are destined to rise in future years. The impact of carbon taxes will reduce and lead to cost savings by encouraging the following: • use of public transport, • participating in a GoCar (Ireland's only car sharing company) currently in place at Bankcentre • reducing business travel by utilising modern communication methods such as video conferencing, • focusing on energy reduction, • promoting hybrid and electric vehicles, • etc.	Reduced operational costs	1 to 3 years	Direct	Virtually certain	Low-medium	implications are as follows: a) In December 2009, a 4.2 cent/litre and 4.9 cent/litre carbon tax was introduced on petrol and diesel fuels respectively. This was increased in December 2011 by 33% meaning that, per tonne, the overall carbon tax is €20/tonne. In 2016 AIB carbon emissions in Ireland were 21,519 tCO₂e (€430,380) which is approximately 0.031% of the total operating expenses for the bank. *Figures based on p24, AIB financial report for 2016 b) The financial saving estimated from the use of GoCar at AIB, when compared with standard taxis, is approximately 16%.	Carbon emissions and energy consumption are monitored as part of our Environmental and Energy Management Systems. 2) Staff training and awareness 3) Participate and sponsor in Climate Change Events Case Study: AIB at Climathon 2016: A team from AIB took part in the last Annual Global Climathon. The challenge was a 10 hour hackathon focusing on the issues of public transport and mobility, solar energy and smart lighting infrastructure. On the day AIB's team built a prototype app, a motion sensor and a real-map of Dublin bikes to show their proposed solutions to Dublin's transport issues. The Climathon was a great opportunity to show the role AIB can play to drive innovation through the development of new ideas and solutions that respond to real needs facing Irish society.	The cost of management this opportunity have been estimated as follows: a) • €10,000 to €12,000 for resources required to carry out annual study of carbon emissions. b) The approximate cost of management for GoCar, since its implementation has come to be €1,000-€1,200 per month as well as a once off additional €1,000 for registration of staff members.
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Fuel/energy taxes and regulations	Fuel taxes comprise a significant and rising proportion of fuel costs. 1) Reducing our business mileage as per above will reduce the financial impact of these. 2) AIB closest energy consumption target is: to reduce its energy consumption by 33% by 2020, from (2006 - 2008 baseline)	Reduced operational costs	1 to 3 years	Direct	Likely	Medium	Estimated financial implications are as follows: 1) A carbon tax was introduced in Ireland in December 2009. The rate of tax is €20 per tonne with effect from 1 May 2014. Estimated financial implications are as follows: In 2016 AIB carbon emissions in Ireland were 21,519 tCO₂e (€430,380) which is approximately 0.031% of the total operating expenses for the bank. *Figures based on p24, AIB financial report for 2016 2) For the period 2015 to 2018 AIB aims to spend an average of €3.1m on improving energy reduction measures across its Head offices and branches network.	The methods to manage this opportunity are: 1) ISO 50001 energy management standard has been implemented to manage our energy consumption in a structured way. 2) All AIB electricity in NI & ROI are sourced from green sources and are thus not liable to carbon tax. AIB has set a target to reduce energy consumption by 33% by 2020. An increase in energy taxes would put an increase focus on this as a management method.	The estimated management costs are: a) approximately €11,000 per year, including: • Surveillance audits part of both ISO 14001 and 50001 ISO standards. • Pegasus Legal Register maintenance (Energy, H&S and Environment) b) For the period 2015 to 2018 AIB aims to spend an average of €3.1m on improving energy reduction measures across its Head offices and branches network. c) The estimated cost of achieving this target is €0.5m per year.
								The following actions reflect our	

