Reporting period
1/1/2022 – 31/12/2022

DISCLOSURE INSIGHT ACTION

2023 CLIMATE CHANGE RESPONSE

CONTENTS

AIB Group Plc - Climate Change 2023

C0. Introduction

C0.1

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

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

AIB is our principal brand across all our geographies. AIB provides a range of products and services to retail, business and corporate customers. AIB holds market-leading positions across key segments. Our three core segments are: Retail Banking; Capital Markets and AIB UK. We also operate wholesale treasury activities along with control and support functions.

- Retail Banking supports our consumer and business customers with a comprehensive range of banking and financial services, delivered through our digital bank in Ireland whilst transforming our branch network. AIB's leading Irish retail franchise serves over 2.9 million active customers with over 2.1 million digitally active customers. Retail Banking has an expanded reach via EBS, Haven, AIB Merchant Services, Payzone, Nifti and AIB life.
- EBS is a predominantly mortgage-focused brand within the AIB Group, helping thousands of customers buy their own homes in Ireland. It offers mortgage, personal banking, savings and investment products and services.
- Haven is our mortgage broker channel, which was established as a subsidiary of EBS in 2007, providing mortgages through intermediaries on behalf of AIB Group.
- AIB Merchant Services is a joint venture with Fiserv, a global leader in fintech and payments. It is one of Ireland's largest payment solution providers and one of Europe's largest e-commerce acquirers, with a global customer base.
- Payzone is a subsidiary of AIB Group. It is a leader in digital payments, providing comprehensive solutions to more than 7,500 retail stores, over 100 clients and over 400,000 app users across Ireland.
- A joint venture with Autolease Fleet Management, NiftiBusiness and Nifti Personal Leasing promote sustainable mobility solutions for Irish businesses and consumers. NiftiBusiness assists companies in achieving their fleet management goals; Nifti offers personal car leasing, helping consumers switch to electric driving.
- AIB life is a joint venture with Great-West Lifeco providing protection, pensions and investments to help customers on their path to financial security one step at a time.

- Capital Markets serves AIB's large and medium-sized business customers as well as our private banking customers, providing deep-sector expertise combined with our comprehensive product offering. To provide geographic and sector diversification, we selectively participate in European and US syndicated loans and bonds. In 2021, Goodbody became part of Capital Markets, bringing additional capability in wealth management, corporate finance, asset management and wider capital markets propositions. Following the receipt of competition clearance in April 2022, we've made significant progress in bringing on board the Ulster Bank corporate and commercial loan book. As of December 2022, €2.1bn of good quality performing customer loans had migrated with the full transfer of loans expected to be largely completed in 2023.
- AIB UK operates in the two distinct markets of Great Britain and Northern Ireland. Across both regions AIB supports our corporate customers with sector-specific expertise. In Northern Ireland, we offer full service retail banking.

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

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

In April 2021, AIB signed up to the Net Zero Banking Alliance and in April 2023 financed emissions targets for 75% of the AIB loan book were validated by the Science Based Target Initiative (SBTi). AIB became the first bank globally to secure a scientifically validated electricity generation maintenance target from the global SBTi.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
January 1 2022

End date
December 31 2022

Indicate if you are providing emissions data for past reporting years
Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for
Not providing past emissions data for Scope 1

Select the number of past reporting years you will be providing Scope 2 emissions data for
Not providing past emissions data for Scope 2

Select the number of past reporting years you will be providing Scope 3 emissions data for
1 year

C0.3

(C0.3) Select the countries/areas in which you operate.
Ireland
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

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

C0.5

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

C-FS0.7

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

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

C0.8

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

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

C1. Governance

C1.1

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

Yes

C1.1a

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

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	The Board is responsible for promoting the long-term sustainable performance of the Group, setting strategic aims and risk appetite to support the strategy. It is responsible for approving the Group's strategic plans (including divestments and acquisitions), capital investment and financial plans which includes the consideration of ESG and climate factors. These strategic considerations are expressed in the Sustainable Communities pillar of the Group strategy. It is responsible for the approval of the Sustainability Report and considers the sustainability targets for the Group. It appointed the Sustainable Business Advisory Committee (SBAC) to assist it in fulfilling its independent oversight responsibilities for ESG matters. It receives updates regarding the execution of the Group's sustainability strategy, including the quarterly Group Balanced Scorecard, bi-annual sustainability updates and both the green bond and social bond transactions. The SBAC oversees the Group's performance as a sustainable business and its delivery of AIB's sustainability strategy. SBAC has been the overarching Board Advisory Committee responsible for the guidance of our sustainability agenda since 2016. It is chaired by an independent Non-Executive Director of AIB Group and membership includes three other independent Non-Executive Directors. It also includes members of the Executive Committee including the Chief Executive Officer, Chief People Officer, Chief Sustainability & Corporate Affairs Officer and Chief Risk Officer. To ensure ongoing awareness of the work of the Committee by all Directors, the Chair provides an update to the Board following each meeting on key items discussed and considered by SBAC. The Committee meets at least four times every year and also convenes at regular intervals for ESG training. Its responsibilities include overseeing the external reporting of the Group's sustainability strategy including objectives, policies, measures and progress of implementation as well as review and challenge the Group's Sustainability Report for onward recommendation to the Board for approval. During 2022, the SBAC met on six occasions. Key topics reviewed by SBAC include: • progress in achieving our sustainability targets • the ESG Framework (which was approved by the Board) • update on the climate risk stress tests, regulatory expectations, supplier risk management and AIB's own environmental footprint; • updates on sustainability propositions development.
Board-level committee	Board Risk Committee (BRC) As part of discharging its overall responsibilities, the Board Risk Committee (BRC) ensures that risks within the Group are appropriately identified, reported, assessed, managed and controlled including commission, receipt and consideration of reports on key strategic and operational risk issues. The BRC receives updates regarding the effectiveness of the Group's policies and programmes, which relate to identifying, managing and mitigating ESG risks, including climate risk, in connection with the Group's operations and ensuring compliance with regulatory requirements and industry standards.
Board-level committee	Board Audit Committee (BAC) The Board Audit Committee (BAC) assists and advises the Board in fulfilling its independent oversight responsibilities in relation to: • The quality and integrity of the Group's accounting policies, financial and narrative reporting, non-financial disclosures and disclosure practices; • The effectiveness of the Group's internal control, risk management, and accounting and financial reporting systems; • The independence and performance of the internal and external auditors; and, • The role of the BAC with regard to the review of certain additional non-financial disclosures included in the Annual Financial Report has been clarified, with the BAC undertaking a detailed review of the disclosures contained in this Annual Financial Report.
Chief Executive Officer (CEO)	The CEO has set a vision for the group to become a sustainability leader. The CEO sits on the Board and is a member of our Sustainable Business Advisory Committee (SBAC). Sustainability and climate action are clearly highlighted across the organisation as a CEO-priority.

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Overseeing and guiding scenario analysis Overseeing the setting of corporate targets Monitoring progress towards corporate targets Reviewing and guiding the risk management process	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our banking activities The impact of our own operations on the climate The impact of our banking activities on the climate	The Board appointed the Sustainable Business Advisory Committee (SBAC) to assist it in fulfilling its independent oversight responsibilities in relation to ESG matters. The Sustainable Business Advisory Committee (SBAC) is an advisory committee that provides direction and guidance on the sustainability strategy and implementation throughout the year. To ensure ongoing awareness of the work of the SBAC by all Directors, the Chair provides an update to the Board following each meeting on the key items discussed and considered by the Committee. In addition to discussion at regular SBAC meetings, there have been a number of updates to the main board on Sustainability and Climate-related issues. In continuing to build on their climate-related expertise, our Board participated in sustainability regulatory training, as well as two thought leadership events led by industry experts in the area of climate risk and climate policy in the financial sector. In 2022, topics presented to one or more of Board, SBAC and BRC include: • The Board approved the Group Risk Appetite Statement (RAS) 2023 which included specific ESG-related qualitative statements; • The BRC was updated on the outputs of initial climate risk quantification covering transition risks for high risk sector and physical flood risk; • The BRC also received an update on green lending; • The SBAC and Board reviewed and challenged the sustainability strategy as part of the wider Group strategy process and were updated on Financed Emissions Targets; • The SBAC reviewed the ESG Framework, which was approved by the Board on the basis of the recommendation of the BRC; • The SBAC was updated on the climate risk stress tests, regulatory expectations, supplier risk management as well as AIB's own environmental footprint; • The SBAC was provided with updates on sustainability propositions development status and propositions plan including peer reviews; and, • SBAC was updated on investor views. • Board and Executive Committee (ExCo) Training – Two sessions – Sustainability & Climate Risk and Regulatory Requirements & Stress Testing; • The Sustainability Report and KPIs for external disclosures are approved by the Group Disclosures Committee and Board; • The setting of Financed Emissions Targets (which have subsequently been validated by the Science Based Targets Initiative (SBTi) in 2023).

C1.1d

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

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

C1.2

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

Position or committee
Chief Executive Officer (CEO)

Climate-related responsibilities of this position
Integrating climate-related issues into the strategy
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our banking
Risks and opportunities related to our own operations

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

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

The Executive Committee (ExCo) is the most senior management committee of the Group and is accountable to the CEO. Subject to financial and risk limits set by the Board and excluding those matters that are reserved specifically for the Board, the ExCo, under the stewardship of the CEO, has responsibility for the day-to-day management of the Group's operations. ExCo members leading our customer facing business are responsible for the introduction of products and propositions to support our customers in the transition to net zero. These products include green mortgages and green personal loans for consumers as well as project finance for large infrastructure transactions such as renewable energy to support the transition to net zero. As the management of climate risk embeds across our businesses, these ExCo members have first line responsibility for origination and management of climate risk in our customer portfolios. The Managing Director of Capital Markets is a member of the Group Sustainability Committee. The Head of Climate Action, Energy and Infrastructure is a member of the Capital Markets Senior Management Team and also sits on our SBAC. Note: The Managing Directors of Retail Banking, AIB Group (UK) plc and Capital Markets are ExCo members.

For ESG matters the ExCo is supported by our Group Sustainability Committee, Group Risk Committee and our Group Disclosure Committee.

Position or committee
Sustainability committee

Climate-related responsibilities of this position
Integrating climate-related issues into the strategy
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our banking
Risks and opportunities related to our own operations

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
The Group Sustainability Committee (GSC) is a sub-committee with full delegated authority from the ExCo of AIB Group ("the Group"), and comprises members of the ExCo in addition to some senior stakeholders from across the business. It is tasked with approval and oversight of aspects of the Group's sustainability strategy, including ESG activities, and how the Group responds to our ESG commitments. A key role of the committee is to review and assess current and emerging ESG risks, evolving with

our ESG Framework and trends that may materially affect the business, operations, performance, or reputation of the Group, and make recommendations to the SBAC on any matters requiring escalation, with interaction with the Group Risk Committee (GRC) on relevant matters. Its responsibilities include:

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

The GSC is chaired by the Chief Sustainability & Corporate Affairs Officer (CSCAO), a member of ExCo and the Group's Executive sponsor for sustainability, reports directly to the Chief Executive Officer is and is a member of the Sustainable Business Advisory Committee (SBAC). The CSCAO also chairs the Sustainability Regulatory Change Steering Group, comprised of senior stakeholders from across the Group representing Ireland, UK and the U.S. The Steering Group supports the implementation of the programme of work covering the ESG regulatory requirements. These include the ESG aspects of the EBA Loan Origination & Monitoring, the ECB Guidelines for Climate-related and Environmental risk, The EU Taxonomy and the PRA climate-related requirements. Responsibilities are executed under the oversight of the Group Sustainability Committee.

Position or committee
Risk committee

Climate-related responsibilities of this position
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our banking
Risks and opportunities related to our own operations

Reporting line
Risk - CRO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
Chaired by the Chief Risk Officer (CRO), the Group Risk Committee (GRC) is responsible for fostering sound risk governance, ensuring risks are properly identified, assessed, controlled and reported and that our strategy is consistent with our Risk Appetite. As part of its overall responsibilities, the GRC receives updates regarding the effectiveness of the Group's policies and programmes that relate to identifying, managing and mitigating ESG risks, including climate risk and financial risk, in connection with the Group's operations, and ensuring compliance with regulatory requirements and industry standards. The GRC supports the Board Risk Committee (BRC). The BRC meets no less than six times in each calendar year.

Position or committee
Other committee, please specify (Group Disclosure Committee (GDC))

Climate-related responsibilities of this position
Other, please specify (Oversight of material Group disclosures and market announcements made to the public including financial and significant non-financial/ESG data)

Coverage of responsibilities
<Not Applicable>

Reporting line
Finance - CFO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
Chaired by our Chief Financial Officer, the Group Disclosure Committee (GDC) is responsible for oversight of material Group disclosures and market announcements made to the public including financial and significant non-financial/ESG data. In discharging its responsibilities, the GDC provides oversight of material Group disclosures and market announcements and supports consistency of key messaging made to the public including the Annual Financial Report, Pillar 3 Disclosures and Sustainability Report. The Group Disclosures Committee supports the Board Audit Committee (BAC). The BAC meetings are generally held at least six times per year.

C1.3

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	Variable remuneration incorporates policies and practices to stimulate behaviour consistent with AIB's Sustainability Strategy and commitments. However, a number of Sustainability targets and measurements appear on the Group Balanced Scorecard which is regularly reviewed and challenged quarterly by ExCo and at scheduled Board meetings. In addition, since 2022, senior executives have ESG performance objectives in their scorecards and a mandatory sustainability objective is in all employee Performance Reviews.

C-FS1.4

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

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

C2. Risks and opportunities

C2.1

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

Yes

C2.1a

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

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	10	
Long-term	10	30	

C2.1b

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

AIB Group has an internal matrix for determining the materiality of risks. It takes into consideration both the impact and likelihood of risks. There are four levels of impact – the highest level is "Critical" - and the types of impacts considered include financial, customer, operations and reputation.

The Group considers the impact and likelihood of potential risks through its Enterprise Risk Management Framework. The Material Risk Assessment (MRA) is a key input into the Group's risk management processes including the Risk Appetite Statement (RAS), which sets out the maximum amount of risk the Group is willing to accept. In 2022, The Board approved the Group Risk Appetite Statement (RAS) 2023 which included specific ESG-related qualitative statements. Our Material Risk Assessment process, which is completed at least annually, considers the impact of climate change for AIB, our customers and the societies in which we operate, helping us to identify the material risks to the Group and then determine a suitable risk appetite for them. In our most recent process, we continued to identify climate risk as a key driver of each of AIB's material risks. The Group has updated its qualitative Risk Appetite Statements for Business model risk and Credit risk in relation to Environmental, Social and Governance (ESG) factors. These set out that the Group will take ESG considerations into account when formulating and implementing the Group's strategy and in material lending decisions to customers assessed as being high ESG risk. Our credit risk RAS contains the following qualitative statement "We will not provide new money, for any term lending facilities, to business customers, where the customer, or any of its subsidiaries, are involved in any of the excluded business activities outlined in the group credit risk policy and we will take key ESG considerations into account in our material lending decisions" *(link:* https://aib.ie/content/dam/frontdoor/personal/sustainability/aib-group-excluded-activities-policy.pdf).

Credit risk is the biggest risk that the bank is exposed to, and the Group continues to be proactive in terms of adapting its credit risk management processes and policies to capture Climate/ ESG risks.

In July 2020, AIB published our first list of Excluded Activities, an updated policy was approved by our Board in October 2020 and, since 29 January 2021, the Excluded Activities rules apply to all business customers with a Gross Connected Exposure of >£/€300k and who are relationship managed. This list has since been incorporated into our Group Credit Risk Policy, which supports the management of credit risk across the Group. The policy rules now prohibit providing new money for term lending to businesses, or any of their subsidiaries, involved in the excluded business activities e.g. Coal or oil fired power generation (other than emergency or stand by oil generation) except where less than 25% of revenues are generated from this activity and only where there is a plan to move to sustainable fuels by 2025. AIB has limited exposure to fossil fuels with <1% with less than of the loan book classified as fossil fuels (where a company is included as fossil fuels if more than 5% of revenues come from those activities)

For climate-related risks we are focused on flood risk as the most significant Physical Risk and have developed initial metrics to better understand this risk for property-related exposures to begin with. In 2022, AIB had Non Financial Corporate (NFC) exposures secured on immovable property of €8.4bn, of which €0.27bn (3.2%) is sensitive to Physical Risk. As we further enhance our reporting to incorporate residential property this figure will increase.