Renewable energy regulation	The introduction of support tariffs for Renewable energy and Energy White paper launched in ROI in 2015 represent opportunities for AIB to lend to businesses in this market. At an operational level, AIB installed 50 sq. m of PV panels in one of its branches in 2014 and has planning permission to install 905 PV panels at its headquarters (225kWe).	New products/business services	1 to 3 years	Direct	Very likely	Low-medium	At a customer level the financial implications are: The solar market in ROI is estimated to be worth €390M per annum. It is also estimated that Irish businesses need to spend €1.5bn per annum to meet our EU 2020 targets, AIB have launched a €100M fund aimed at lending to businesses support this target (This represents approximately 0.77% of overall lending in 2016. (See p7 2016 annual financial report) At an operational level the financial implications are: AIB will purchase the power generated annually offsetting grid consumption costs. Estimated cost: €40,000	management approach: 1) AIB will keep abreast of industry trends and will aim to mitigate any adverse regulations by ensuring the output of the panels is optimised and well maintained. 2) AIB's Energy & Renewable Team, works with various industry experts and customers to bring about a flexible and practical approach to support the delivery of large green energy projects.(eg: In 2016 a €38 million financing package for the construction of two wind farms in county Kilkenny was concluded. Both wind farms will become operational during the second quarter of 2017 and will generate 23.4 MW of electricity, sufficient to meet the demand of approximately 15,800 homes.) 3) In addition AIB is leading by example and will install the largest urban rooftop PV plant in Ireland and the first PV car port. It is hoped that this will create confidence within	Management costs are business as usual so will drive no additional costs. The only specific cost of management is the installation of PV system, €350,000 .
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								the Irish market regarding the viability if PV particularly in urban areas.	
Voluntary agreements	AIB has voluntarily implemented an ISO 14001 Environmental Management System and an ISO 50001 Energy Management System. AIB's management of Climate Change and these standards are closely inter-related. AIB's environmental and energy strategies are key to reduce carbon emissions and energy consumption. This proactive strategy	Reduced operational costs	1 to 3 years	Direct	Very likely	Low-medium	Financial implications: a) The savings of the implementation of energy efficiency measures and opportunities of improvement managed by our ISO 50001 are estimated circa €1.2m per year. b) Cost: For the period 2015 to 2018 AIB aims to spend an average of	To manage this opportunity we have implemented the following initiatives. 1) Implementing Energy & Environmental Policies and internal/external processes required to fulfill the standards requirements. 2) Risk and Opportunities are identified along with environmental aspects, legal requirements and interested parties. 3) The information gathered above results in objectives and targets that are discussed annually at boardroom level. 4) Action Plans are agreed to incorporate risks & opportunities, meet legal requirements and achieve targets and objectives. 5) Both Management systems are reviewed externally by a 3rd party on an annual basis. Case Study: Our commitment to reduce our emissions and	The estimated management cost is approximately €11,000 per year, including: • Surveillance audits part of both ISO 14001 and 50001 ISO standards. • Pegasus Legal Register maintenance

	is an advantage to enhance AIB's "green" brand reputation, as well as a method of Climate Change awareness to our staff, shareholders, investors and customers.						€3.1m on improving energy reduction measures across its Head offices and branches network.	reduce operational costs started with the implementation of these standards at our HeadQuarters in 2014 . By the end of 2015 AIB, extended the scope to Irish headoffices. Our final goal is to have all our locations ISO certified in 2017. Since 2015 we've experienced the following advantages: improved data gathering for annual carbon footprint, reduction on GHG emissions, significant reduction in energy consumption in our head offices, compliance with legislation applicable and increased business competitiveness.	(Energy, H&S and Environment)
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CC6.1b

Please describe your inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Actions implemented: 1) By installing a bee aviary on the roof of its primary headquarters in Dublin (Bankcentre), AIB has shown that it	

Other physical climate opportunities	Provision of carbon sinks plays a pivotal role in helping to mitigate at least some of the effects of any carbon emissions due to operational activity. European forests are currently a net carbon sink as they take in more carbon than they emit but a carbon sink is anything that absorbs more carbon than it releases as carbon dioxide.	Wider social benefits	>6 years	Direct	Virtually certain	Medium	It is difficult to put a financial estimate on this carbon sink opportunity. 1) Regarding our bee apiary, we have estimated capital (and labour) cost between €5,000-€7,000. 2) Potential implications of tailoring new Forestry financial service for the farming sectors are estimated between €2 to 6M. can have a positive and direct impact on the local environment both through enhancing biodiversity as well as aiding in the development of carbon sinks by encouraging pollination. - A qualified bee keeper resource is periodically employed to manage the bee aviary as and when necessary. - Case Study: Since 2016 AIB's is collaborating with Trinity College on an Urban Pollinator Research and also investigating ways in which to contribute to the Irish Pollinator Plan for Business. Ultimately Trinity's study can help urban green planning as well as conservation of pollinators and contribute to sustainable urban beekeeping 2) Design of new business lines. Eg: The "Forestry Finance Package" is available to our AGRI sector for those who have been approved by the Forest Service to establish a forestry plantation under the terms of	1) The cost of management the bee aviary is estimated to be €1,000-€1,200 per year. 2) To greater support the investment and working capital needs of the Agri-sector at farm level a €500 million loan fund has launched in 2015.
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								the Afforestation Grant and Premium Scheme.	
Change in precipitation extremes and droughts	Exceptional and extreme precipitation conditions are becoming more frequent in Ireland and UK. Flood risk are increasing in many regions due in part to climate change that could have several implications to our customers. Preparedness will be key for the success of UK and Irish Business. Financial institutions will see their revenues positively affected due to a higher demand of insurance services among others. For example, farming and livestock sectors are relying their annual productions on the weather. Extreme changes lead to uncertainty of annual productions. This insecurity could lead to a new demand	Increased demand for existing products/services	1 to 3 years	Direct	More likely than not	Medium-high	Potential implications of tailoring new financial services are estimated between €8 to 15M. There is a complex market need for flood insurance for homes & buildings, we have estimated its value around €250M for 1M houses.	Actions implemented: 1) AIB is an ISO 22301 certified business. This certification assures to continue with daily work even after unusual incidents such as fires, floods, etc. Ensuring the delivery of normal client services. 2) In addition and to support customers (personal, business & farming) regarding changes in precipitation and potential impacts. AIB offers to his customers: a) building an home insurance products that cover against floods and storms. b) specific response actions only activated when is required (see case study as an example) Case Study: In December 2015 AIB launched and "Emergency Flood Response" after recent adverse weather conditions: a) a response line: Local radios and targeted social media campaigns was activated to inform our customers that we 1) The estimated management cost of the ISO certification is approximately €6,000 per year, including surveillance audits. 2) Management costs regarding support to customers are business as usual so will drive no additional costs. The only specific cost of management is associated with the one associated	

	of tailored new financial services for these sectors.							are backing them during this difficult times and to promote the Emergency Flood Response Solutions. b) range of solutions: - A three month payment break on your credit facilities to help your cash flow - Temporary increase in overdraft facility - Short term loans pending insurance settlement - Credit decisions on loans up to €30k in 48 hours - Discounted loan rate for customers eligible for our SBCI Loan Fund	with running a response radio/media campaign, estimated at € 20,000 per year.
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CC6.1c

Please describe your inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Ireland's energy resource is becoming more diversified and key players (energy suppliers) have invested heavily in this diversification process. Ongoing						Indirect exposure via its customers means that AIB has the potential to be affected by the introduction of more stringent legislation, where its customers are required to comply with new in	We manage this opportunity as follows: a) AIB's ISO 50001 Energy Management System, in accordance with its energy policy, closely	The estimated management cost is approximately €11,000 per year, including: • Surveillance

Other drivers	deregulation has resulted in new players entering the Irish Market and AIB continues to support capital investment in the sector. As a Bank we have also supported the international expansion of our customers through the provision of project finance.	Increase in capital availability	Up to 1 year	Indirect (Client)	Virtually certain	Medium-high	environmental legislation. Financial implications: AIB has a dedicated fund of €100 million for energy efficiency investment in SMEs. This represents approximately 0.77% of overall lending in 2016. (See p7 2016 annual financial report)	monitors all changes to relevant energy regulations. An online legislative directory called Pegasus Legal Register is helping AIB to fulfill this ISO requirement. b) The corporate credit risk management system in operations.	audits part of both ISO 14001 and 50001 ISO standards. • Pegasus Legal Register maintenance (Energy, H&S and Environment)
Reputation	The milestones that have been achieved within AIB over the last number of years with regard to reducing our carbon footprint have provided the organisation with an increase attractiveness to different stakeholders. Our ambition is to make AIB a more sustainable business, one where all stakeholders can have enduring confidence in our operations, our practices and our strategy. This transformation into a sustainable bank is opening doors to investors/clients	Increased stock price (market valuation)	>6 years	Direct	Likely	Medium	By showing a strength commitment with climate change, AIB improves its reputation and sustainable performance, a clear competitive advantage that can increase the value of our stock price.	To manage this opportunity matters of environmental sustainability are dealt with a boardroom level. Implementing a successful sustainability strategy is key to our green success. We have implemented the following initiatives in 2016: 1) we created a Sustainable Business Committee and a Sustainable Business Working Group. 2) conducted our first materiality evaluation of key sustainability issues, that identified 32 material issues. Example: We are committed to publishing an annual sustainability report from this year onwards (Our first Sustainable Report will be published in 2017). We will conduct annual materiality assessments to help us track any changes in the material concerns of our stakeholders as well as identifying any changes in	The cost of management is related to the costs for marketing initiatives estimated to be in the region of €150,000