Previously, a heatmap analysis was undertaken to assess Transition Risk and identified these sectors/sub-sectors as most prone to it:

• Agriculture – Dairy and cattle farming

• Manufacturing – Food processing

• Transport – Road, rail and water transport; or aviation

• Non-renewable energy.

For the analysis, we reviewed a range of Transition risks to assess whether they represent Low, Moderate or Material financial impact for each Sector. The severity of impact of each transition risk varies across sectors.

During 2022, c.8% of new lending (over a threshold of €/£300k gross connected exposure) was to sectors most prone to Transition Risk. AIB completed an assessment of those customers via an ESG Questionnaire. It incorporates both generic and sector specific questions to determine an ESG risk rating. The risk rating and assessment must then be considered as part of the credit assessment and recorded in the credit application system. Over the course of 2022, work commenced to further enhance and refine this tool, broadening the scope of coverage at counterparty and sector level.

Our initial approaches are subject to further evolution based on industry developments and as supervisory and regulatory expectations continue to evolve over time.

C2.2

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

Value chain stage(s) covered
Direct operations
Upstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Identifying and assessing risks
a) Our Material Risk Assessment (MRA), a top down process completed at least annually, considers the impact of climate change for AIB, our customers and the societies in which we operate. It helps us to identify our material risks and determine a suitable risk appetite for them. Material Risk Owners ranked Transition Risks 'High' and Physical Risks 'Medium/High'. The Group's risk taxonomy consists of the Principal Risks, associated sub risks and the risk drivers that may impact them. Both Transition and Physical risks were identified in the MRA process as a risk driver of the Group's material risks. Transition and Physical Risks are a key risk driver for Credit Risk. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, regulatory and market changes to address mitigation and adaptation requirements. Providing credit to sectors/borrowers not transitioning to greener processes risks an increased set of losses, as they may struggle with extra costs such as government taxes/lower sales as a result of changing buyer behaviour. This could increase the likelihood of customer default, impacting the level of credit losses and capital requirements. Physical risks result from event driven (acute) or longer-term shifts (chronic) in climate patterns. Extreme events may reduce the value of collateral located in flood plains. There is also the potential for damage to physical assets or disruption to business operations and third party providers.

b) Risk and Control Assessments (RCA) are undertaken periodically by all business areas in the Group in 1LOD & 2LOD. They focus on the nature of the risks facing each team, the adequacy of the internal control environment and whether additional management action is required. RCAs are reviewed and approved by the head of the Business Unit semi-annually, and subject to independent oversight from the Operational Risk team. Our RCA guidelines support the consideration of ESG risk on AIB's operational risk profile.

c) Climate risk has been integrated into our Risk Management Framework and supporting policies e.g. Business Continuity and Third Party Management policies consider the impact of Physical Risk on our locations, operations and supply chain.

d) Quantitative Scenario Analysis: Climate risk heat-mapping determined the most likely sectors with greatest exposure to Physical and Transition risks and developed a methodology to use scenario analysis to quantify climate-related risks for our commercial and retail customers.

e) Data & Systems programme of work in train to capture required data fields for climate risk quantification and emissions reduction measurement.

Example:
We focus on flood risk as the most significant acute & chronic physical risk. Our CRR449a Pillar 3 reported "sensitivity" to physical risk for NFC's secured by immovable property under an adverse climate scenario (defined as RCP 8.5 to 2035) and a 1:100 risk of a flood event (aligned to the EBA 2021 ESG Risk Management guidance). The analysis indicated 3.2%/€270m of NFC exposures sensitive to flood risk secured on immovable property (our approach evolves in line with industry developments. Numbers may change in time).

A Climate risk heat-mapping exercise assessed the most significant Transition Risk impacts across sectors - high risk sectors identified are; i) Agriculture - Dairy & Cattle Farming, ii) Manufacturing - Food Processing, iii) Transport - Road, Rail & Water Transport; or Airlines, Aircrafts & Airports iv) Non-renewable energy – Electricity Production & Supply; or Oil and Petrol-related.

Responding to risks and opportunities
a) The Group Risk Appetite Statement (RAS) articulates the Group's appetite for and tolerance of risk expressed in qualitative statements and quantitative limits and thresholds. Qualitative statements for Business Model Risk and Credit risk reflect that the Group take ESG considerations into account when formulating and implementing strategy and in material lending to customers in the high risk sectors.

b) Our Group Credit Risk Policy sets out Excluded Activities incompatible with Group strategy due to negative environmental impacts e.g. deforestation, nuclear power generation, natural gas fracking and the exploration, extraction or refining of oil or coal. The policy rule prohibits providing new money for any term lending facilities to businesses, or any of their subsidiaries, involved in the excluded activities. It applies to all business customers with a Gross Connected Exposure of >€/£300k and who are relationship managed.

c) The Group updated its credit policies for all sectors requiring consideration of ESG factors at origination. The new requirements were implemented through the development and roll-out of a sectoral heat map to identify the high climate risk sectors (both Transition and Physical Risk), and an ESG questionnaire to assess the ESG risk of customers in the high risk sectors. This assessment has been implemented for customers in Ireland and the UK. There will be further embedding and refinement of these credit processes., and further ESG requirements will be incorporated into risk policies and processes for the other Principal Risks impacted by climate risk.

d) A heat mapping exercise (see above) identified a number of SME sectors as high risk from a transition perspective. To understand the ESG risk in those sectors an ESG questionnaire was incorporated into credit applications for borrowers where new lending is >€/£300k - answers to generic & sector-specific questions determine an ESG risk rating which must be considered in credit assessment.

e) We recognise we have a long-term role to play in providing the finance for Ireland's transition to a low-carbon economy. In 2019, we launched our Climate Action Fund committing €1bn per year over 5 years to support Green and Transition lending. In 2021 we increased the fund to €10bn in total by 2023. Across the Retail, Capital Markets and UK segments of our business, we provide a comprehensive range of products & services to address environmental issues. Between the launch of our Fund and end Q1 2023 €8.5bn new green lending was drawndown.

f) Our Green Bond programme supports the bank's Capital and Minimum Requirements for own Funds and Eligible Liabilities issuance programmes - aligning our funding and liquidity plans with the bank's sustainability agenda. It commenced in 2020 and we have completed four Green Bond issuances, including two in 2022, bringing total Green Bonds in issue to €3.25bn.

g) In 2022 AIB signed a Corporate Power Purchase Agreement to source energy generated from two solar farms to be constructed. It will help us deliver on our commitment to source 100% of power requirements from certified renewable energy sources by 2030 and ensures we have a sustainable, secure energy supply at a fixed price for 15 years. AIB is the first Irish company to conclude such an agreement.