	who might be interested in green products/services and AIB's environmental performance.							the composition of our stakeholder groups. We will keep talking and listening to our stakeholders through a variety of channels throughout the year.	
Changing consumer behavior	Increased awareness of climate change by business and individuals is creating a new demand of financial services. AIB leads the offer of green financial products for the Irish market.	Increased demand for existing products/services	Up to 1 year	Direct	Very likely	Medium-high	Financial implications: 1) AIB has a dedicated fund of €100 million for energy efficiency investment in SMEs. This represents approximately 0.77% of overall lending in 2016. (See p7 2016 annual financial report) 2) To support future champions, AIB has also pledged €5 million in equity funding for start-up companies in the sustainable	The following actions reflect our management approach: 1) Our Energy & Renewable Team, works with various industry experts and customers to bring about a flexible and practical approach to support the delivery of large green energy projects. Example: In 2016 a €38 million financing package for the construction of two wind farms in county Kilkenny was concluded. Both wind farms will become operational during the second quarter of 2017 and will generate 23.4 MW of electricity, sufficient to meet the demand of approximately 15,800 homes. 2) We understand the benefits to the bottom line for businesses who introduce energy saving measures, and we factor those benefits into our credit decision process. AIB has a specialist team within its business banking division dedicated to providing products for financing businesses involved in the energy sector. 3) AIB is committed to being a leader in the solar energy sector in Ireland, but we know that it is important for businesses to see the demonstration effect of investing in energy efficiency. Example: In	The cost of management is related to the costs for marketing initiatives estimated to be in the region of €150,000

							technologies sector.	2016, we were granted planning permission to construct our own rooftop Solar PV plant at our Dublin headquarters, one of the largest projects of its kind in Ireland. 4) Initiatives to encourage investment in home energy efficiency: For example, since 2015, AIB customers can benefit from a free Building Energy Rating certificate and a personalised advisory report when taking out Home Improvement Loans.	
Other drivers	Employee engagement: Our staff actions impact on our carbon footprint. Staff engagement is key to reduce our carbon footprint and CO2 emissions.	Reduced operational costs	1 to 3 years	Direct	Likely	Low-medium	We can expect small savings associated with energy reduction. 2% energy savings thanks to energy behavioural change could potentially have financial savings of €36,000.	Staff engagement and "green" communication strategy is managed as part of our ISO 140001 and 50001 Environmental and Energy Management Systems. Communication campaigns are carried out on an ongoing using our Intranet. These campaigns are run by our Environmental and Energy Team or in partnership with other AIB teams, and they promote among others: key external environmental dates, environmental & energy performance and achievements, participation in events like Earth Hour or Climathon 2016. Examples of engagement in 2016 are our Carbon Footprint Infographic and Earth Hour 2016 awareness campaign.	Management costs regarding internal communication is business as usual so will drive no additional costs. Managing our ISO standards has an estimated annual cost of €11,000, including: • Surveillance audits part of both ISO 14001 and 50001 ISO standards. • Pegasus Legal Register maintenance (Energy, H&S and Environment)

Further Information

Attachments

[https://www.cdp.net/sites/2017/00/600/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC6.ClimateChangeOpportunities/AIB Annual Financial Report 2016.pdf](https://www.cdp.net/sites/2017/00/600/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC6.ClimateChangeOpportunities/AIB%20Annual%20Financial%20Report%202016.pdf)

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Mon 01 Jan 2007 - Mon 31 Dec 2007	3086
Scope 2 (location-based)	Mon 01 Jan 2007 - Mon 31 Dec 2007	20170
Scope 2 (market-based)		

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
ISO 14064-1

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	IPCC Fourth Assessment Report (AR4 - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
			Please see documents attached at the bottom of the page.

Further Information

Attachments

[https://www.cdp.net/sites/2017/00/600/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC7.EmissionsMethodology/DEFRA 2016.xlsx](https://www.cdp.net/sites/2017/00/600/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC7.EmissionsMethodology/DEFRA%202016.xlsx)
[https://www.cdp.net/sites/2017/00/600/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC7.EmissionsMethodology/Irish Emission Factors - CER16246 Fuel Mix Disclosure and CO2 Emission 2015 FINAL.pdf](https://www.cdp.net/sites/2017/00/600/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC7.EmissionsMethodology/Irish%20Emission%20Factors%20-%20CER16246%20Fuel%20Mix%20Disclosure%20and%20CO2%20Emission%202015%20FINAL.pdf)

Page: CC8. Emissions Data - (1 Jan 2016 - 31 Dec 2016)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Financial control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

5403

CC8.3

Please describe your approach to reporting Scope 2 emissions

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure	We are reporting a Scope 2, market-based figure	Our facilities in Ireland (AIB Ireland and EBS) and Northern Ireland (FTB) are supplied by 100% renewable electricity, backed up by certificates from the supplier, Go Power.

CC8.3a

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
15214	722	Our facilities in Ireland (AIB Ireland and EBS) and Northern Ireland (FTB) are supplied by 100% renewable electricity, backed up by certificates from the supplier, Go Power.

CC8.4

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

No

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	Less than or equal to 2%	Assumptions Extrapolation	AIB continue to improve the accuracy of data collected for Scope 1 calculations. Vehicle Fleet Data calculations for FTB rely on some assumptions and extrapolations . Based on the contribution of the fleet to the overall Scope 1 emissions, we understand that the uncertainty is less than 2%.
Scope 2 (location-based)	Less than or equal to 2%	No Sources of Uncertainty	Electricity data is requested directly from the suppliers and cross-checked with internal energy management systems. As such, we trust that the data used to calculate Scope 2 location-based emissions is reliable.
Scope 2 (market-based)	Less than or equal to 2%	No Sources of Uncertainty	Electricity data is requested directly from the suppliers and cross-checked with internal energy management systems. As such, we trust that the data used to calculate Scope 2 market-based emissions is reliable.

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance process in place

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/00/600/Climate Change 2017/Shared Documents/Attachments/CC8.6a/Allied Irish Bank ISO14064-3 Assurance Statement FINAL - ISSUED 23 06 2017.pdf	1-2	ISO14064-3	100

CC8.7

Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

Third party verification or assurance process in place

CC8.7a

Please provide further details of the verification/assurance undertaken for your location-based and/or market-based Scope 2 emissions, and attach the relevant statements

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
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Location-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/00/600/Climate Change 2017/Shared Documents/Attachments/CC8.7a/Allied Irish Bank ISO14064-3 Assurance Statement FINAL - ISSUED 23 06 2017.pdf	1-2	ISO14064-3	100
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CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
No additional data verified	

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Ireland	4748
United Kingdom	628
United States of America	28

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By business division

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
AIB Ireland	4446
AIB UK (GB)	148
AIB FTB	480
EBS	302
AIB US	28

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Ireland	13413	0	34130	34130
United Kingdom	1722	643	4306	2744
United States of America	79	79	200	0

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
AIB Ireland	12190	0
AIB UK (GB)	643	643
AIB FTB	1079	0
EBS	1223	0
AIB US	79	79

Further Information

Page: CC11. Energy

CC11.1
What percentage of your total operational spend in the reporting year was on energy?

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

CC11.2
Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Heat	0
Steam	0
Cooling	0

CC11.3
Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

26510

CC11.3a
Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	18991
Diesel/Gas oil	5257
Kerosene	2263

CC11.4
Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
Contract with suppliers or utilities, supported by energy attribute certificates	36874	0	Our facilities in Ireland (AIB Ireland and EBS) and Northern Ireland (FTB) are supplied by 100% renewable electricity, backed up by certificates from the supplier, Go Power.