C2.2a

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

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	AIB's objective is to conduct its business in accordance with both the letter and the spirit of the relevant laws, regulations and codes which apply to its regulated activities, as well as AIB's internal compliance policies and standards and to act with integrity, honesty and fairly in dealing with its customers. Compliance is a key component of the Bank's internal control framework. The Regulatory Compliance Risk Management Framework sets out the internal control and governance structures in place in order to achieve the Group's regulatory compliance objectives. While the Board has ultimate responsibility for the governance of all risk taking activity in the Group, it has delegated risk governance responsibilities to various committees and key officers. This also includes incorporating ESG regulatory landscape into horizon scanning and upstream risk management. The Group operates a Three Lines of Defence (3LOD) Model. Self-assessment of risk is completed at business unit level (1LOD, first line of defence). The 1LOD is responsible and accountable for the identification, assessment, management, monitoring and reporting climate-related risks in their areas of responsibilities. Example: We have a multi-annual Sustainability Regulatory programme in place which is responsible for implementing all ESG related regulatory requirements governed by a Steering group of senior Business stakeholders. In addition, in terms of our lending portfolio, our sector, corporate and ECAI teams monitor the landscape at sectoral level, ensuring that we understand the environment in which our customers are operating and enabling us to engage with them in relation to the transition to a lower carbon economy.
Emerging regulation	Relevant, always included	Compliance is a key component of the Bank's internal control framework. The Regulatory Compliance Risk Management Framework sets out the internal control and governance structures in place in order to achieve the Group's regulatory compliance objectives. While the Board has ultimate responsibility for the governance of all risk taking activity in the Group, it has delegated risk governance responsibilities to various committees and key officers. Our Regulatory Compliance team is responsible for independently identifying and assessing current and forward looking compliance obligations, including regulation and guidelines in relation to climate change. Our ESG Transformation team, as well as our Energy and Environment teams, monitor regulatory and market sustainability updates to ensure that we are keeping pace with the rapidly evolving ESG landscape. Self-assessment of risk is completed at business unit level (1LOD, first line of defence). The 1LOD is responsible and accountable for the identification, assessment, management, monitoring and reporting climate-related risks in their areas of responsibilities. Example: Our Regulatory Compliance team is responsible for independently identifying and assessing current and forward looking compliance obligations, including regulation and guidelines in relation to climate change including these include the ESG aspects of the EBA Loan Origination & Monitoring, the ECB Guidelines for Climate-related and Environmental risk, The EU Taxonomy and the PRA climate-related requirements.
Technology	Relevant, always included	Technology risk arises from improvements or innovations to support the transition to a lower-carbon, energy efficient economic system that can have a significant impact on companies to the extent that new technology displaces old systems and disrupts some parts of the existing economic system. This risk type is relevant to our business and is evaluated as part of our credit risk management and due diligence process, for example as part of our risk management process we use heatmaps to assess the most significant transition risk impacts across sectors, and is based on the perceived risks and information available, from AIB data, expert opinion, literature and public sources. The heat mapping of transition risks shows that increased competition from low carbon and/or energy efficient technologies will have a material financial impact on the manufacturing sector and a moderate financial impact on the construction, property, transport and energy & infrastructure sectors. This assessment informs our credit risk management process and also helps us to better understand which customers / sectors need greater support in the transition to a low carbon economy. The Group also sees technology as an opportunity to increase digitalisation of its processes and services: for example, In Ireland, AIB promotes the use of mobile phone banking to increase access to banking services for all customers. In 2021, both the number of customers active on our Mobile app increased as did our Daily Interactions - We now have 2.1m digitally active customers, up 13% from 1.85m in 2021. Our Digitalisation Programme has identified key areas of focus for 2023, including delivering our new Business Mobile app, giving our business customers a better and more convenient way to access our Business Banking platform, which in addition results in a reduction in the overall emissions related to the customer's travel to bank branches and the servicing and transit of cash.
Legal	Relevant, always included	The legal and regulatory landscape in which AIB operates is constantly evolving. Regulatory compliance risk is defined by AIB as the risk of regulatory sanctions, material financial loss or loss to reputation which AIB may suffer as a result of failure to comply with all principal laws, regulations, rules, related self-regulatory codes and related supervisory expectations which relate to the Group's regulated banking and financial service activities i.e., those activities which the Group is licenced to conduct business. The Regulatory Compliance function operates a risk framework approach that is used in collaboration with business units to identify, assess and manage key compliance risks at business unit level. These risks are incorporated into the RCAs (Risk and Control Assessments) for the relevant business unit. Regulatory compliance monitors relevant regulatory guidance relating to climate risk and completes impact assessment for all regulation which may impact the Group. AIB's definition of Legal Risk includes the risk of non-compliance with Laws outside the context of its regulated business, including failure to ensure that the Group complies with new or changed laws. Both the Legal and Compliance functions have dedicated Upstream teams, which work closely together to identify new laws and regulation which impacts AIB Group including those which relate to environmental matters, and to ensure that business units assess and adapt to those impacts. Example: Our Regulatory Compliance team is responsible for independently identifying and assessing current and forward looking compliance obligations, including regulation and guidelines in relation to climate change these include the ESG aspects of the EBA Loan Origination & Monitoring, EBA CRR 449a, the ECB Guidelines for Climate-related and Environmental risk, CSRD, The EU Taxonomy and the PRA climate-related requirements.
Market	Relevant, always included	The Group is exposed to market risk through the following wholesale market risk factors: interest rates, foreign exchange rates, equity prices, inflation rates and credit spreads. Changes in customer behaviours and the relationship between wholesale and retail rates give rise to changes in the Group's exposure to market risk factors and are also an important component of market risk. Climate change is increasingly a key risk driver of market prices, be that investor appetite for certain sectors or where weather events could begin to impact on government finances and thereby impact sovereign bond prices. Market risk is identified and assessed using portfolio sensitivities, Value at Risk ("VaR") and stress testing. AIB have developed an approach based on NGFS scenarios and other regularly updated public sources, to integrate the consideration of climate risks into the groups market risk management. Market Risk Trading and Banking Book policies will be updated to consider the impact of ESG factors on the current market position and future investments.
Reputation	Relevant, always included	Regulatory compliance risk is defined by AIB as the risk of regulatory sanctions, material financial loss or loss to reputation which AIB may suffer as a result of failure to comply with all applicable laws, regulations, rules, standards and codes of conduct applicable to its activities. The Regulatory Compliance function operates a risk framework approach that is used in collaboration with business units to identify, assess and manage key compliance risks at business unit level. We are supporting our customers and communities in their transition to a low-carbon economy with an ambition that green and transition products will account for 70% of all our new lending by 2030. In 2019, AIB became a Founding Signatory of the UNEP FI Principles for Responsible Banking and a supporter of the Task Force for Climate-Related Financial Disclosures. We are working to integrate Environmental, Social and Governance (ESG) considerations into our lending decisions. Example: Our supply chain AIB maintain a database c.4,000 suppliers and transacted with 2,071 of them in 2022. Our suppliers are predominantly in Ireland (63%) and the UK (26%), however we have a small number elsewhere, mostly in other European countries, USA, and India. Our suppliers are mainly professional services, business services, and IT service providers, and include consultants, contractors, sub-contractors, re-sellers, and brokers. The Supplier base is five tiers – our most critical services in the highest tier (Tier 1) are the most closely managed, while the lowest tier (Tier 5) suppliers typically provide lower value transactional type goods and services. We complete due diligence for supplier selection prioritized according to the nature, value, complexity, and criticality of the service being procured. The risk assessment process evaluates multiple aspects of supplier risk, including determination of financial risks or sanctions in place against a supplier, or negative media commentary associated with a supplier. Key suppliers must attest annually to AIB's key policies including, but not limited to, our Code of Conduct, Conflicts of Interest Policy and Data Protection Policy and (where relevant) conform to the UK Modern Slavery Act. AIB supports an inclusive ethical supply chain and aims to ensure that individuals and companies throughout our supply chain work responsibly, sustainably, and safely. We encourage our suppliers to adhere to our Responsible Supplier Code.