CC11.5
Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
40017	38636	1381	0	0	Our CHP units produce electricity, which is consumed by AIB.

Further Information

Page: CC12. Emissions Performance

CC12.1

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

Decreased

CC12.1a

Please 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

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	6.1	Decrease	Our Scope 1 and 2 emission decreased from 21,842 tCO ₂ e to 20,617 tCO ₂ e, which is a decrease of 5.6%. The decrease is emissions is largely due to emission reduction activities. This includes reprogramming the BMS at the Headquarter Campus to optimise energy efficiency in line with changes to physical operating conditions, replacing light bulbs with LED lighting in the Sandyford Head Office and optimising the underfloor heating at the AIB headquarters, amongst numerous other energy saving initiatives across AIB's portfolio. In 2016 AIB continued to successfully reduce energy consumption by rolling out its energy efficiency programme to all 5 head office buildings, which account for 60% of the group's overall energy consumption. The decrease in emission attributed to emission reduction activities is 1,332 tCO ₂ e. The calculation for the percentage contribution due to this change is as follows: $1,332 / 21,842 * 100 = 6.1$
Divestment			
Acquisitions			
Mergers			
Change in output			
Change in methodology			
Change in boundary	0.5	Increase	Our Scope 1 and 2 emission decreased from 21,842 tCO ₂ e to 20,617 tCO ₂ e, which is a decrease of 5.6%. In the same time, we increased our reporting boundary to include emissions from AIB US. The increase in emissions attributed to the inclusion of AIB US is 107 tCO ₂ e. The calculation for the percentage contribution due to this change is as follows: $107 / 21,842 * 100 = 0.5$
Change in physical operating			

conditions			
Unidentified			
Other			

CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.0000078	metric tonnes CO2e	2630000000	Location-based	5.9	Decrease	Our revenue increased from 2623 million to 2630 million between 2015 to 2016 (a 0.3% increase). During the same time, our Scope 1 and 2 emissions decreased from 21,842 tCO2e to 20,617 tCO2e (5.6% decrease). This resulted in a 5.9% decrease in intensity from 0.0000083 to 0.0000078. The majority of this decrease can be attributed to emission reduction activities. This includes reprogramming the BMS at the Headquarter Campus to optimise energy efficiency in line with changes to physical operating conditions, replacing light bulbs with LED lighting in the Sandyford Head Office and optimising the underfloor heating at the AIB headquarters, amongst numerous other energy saving initiatives across AIB's portfolio. In 2016 AIB continued to successfully reduce energy consumption by rolling out its energy efficiency programme to all 5 head office buildings, which account for 60% of the group's overall energy consumption. This contributed to a notable decrease in emissions intensity.

CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
							Our FTEs decreased from 10663 to 10226 from 2015 to 2016 (4.1% decrease). During the same time, our Scope 1 and 2 emissions decreased from 21,842 tCO2e to 20,617 tCO2e (5.6% decrease). This resulted in a 1.6% decrease in emissions intensity, from 2.05 tCO2e/FTE to 2.02 tCO2e/FTE. The majority of this decrease can be attributed to emission reduction activities. This includes

2.02	metric tonnes CO2e	full time equivalent (FTE) employee	10226	Location-based	1.6	Decrease	reprogramming the BMS at the Headquarter Campus to optimise energy efficiency in line with changes to physical operating conditions, replacing light bulbs with LED lighting in the Sandyford Head Office and optimising the underfloor heating at the AIB headquarters, amongst numerous other energy saving initiatives across AIB's portfolio. In 2016 AIB continued to successfully reduce energy consumption by rolling out its energy efficiency programme to all 5 head office buildings, which account for 60% of the group's overall energy consumption. This contributed to a notable decrease in emissions intensity.
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Further Information

Page: CC13. Emissions Trading

CC13.1 Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.2 Has your organization originated any project-based carbon credits or purchased any within the reporting period?

No

Further Information

Page: CC14. Scope 3 Emissions

CC14.1 Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain	Explanation
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partners					
Purchased goods and services	Relevant, calculated	67	Data supplied shows only water supplied to AIB. Emissions factors used are based on DEFRA 2016 guidelines.	100.00%	AIB use supplier water bills to calculate these emissions. 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. Among other sources the following are being considered: paper consumption & toners purchased.
Capital goods	Relevant, not yet calculated				AIB 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. Among other sources the following are being considered: purchased IT & office equipment, furniture and infrastructures.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				AIB estimates that the GHG emissions associated with this activity are not relevant. The reason why these emissions are not considered material is that as we're in the financial sector, all our Fuel and Energy related activities are included in the Scope 1 and 2 of the carbon footprint.
Upstream transportation and distribution	Not relevant, explanation provided				As a financial institution not involved in manufacturing activities. Our financial and insurance 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	Relevant, calculated	240	Waste to landfill, waste recycled and waste composted were measured in tonnes on site. Relevant emissions factors sourced from DEFRA 2016 were used to calculate emissions.	100.00%	Waste data is provided by our service providers. This year, waste calculated categories were extended to we include for the 1st time data gathered from the following waste streams: water treatment waste, waste oil, grease trap waste, septic waste and used cooking oil.
Business travel	Relevant, calculated	3847	Business travel is divided into the following sections: air travel, bus travel, taxi, rail travel, ferry travel, car mileage and Go Car (car sharing scheme). Relevant emissions factors sourced from DEFRA 2016 were used to calculate emissions	90.00%	Business travel data is captured from suppliers and internal expenses management systems.
Employee commuting	Not relevant, explanation				We estimate these emissions as not material Most of our employees live close to our head office or branch offices so the impact of their commuting would be very small, compared to the total company impact. However, AIB actively works to minimise this type of commuting emissions. AIB facilitate staff who wish to work from flexible locations to enable a better work-life balance. Thanks to IT upgrades our staff is allowed to work remotely. AIB encourages the use of sustainable transport where possible. • A bus service is operated 6

Continuing	Explanation provided				encourages the use of sustainable transport where possible, • A bus service is operated 6 times per day servicing AIB Bankcentre and our head offices in Dublin. • Bike racks, showers and drying areas are provided to encourage staff uptake. • Electric car charging points are available at our main head offices. • AIB staff in Dublin has access to a car sharing scheme and, • Tax saver and bike to work schemes are available to all AIB staff.
Upstream leased assets	Not relevant, explanation provided				Emissions associated from the operation of assets that are leased by AIB have been included in the 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 emission being double-counted.
Downstream transportation and distribution	Not relevant, explanation provided				The emissions associated from the operation of assets that are leased by AIB have been included in the scope 1 and scope 2 disclosed in previous sections of this questionnaire. Our approach regarding leased properties is to calculate their emissions as if they were AIB owned offices. Emission would be double-counted if we disclose this data here again.
Processing of sold products	Not relevant, explanation provided				AIB is a financial services provider. This scope 3 section is not applicable to us as we don't have any manufacturing operations. Our financial and insurance services are not physical products. These "products" are only linked to monetary transactions.
Use of sold products	Not relevant, explanation provided				The reason to consider this category not material is that: AIB is a financial services provider. We don't have any manufacturing operations. AIB financial and insurance 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	Not relevant, explanation provided				AIB is a financial services provider. We don't have any manufacturing operations. AIB financial and insurance 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	Not relevant, explanation provided				AIB does not lease assets to a third party, therefore these emissions are considered not relevant.
Franchises	Not relevant, explanation provided				These scope 3 emissions are not applicable as AIB does not have any franchises.
Investments	Relevant, not yet calculated				As investor and provider of financial services this category is relevant to AIB. Nevertheless, the lack of a clear methodology for setting scope 3 targets for financial institutions has prevented us to calculate these emissions. We're aware of the ongoing initiatives to developed a guidance for the financial sector to account for greenhouse gas (GHG) emissions associated with lending and investments and track emissions reductions over time (scope 3). We have been in constant communication with the Science Based Targets organisation to keep up to date with the latest developments regarding the development of a methodology for financial institutions. It is our understanding that this is at an advanced stage and we will continue to participate with this process with the ultimate goal to calculate the carbon emissions which arise from our investment portfolio and to incorporate these emissions to our carbon footprint in subsequent years.
Other (upstream)					
Other (downstream)					