	Relevance & inclusion	Please explain
Acute physical	Relevant, always included	A review of the risks for Ireland and UK, covering drought, fire, water stress, hurricanes and flooding, deemed flood risk to be the highest risk. A Physical Risk quantification exercise was undertaken on AIB's ROI Residential Mortgage book. Further work was under taken to: a) review AIB ROI's Commercial Real Estate (CRE) book, and our own properties. b) develop a physical risk stress testing model (carried out as part of the ECB climate stress test submitted in June 2022) c) develop our understanding of flood risk in the UK CRE Portfolio. As part of the Physical Risk scenario analysis, two Representative Concentration Pathways (RCP 8.5 and RCP 2.6) were applied to the ROI residential collateral data representing the ROI mortgage portfolio. A peer review of the Physical Risk prototype, carried out by an independent third party, noted a number of findings for AIB to consider for future iterations of the Physical Risk model development. Key findings for future improvements relate to limitations associated with current flood data and some of the underlying assumptions in the Aggregate Damage Ratio (ADR) calculation and insurance assumptions. The Physical Risk model relies on expert judgement parameters to translate Physical Risk measures into property valuation impacts. The Physical Risk approach and methodology is consistent with approaches being taken across the industry and limitations are largely driven by data challenges not unique to AIB. As part of the development of AIB's climate risk modelling capability, further work, as noted above, needs to be undertaken and the outputs and findings from the scenario analysis carried out to date will be used to inform the next iteration of the model. Example : In our Q4 2022 Pillar 3 report (Template 5), AIB disclosed information on exposures in the banking book, including loans and advances, debt securities and equity instruments not held-for-trading and not held-for-sale, towards Non-Financial Corporates (NFC), on loans collateralised with immovable property and on repossessed real estate collaterals exposed to chronic and acute climate-related hazards. The Group completed this template on a best efforts basis in line with Regulation (EU) 2022/2453 and EBA Q&A 2022_6541. We will continue to refine the forecasting models, data and assumptions with the aim of improving our understanding of how extreme weather events impact our property portfolio as climate risk and assessments tools improve and evolve.
Chronic physical	Relevant, always included	Physical risks arise from the physical effects of climate change on a customer's operations, assets, infrastructure, and workforce. These risks can result from chronic physical risks, which are longer-term shifts in climate patterns (e.g., sea level rise or chronic heatwaves). We also recognise the significant opportunities that climate change presents for our business and the importance of leveraging these opportunities to prepare our business for a low-carbon future. AIB has taken steps to develop our understanding of flood risk for AIB owned operations across ROI & UK. Based on 2020 flood data, c.22% of properties (out of 284 properties) are in higher flood risk areas and this increases to 24% in 2080 under RCP 8.5. The relatively high percentage is due to location of AIB owned operations being located in town centres (majority in Dublin & Cork both located near rivers which have a high flood risk score). AIB has a comprehensive Property Damage Insurance programme which covers the building and contents of premises owned and operated by AIB Group against loss or damage caused by flood which mitigates the risk for the Group. Example: In our Q4 2022 Pillar 3 report (Template 5), AIB disclosed information on exposures in the banking book, including loans and advances, debt securities and equity instruments not held-for-trading and not held-for-sale, towards non-financial corporates, on loans collateralised with immovable property and on repossessed real estate collaterals, exposed to chronic and acute climate-related hazards. The Group completed this template for FY 2022 on a best efforts basis in line with Regulation (EU) 2022/2453 and EBA Q&A 2022_6541.

C-FS2.2b

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

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

C-FS2.2c

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

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	Scenario analysis Other, please specify (MRA, RAS, RCA, ESG questionnaire)	1. Material Risk Assessment (MRA) process is a top down process, which is completed at least annually, considering the impact of climate change for AIB, our customers and the societies in which we operate. The rationale for completing this process is to help us to identify the material risks to the Bank and then determine a suitable risk appetite for them. As part of the material risk assessment process, the key emerging risk drivers are ranked by the Material Risk Owners. Both physical and transition risk were identified as Risk drivers of the material risks. 2. Group Risk Appetite Statement (RAS) is an articulation of the Group's appetite for and identifies the tolerance of risk expressed through qualitative statements and quantitative limits and thresholds. During 2022, the Board approved a new climate risk exposure metric within the Group's Risk Appetite Statement. Updated qualitative statements for climate risk have been approved to guide our green and climate lending to customers. We will continue to refine and enhance these statements in line with evolving best practice and data analysis. 3. The Risk Control Assessment (RCA) guidelines have been enhanced to support the consideration of ESG risk on AIB's operational risk profile by Business Units. 4. An ESG questionnaire is incorporated into credit applications for borrowers in high climate risk sectors where new lending >€/£300k, introduced to ensure a better understanding of the ESG risk associated with the borrower. 5. Quantitative Scenario Analysis: Conducting a climate risk heat-mapping determines the most likely sectors with greatest exposure to physical and transition risks and developed a methodology to use scenario analysis to quantify climate-related risks for our commercial and retail customers. 49% of the group's overall loan book is represented by residential mortgages. The materiality of this exposure to the group was key in the rationale for selecting the portfolio for flood risk assessment and scenario analysis. The Bank carried out a transition risk quantification exercise covering a sample of borrowers from the following sectors: Agri, Manufacturing, Transport and Non-renewable energy. The rationale for selecting these sectors was driven by the outputs of the climate risk heatmap exercise which identified these sectors as high risk.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

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

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

C-FS2.2e

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

Portfolio
Banking (Bank)

Type of climate-related information considered
Emissions data
Energy usage data

Process through which information is obtained
Directly from the client/investee

Industry sector(s) covered by due diligence and/or risk assessment process
Energy
Transportation
Food, Beverage & Tobacco
Other, please specify (Agriculture (dairy/cattle))

State how this climate-related information influences your decision-making
An ESG questionnaire was implemented in our credit risk management process in 2021 for certain cohorts requiring a more intensive analysis of borrowers in sub-sectors considered as part of the heat mapping exercise to have a higher risk to climate change related and environmental risks. Work has commenced to further enhance and refine this tool, broadening the scope of coverage at both counterparty and sector level.

The ESG questionnaire is incorporated into credit applications for borrowers in high climate risk sectors where new lending is >€/£300k. The heat mapping exercise identified a number of SME sectors as high risk from a transition perspective (Agriculture – Dairy/Cattle, Energy, Manufacturing - Food Processing, Transport), and the questionnaire was introduced to ensure a better understanding of the ESG risk associated with the borrower. The questionnaire incorporates both generic and sector specific questions to determine an ESG risk rating. The risk rating and assessment is considered by our lending teams, recorded in the credit application system and forms part of the overall credit approval process. For example, in the case of the Agri Sector, lenders might consider: current levels of on-farm efficiency, the borrowers focus on on-farm sustainability or whether there are other available cash flows / revenue streams on-farm which could grow and potentially mitigate any ESG related Risk over the term of loan proposed etc. The questionnaire was implemented for new applications in the second half of 2021 and early indications indicate a good awareness of and understanding of the impact of ESG risk factors in their business.

Capture of energy efficiency ratings is part of the loan origination process, for residential and commercial properties. A lower residential mortgage interest rate is available for A & B rated homes to attract lending opportunities for these properties, which are less prone to transition risk effects.

C2.3

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

C2.3a

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

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Banking portfolio

Risk type & Primary climate-related risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential financial impact
Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification
Credit risk

Company-specific description
The Group continues to be focused on flood risk as the most significant physical risk for AIB's portfolio. Providing lending to customers in flood plains may result in a reduction in collateral value for commercial and residential units from extreme events.

We have developed initial metrics to better understand this risk for property-related exposure. From a physical risk perspective, a review of the risks for Ireland and UK (covering drought, fire, water stress, hurricanes and flooding), flood risk was deemed highest risk. A physical risk quantification exercise focused on AIB's ROI residential mortgage book to begin to quantify the effect of flood risk and to assess the Commercial Real Estate (CRE) book and AIB's own properties. RoI Residential Mortgages of €28.7bn represent c.47% of our Group Loan portfolio (€61.2bn) as at 31.12.2022. Also steps are taken to develop our understanding of flood risk in the UK CRE Portfolio.

Time horizon
Long-term

Likelihood
About as likely as not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
0

Potential financial impact figure – maximum (currency)
270000000

Explanation of financial impact figure
The maximum financial impact figure of €270m represents the total value in exposures to Non-Financial Corporates that are exposed to physical flood risk as analysed in Template 5 of the Group's Pillar 3 disclosures.

In our Q4 2022 Pillar 3 report (see Template 5 Banking book Indicators of potential climate change physical risk: Exposures subject to physical risk), the Group analysed Non Financial Corporate (NFC) exposures secured on immoveable property, exposed to chronic and acute climate-related hazards. For the purpose of the CRR 449a disclosure, acute physical risk relates to river flooding and chronic physical risk relates to coastal flooding. Other physical risks such as landslides, tsunamis, wildfires and extreme heat were identified as low risk for the portfolio and therefore discounted in the analysis. Analysis of exposures secured on immovable property of €8.4bn in 2022 found that €0.27bn (3.2%) is sensitive to Physical Flood Risk. AIB Group completed this template on a best efforts basis in line with Regulation (EU) 2022/2453 and EBA Q&A 2022_6541. The initial approach is subject to further evolution based on industry developments and as supervisory and regulatory expectations continue to evolve over time.

Cost of response to risk
0

Description of response and explanation of cost calculation
With respect to understanding the current flood zone, AIB’s Residential Mortgage lending process requires all properties to be insured, and, flood risk is assessed as part of the insurance process which mitigates AIB's exposure in the main. Insurance cover can be provided with no flood risk cover, however in these instances, both the bank and the customer accept no flood risk cover is in place.

Cost:
We have reported “Cost of response to risk” as €0 as it is absorbed in our business as usual costs and we cannot extract it separately at this time.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Other, please specify (Energy & Carbon Savings reporting obligations)

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
Policy and legal risk

Company-specific description
Sustainability is at the heart of the Group’s agenda and is the fifth pillar of the Group’s strategy. The Group announced its commitment to net zero greenhouse gas emissions in its own operations by 2030, an ambition for net zero in customer portfolio lending by 2040 and in the agriculture sector by 2050.

The Group has energy savings reporting obligations under EAS (Ireland) and ESOS (UK) regulations. For its UK operations AIB is required to comply with ESOS (Energy Service Obligation Scheme) and for its ROI operations via Irish legislation via the EAS (Energy Auditing Scheme - SI 426 of 2014). In addition, under SI 542 Energy Services Directive, AIB has been considered a Public Body under Energy Efficiency Legislation (since 2012) as, at 31 Dec 2022, the State held 56.89%* of the issued ordinary shares of AIB Group plc. As such, the organisation is required to improve energy efficiency by 50% by 2030 and reduce CO2 emissions by 30% by 2030.

There is a financial risk associated with fines for non-compliance with these legal requirements. Negative publicity will affect credit ratings and customer perception. The risk of legal or regulatory sanctions could result in material financial loss or reputational damage.

(*Note: As at 12.07.2023 the State’s shareholding was reduced to 46.9% of the issued ordinary shares of AIB Group plc.)

Time horizon
Short-term

Likelihood
About as likely as not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
270058

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure
We've used the addition of the below figures to estimate the financial impact.
1) There is a financial risk associated with fines for non-compliance with the schemes.
Non-compliance with EAS is subject to a class A fine (€5,000).
Fines for non-compliance with the mandatory Energy Savings Opportunity Scheme (ESOS) can reach:
a) for failure to undertake an energy audit: an initial penalty of £50,000 (~€56,395) and a daily penalty of £500 subject to a max of 80 working days (£40,000 , ~€45,116)
b) for failure to comply with notice: an initial penalty of £5,000 (~€5,640) and a daily penalty of £500 subject to a max of 80 working days (£40,000 , ~€45,116)
c) for false or misleading statement £50,000 (~€56,395)
d) failure to notify: an initial penalty of £5,000 (~€5,640) and a daily penalty of £500 subject to a max of 80 working days (£40,000 , ~€45,116)
e) failure to maintain records £5,000 (~€5,640)
2) Other potential financial impact of this risk is not disclosed due to commercial sensibility.

EUR/GBP exchange rate as at 31.12.2023 GBP£1:EUR€1.1279 (Source: https://www.exchangerates.org.uk/historical/EUR/31_12_2022)

Cost of response to risk
50000

Description of response and explanation of cost calculation
Our Energy and Environmental Policies sponsored by our Chief Operating Officer and our Chief Sustainability & Corporate Affairs Officer, set out our commitment to energy efficiency and environmental protection, and guide the decisions we make on our internal operations.

AIB has a dedicated Energy & Environmental Team responsible for managing the Group's compliance of ESOS & EAS. The team is responsible for identifying, recording, reporting and managing the risks that current energy & environmental regulations could pose to AIB across its operations. It mitigates the risk by ensuring the right controls and assessments are in place (eg. adopting a continual improvement approach to increase our energy efficiency in our operations based on ISO 50001).

Case Study:
AIB has energy savings reporting obligations under EAS & ESOS Regulations and has to demonstrate compliance with them. The Energy team developed an Energy Management Strategy with a phased approach. a) Phase 1 (1st compliance period, Dec15) prepared our ROI largest head offices to achieve ISO 50001 certification and programmed the required energy audits in the UK (signed off by a qualified auditor). Both methods warranted compliance with ESOS & EAS obligations. b) Phase 2 (2nd compliance deadline, Dec19) involved the roll out of ISO 50001 across all ROI and UK locations. In 2018, AIB achieved such certification, an accolade that will serve to reduce its energy targets and as a method of compliance for EAS/ESOS . AIB have demonstrated compliance with both EAS & ESOS since then thanks to certification to ISO 50001:2018 which satisfies the requirements of both EAS & ESOS. The use of ISO 50001 underpins the approach of AIB to Energy Management across the jurisdictions under the EAS & ESOS schemes. In 2022, AIB successfully passed its ISO 50001 & 14001 surveillance audits.

How the cost of response to risk was calculated:
a) Maintenance, surveillance audits and software requirements of AIB's ISO 50001&140001 cost approximately €50,000 a year (this excludes cost of implementing operational efficiency measures)
b) Other costs would be incurred across the bank and business lines and would include the operation of the Energy & Environmental Team and its monitoring role; such costs are not separately identified in our reporting and would not be released for reason of commercial sensitivity.

Comment

C2.4

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

C2.4a

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

Identifier
Opp1

Where in the value chain does the opportunity occur?
Banking portfolio

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Opp1 refers to our €10bn Climate Action Fund in place to support green and transition lending. In 2019 we launched our Climate Action Fund, committing €1bn per year over five years to support green and transition lending. Since then we have introduced product innovations including green mortgages, green consumer loan, electric vehicle finance and Sustainability-linked loans. In 2021, we increased the fund to €10bn in total (€2bn per year) by 2023. New green lending, which we report annually, is primarily comprised of finance for new Green Buildings, new Renewable Energy and new Green Mortgages.

Between the launch of our Climate Action Fund in 2019 and end Q1 2023, €8.5bn in new green lending was drawndown, which has enabled us to make significant progress towards our 2023 target of €10bn. The increase in new Green Mortgages has been driven by our product offerings for EBS and Haven. For Renewables & Green Buildings we continue to see strong business momentum as demand for green finance grows. Power generation from Renewable energy sources is being expanded in Ireland, the UK and across Europe and is being supported by government through pricing support schemes (namely REFIT & RESS in Ireland, CfD's in the UK and other similar schemes elsewhere). These schemes are supported by long term Project Finance which assists in funding the construction and operation of generation capacity in the form of onshore and offshore wind capacity as well as biomass generation. As a result, according to Wind Energy Ireland, in 2020 wind energy met a record 36.3 per cent of Ireland's electricity demand – the world's highest for onshore wind, with eight new wind farms connected with a combined capacity of 135 MW.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
8500000000

Potential financial impact figure – maximum (currency)
10000000000

Explanation of financial impact figure
Explanation of Financial Impact:
The minimum and maximum range relate to the estimated amount of lending drawndown under our Climate Action Fund and our target for the Fund. In 2019 we launched our Climate Action Fund, committing €1bn per year over five years to support green and transition lending. In 2021, we increased the fund to €10bn in total (€2bn per year) by 2023.

Between the launch of our Climate Action Fund in 2019 and end Q1 2023, €8.5bn has already been drawndown in new green lending, which has enabled us to make significant progress towards our 2023 target of €10bn. New green lending, which we report annually, is primarily comprised of finance for new Green Buildings, new Renewable Energy and new Green Mortgages.

Cost to realize opportunity
11000000

Strategy to realize opportunity and explanation of cost calculation
We recognise we have a long-term role to play in providing the finance for Ireland's transition to a low-carbon economy.

AIB is an active lender to renewable energy projects across Ireland, UK, Europe and most recently the USA. Technologies supported include Onshore and Offshore wind, Solar and Battery Storage. Renewable energy has a significant positive impact as it displaces the need for fossil fuels, mitigating climate change, as well as supporting security of energy supply in each country where the generation capacity is located. We have provided lending to renewables generation projects for a number of years now, so are well-established in this area and continue to have, we believe, the largest and most active renewable energy teams in the Irish market. The Energy, Climate Action and Infrastructure portfolio continued to be one of the fasting growing lending books in AIB, with net Balance Sheet growth of c.40% in 2022.

Our Capital Markets segment also provides financing for the development of energy efficient homes and offices. In 2022, our Real Estate Finance team launched an initiative to incentivise developers to build homes that go beyond current regulations and take into account a broader range of sustainability factors. Our Sustainable Communities Offering rewards customers who build developments that meet the Irish Green Buildings Council's Home Performance Index or equivalent standard with discounted finance.