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance process in place

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/00/600/Climate Change 2017/Shared Documents/Attachments/CC14.2a/Allied Irish Bank ISO14064-3 Assurance Statement FINAL - ISSUED 23 06 2017.pdf	1-2	ISO14064-3	100

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods & services	Emissions reduction activities	11	Decrease	Emissions from water supply have decreased from 2015 to 2016, mostly due to two reasons: a) improvement on our water monitoring system that helped to successfully detect leaks and quickly conduct required repairs and adjustments. b) improvement in methodology: this year water consumption is reflecting all our invoices and previously this data was extrapolated based on invoices available for only our main head offices.
Waste generated in operations	Emissions reduction activities	52	Decrease	Emissions from waste have decreased from 2015 to 2016, mostly due to waste audits carried out in 2016 to document our existing waste management system and identify waste streams and opportunities of improvement. A new waste strategy was approved and a series of actions took place to reduce our waste volumes like replacement of paper towels with hand dryers.
Business travel	Change in boundary	13	Increase	Emissions from business travel have increased from 2015 to 2016. This is due to accounting for emissions from AIB US this year, more business travel by road and including emissions from Hailo taxis in our Scope 3 calculations for the first time.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers

Yes, our customers
Yes, other partners in the value chain

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

i) Methods of engagement:

- All stakeholders:

- o To understand the environmental issues of most concern to our stakeholders we have ongoing engagement exercises that combine direct feedback with a revised survey of our stakeholder groups (Customers, Staff, Management, State agencies, Shareholder, Analysts, Educational bodies and Non-governmental bodies). Most recently we carried out our 1st materiality assessment. This exercise will be repeated annually.

- o Campaigns to promote environmental awareness.

Suppliers:

- o The ones which have an affect on AIB's energy consumption have had clauses relating to environment, energy and sustainability in their contracts, they must assist and work with AIB to reduce its carbon emissions from energy sources. This is measured by regular contract meetings and the receipt annually of an opportunities register from each relevant contractor.

- o Potential suppliers are requested on our tendering process to provide documentation regarding environmental & energy certifications (ISO 14001 and ISO 50001), a copy of their environmental policy and information relating to their environmental management system.

- Other (Staff): We provide training to all our staff regarding energy efficiency and climate change impacts.

ii) Strategy for Prioritizing Engagements:

We have an e-Sourcing solution to automate the tendering and award of sourcing events. We conduct an intensive due diligence process in regard to supplier selection, prioritized according to the value, complexity and criticality of the service being procured.

Market intelligence provides us with information on the best in class service providers in a specific commodity and we construct specific selection criteria when deciding on the most appropriate supplier. We also use well refined and best in class supplier selection tools.

iii) Measures of success:

- Customers:

- a. We ask customers to give us feedback on how we can make a process better. We take action as a continuous feedback cycle starts, where we use the findings to make improvements. We monitor the impact of the changes we have made by continuing to ask for feedback.

- b. AIB has launched products aimed at both personal and business customers to create awareness and encourage investment in energy efficient technologies in their homes and businesses. Success is measured on the uptake of these measures and number of loans granted to finance green energy projects. Our brave investment in a renewable future has the knock-on that Ireland gets closer to meeting its energy efficiency target of reducing energy consumption by 20 per cent by 2020.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
Active engagement	931	42.74%	AIB had in 2016 over 2,700 active suppliers, 60% of which are based in our domestic market in the Republic of Ireland. AIB's purchasing activity provides a cascade effect, supporting multiple suppliers and communities located in our operating jurisdictions. Example: Our catering partners utilise suppliers that are associated with sustainable initiatives (eg: In Ireland using verified members of "Bord Bia Origin Green Initiative"), using freshest, locally sourced and seasonal ingredients. Food miles & vehicle use is reduced when supplying to AIB locations.

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Mr. Tomás O'Midheach	Chief Operating Officer at Allied Irish Banks, p.l.c.	Chief Operating Officer (COO)

Further Information

CDP: [D][-, -][D2]