The AIB Green Mortgage was introduced in November 2019, and subsequently we launched our EBS and Haven Green Mortgages. Green Mortgages are available to customers who have invested or are investing in a home that has a BER energy rating of B3 or better.

The cost to realise the opportunity is a rough estimate, based on a range of associated costs/overheads related to the Climate Action Fund in FY2022.

Example:
AIB is a key provider of finance to support Enerpower, an Irish based company that delivers renewable energy solutions to a range of Irish and international businesses. One such project was to install a solar farm at the Cork base of Eli Lilly, a global pharmaceutical organisation based in Ireland since 1978, suggested by Enerpower to reduce their energy consumption and carbon footprint. AIB provided funding to support the delivery of the project via the supply of capital through the cycle and financed the solar panels and inverters for the solar farm. See our FY2022 Sustainability Report for more information on this project.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Banking portfolio

Opportunity type
Markets

Primary climate-related opportunity driver
Increased diversification of financial assets (e.g., green bonds and infrastructure)

Primary potential financial impact
Increased access to capital

Company-specific description
Increasing investors demand for green bonds represents opportunity for AIB. In 2019, AIB published our inaugural Green Bond Framework in 2019, which is aligned with the International Capital Markets Association (ICMA) Green Bond Principles. The Eligibility Criteria used to define the eligible Green Loan Portfolio for AIB's Green Bonds are based strictly on the International Capital Marketing Association (ICMA) Green Bond Principles and on best market practice. Our Green Bond Framework is publicly available on our website.

AIB became the first Irish bank to enter the growing green bonds market in September 2020 and as at 31.12.2022 AIB has €3.25bn in Green Bonds across the four transactions. Our Green Bond programme supports the bank's Capital and Minimum Requirements for own Funds and Eligible Liabilities (MREL) issuance programmes - aligning our funding and liquidity plans with the bank's sustainability agenda.

When AIB Group issues Green Bonds, it provides the bank access to more capital and to diversify our investors. In addition, offsetting cost efficiencies arise from improved cost-efficient access to wholesale debt capital markets - market terminology expresses the improved cost efficiency (reduced interest expense on the funding raised) as a 'Greenium'.

Time horizon
Long-term

Likelihood
Very likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
3250000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The financial impact of this opportunity is related to AIB Group's ability to diversity our business activities through issuing Green Bonds. The financial impact figures equate to the 4 green bonds issued by AIB between 2020 and 2022 - a €1bn T2 transaction in 3Q20, a €750m Senior Non-Preferred in 2Q21, and two green bonds in 2022 - both €750m Senior Non-Preferred transactions - bringing the total green bonds in issue to €3.25bn across four transactions.

The proceeds of the bonds have been used to finance projects related to renewable energy, green buildings and clean transportation. We issue impact and allocation reports annually. We follow the portfolio approach for Green Bonds. At 31.12.2022 there were 6,063 eligible projects/buildings in our portfolio, representing 1,136,405 tCO_2e of avoided GHG emissions.

Cost to realize opportunity
200000

Strategy to realize opportunity and explanation of cost calculation
The objective of establishing a Green Bond Framework is to use an amount equal to the net proceeds to fund assets that mitigate climate change by reducing emissions, protect ecosystems or otherwise have a positive environmental impact in support of the 10 strategic outcomes of the "Project Ireland 2040" - the Government's long-term overarching strategy to make Ireland a better country for all of its people, and Ireland's Climate Action Plan.

In 2019, our inaugural Green Bond Framework was launched and in Sept 2020 we issued our first Green Bond for €1bn - the first Green Bond issued by an Irish bank and the largest Green Tier 2 issue in Europe in 2020. In 2021, we issued our second green bond, for €0.75bn, and a further two (€0.75bn each) were issued in 2022. Since the launch of our inaugural Green Bond Framework in 2019, AIB Group has participated in the placement of €3.25bn in Green Bonds. We envisage further Green Bond issuances in the future.

Case study:
In September 2020, we successfully launched, priced, and closed our inaugural Green Bond transaction on the first anniversary of the launch of our Green Bond Framework. A €1bn Tier 2 Capital instrument, with a maturity of 10.5 years callable after 5.5 years, was executed with a coupon of 2 7/8%, 150 investors and investors and a total order book of €2.24bn, more than twice oversubscribed. This was a strong result in what were volatile markets at the time and represents a solid endorsement from the investor community of our ambitions to build a sustainable balance sheet. It represents a further endorsement of the progress the bank is making across all areas. In 2021, we issued our second Green Bond - a €750m transaction that was two times oversubscribed during the book build process, with 99 separate investors from 19 different countries. In 2022, AIB issued two Green bonds – both €750m Senior Non-Preferred transactions - bringing the total green bonds in issue to €3.25bn across four transactions.

Cost:
Maintaining a Green Bond Framework entails internal (personnel) and external (SPOs, Assurance reports, Impact Reports, etc.) operating costs, however these are offset by the positive impact of Green Bond issuance on our MREL interest expense. We estimate the annualised incremental cost to realise this opportunity at c.€200K.

Comment

C3. Business Strategy

C3.1

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

Row 1

Climate transition plan

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

Publicly available climate transition plan

<Not Applicable>

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

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

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

<Not Applicable>

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

Although AIB does not have a standalone Transition Plan, we have developed and validated with SBTi Financed Emissions Targets that cover 75% of the Group Lending Portfolio. This includes the Mortgage portfolio (50%), CRE lending book (10%), Electricity Generation (3%) and in 2022, through the addition of Emissions Targets Corporate Portfolio coverage (12%), coverage of our Financed Emissions Targets was extended to 75% of the Group Lending Portfolio. Over the period to 2030 we expect to see a significant reduction in emissions intensity of between 50-65% for mortgages and CRE at the Group level. This is aligned to Science-Based Net Zero pathways. The Mortgage and Electricity Generation portfolios are aligned to 1.5 C IEA NZE scenarios and the CRE portfolio is aligned to a 1.75 C (Well below two degrees) IEA scenario. The Financed Emissions Targets are backed up by business actions and strategies to deliver the pathways required to transition the financed emissions in line with the 1.5 C pathway.

In H1 2022, we completed emission reduction targets for our corporate loan book bringing our coverage to 75% of the overall Group Lending Portfolio.

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

<Not Applicable>

C3.2

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

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

C3.2a

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

Climate-related scenario		Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios	IEA NZE 2050	Portfolio	<Not Applicable>	As part of setting science-based targets we utilised the IEA NZE 2050 scenario for the Residential Mortgages and Commercial Real Estate portfolios
Physical climate scenarios	RCP 2.6	Portfolio	<Not Applicable>	In 2021 we undertook an exercise to begin the quantification of physical risk. We focused on flood risk and commenced with assessing our residential property portfolio, which accounts for 51% of our loan book. A physical risk prototype has been developed to convert climate scenarios into scenario adjusted LTVs to understand the impact on house prices as a result of increased flooding frequency. As part of the physical risk scenario analysis, two Representative Concentration Pathways (RCPs), RCP 8.5 and RCP 2.6, have been applied to the ROI residential collateral data representing the ROI mortgage portfolio. The RCPs map to both CO_2 and temperature anomalies up to 2100. The RCPs selected by AIB represent bookends to a range of possible climate scenarios, and are closely aligned to the Network for Greening of the Financial System (NGFS) scenarios being used by regulators for climate stress testing. RCP 8.5 is a hot house scenario whereas RCP 2.6 has a lower amount of CO_2 emissions representing an Orderly scenario.
Physical climate scenarios	RCP 8.5	Portfolio	<Not Applicable>	We continue to be focused on flood risk as the most significant acute and chronic physical risk Our approach continues to evolve in line with industry developments and numbers may change with time. The physical flood risk is aligned with our CRR449a Pillar 3 disclosure showing "sensitivity" to physical risk for NFC's secured by immovable property under an adverse climate scenario. Adverse climate scenario is defined as: RCP 8.5 to 2035, and a 1:100 risk of a flood event. The threshold of risk for sensitive is set at a 1% flooding risk (1:100) and the adverse climate change scenario to 2035. This approach aligns to the EBA 2021 ESG Risk Management guidance in so far as there is prescriptive guidance.
Transition scenarios	NGFS scenarios framework	Portfolio	<Not Applicable>	In 2021, AIB commenced the development of its climate risk capabilities to fulfil its ambition to be a sustainable finance leader and to provide best-in class responses to the expanding regulatory agenda. Two Transition Risk prototypes have been developed, a sector specific Agriculture prototype and an emissions based prototype. Both prototypes assess the credit risk of a sample of AIB counterparties covering some of our largest exposures in ROI & UK under different climate transition scenarios. This emissions-based prototype comprises of three high transition risk sectors (transport, manufacturing, and energy) which are not covered by the sector-specific agriculture model. In order to provide a portfolio-wide view of transition risks, the prototype uses an industry specific carbon intensity approach to project company-level impacts. The prototypes use the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) scenarios which test a range of possible climate scenarios. AIB's scenario analysis focused on NGFS scenarios over a 30 year horizon; a. Hot House - this scenario assumes currently implemented policies are preserved. Emissions grow until 2080 leading to 3°C or more of global warming and subsequent severe physical risks. b. Orderly transition - this scenario assumes early introduction of climate policies that gradually become more stringent. Net Zero CO_2 emissions will be achieved before 2070, giving 67% chance of limiting global warming and subsequent severe physical risks. c. Disorderly transition – this scenario assumes climate policies are not introduced until 2030. Late introduction and limited available technologies mean emissions reductions need to be sharper, which will drive increased transition risks.

C3.2b

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

Row 1

Focal questions

The key focal questions from the scenarios utilised, can be broken down into three categories,

Firstly the physical climate scenarios were seeking to understand the potential impact of future flooding events on AIBs residential property portfolios. This portfolio represents 49% of the Group balance sheet in FY22 (51% in FY21), and therefore understanding the potential impact of both benign scenarios under RCP 2.6 and more significant climate outcomes under RCP 8.5 were important. Key questions included:

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

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

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

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

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

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

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

The key results of the IEA NZE scenario included defined Science Based Targets to 2030 for the Mortgage and Electricity Generation portfolios including associated lending targets and strategies for AIB. The Board approved the validated financed emissions targets covering 75% of customer loans (as at 31.12.2021). The investment planning process was informed by the net zero trajectory, to meet targets to 2030 and beyond. For example AIB are investigating retrofitting propositions in both the domestic mortgage and Commercial Real Estate sectors. This will provide finance for retrofitting less energy efficient homes through our Green Consumer Loan and mortgage options. Over the period to 2030 we expect to see a significant reduction in emissions intensity of between 50-65% for mortgages and CRE at the Group level. This is aligned to Science Based Net Zero pathways. The electricity generation portfolio is largely comprised of renewable energy assets and is therefore starting at a very low level of intensity of emissions. We expect this position to be maintained by 2030. These targets are now embedded with the Strategic and financial planning process on an annual basis.

The physical risk scenario results were as follows:

The analysis indicates that (as we might expect) various locations will be subject to higher levels of flooding, more frequently in the future and that the severity/ frequency of flooding is more adverse under the "hot house" RCP 8.5 scenario. Under a hot house scenario every location will have higher flooding risk. With respect to understanding the current flood zone, AIB mortgage lending process requires all properties to be insured, and, flood risk is assessed as part of the insurance process which mitigates AIB's exposure in the main. Insurance cover can be provided with no flood risk cover, however in these instances, both the bank and the customer accept no flood risk cover is in place.

The results of the NGFS transition scenarios were as follows:

The impact of transition risk on a given counterparty is driven primarily by (but not limited to) two main factors: The emissions intensity of the sector they operate in, and the industry “pass-through” rates for that customer.

Price elasticities of supply and demand are sourced and matched to each sector. Sector-specific pass through rates are then calculated based on the implied competitive market pass-through rate. Assumptions were used around cost pass through rates across the sectors. In the case of the Agriculture prototype, adjustments for input variables like carbon abatement measures or sequestration credits can be made to assess the financial impact on the counterparty.

C3.3

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

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Increased awareness of climate change by business and individuals is creating increased demand for financial products and services. In AIB, we recognise we have a long-term role to play in providing the finance for Ireland's transition to a low-carbon economy. Case Study: To support Ireland's transition to a lower-carbon economy, in 2019, we launched our Climate Action Fund committing €1bn per year over five years to support Green and Transition lending. Following strong demand, in 2021 we increased the fund to €10bn in total by 2023, to reflect the financial implications of this opportunity for our business. • Ireland's first Green bond (€1BN Green Bond Issuance, the first Green Bond issuance by an Irish Bank and only the 2nd Bank in Europe to issue a Tier 2 bond) - followed by a second Green Bond issuance of €750m in 2021. In 2022, AIB issued two Green bonds – both €750m Senior Non-Preferred transactions - bringing the total green bonds in issue to €3.25bn across four transactions. • 0% finance for Green Vehicles in partnership with Nissan, to increase the number of EV drivers in Ireland, In 2021 we introduced our Green Consumer Loan for retrofitting, expanded the Green Mortgage to our Haven brand, reduced our AIB Green mortgage fixed interest rates • Our green and transition lending continues to grow. We closed out 2022 with green and transition lending comprising 26% of Group new lending. This includes our Green Mortgage lending, which accounted for 28% of our overall mortgage lending. • Providing finance to produce renewable energy lending through our multi-disciplinary Energy, Climate Action & Infrastructure team, funded 705,500,000 kWh2 Green Energy in 2020.
Supply chain and/or value chain	Yes	Since 2016 we have been encouraging our top tier suppliers to disclose carbon emission details through CDP. In 2021 we engaged our top tier suppliers and encouraged them to join us in our pledge to do more. The suppliers were invited directly to join CDP reporting and AIB supplier relationship management team supported the supplier in registration. In 2022 we co-hosted a webinar with CDP to help give our suppliers a better understanding of the importance and significance of disclosure and in doing so encourage more of our suppliers to actively engage. Year on year we have seen an increase in the number of supplier disclosures. In 2022 60 of our top tier suppliers disclosed through CDP giving us greater insight into our Scope 3 emissions. In 2021 we communicated our new Responsible Supplier Code to all suppliers. The Responsible Supplier Code identifies our expectations of all Suppliers, their stakeholders, employees, subcontractors and any other third parties, whilst detailing what they can expect from us in return. As well as outlining our expectations, the Responsible Supplier Code is a tool that helps encourage our suppliers to raise climate, along with broader ESG matters, through our ongoing supplier meetings and engagements. In 2022 we commenced work on our 'Sustainable Supply Chain' program. The program identifies key risks and opportunities that will influence our sustainable supply chain strategy over the coming years. The program brings together the work we have been doing to date, new and existing opportunities and risks as well as outlining our plan to implement new regulations in this area. The work we do with our suppliers is aligned to the wider ambitions & strategy of the Bank as we aim to be carbon neutral by 2030.
Investment in R&D	Yes	Ireland's Climate Action Plan has set a 10 year ambition to decarbonise five key sectors of the economy – electricity, transport, built environment, industry and agriculture. We see a key role for AIB in helping to address the environmental issues where we operate and in providing finance to support our customers – existing and new and across all our operation – to decarbonise in these sectors. Case Studies: In May 2020, our Energy & Infrastructure team based in London arranged a £62 million refinancing of a portfolio of eleven operational Anaerobic Digestion (AD) facilities with a total generating capacity of 29MW. AD is a long-standing renewable technology in which organic waste material is broken down through a natural biological process in the absence of oxygen to produce a captive biogas and an organic fertiliser. Biogas can then be used to power an engine to generate electricity and heat or purified for injection into the National Grid. Financial Magnitude of impact: High - AIB established a Climate Action Fund, making €5bn available over five years to support Climate Action. These additional initiatives are in addition to the finance we provide for renewable energy. Further information on this financial impacts cannot be disclosed due to commercial sensitivity. Time Horizon: Short to Medium Term, this is in line with the information disclosed in question 2.1 and is also linked to Project Ireland 2040 National Development Plan 2018-2027. Our aim is to fund projects or assets that mitigate climate change by reducing emissions, protect ecosystems or otherwise have a positive environmental impact in support of the 10 strategic outcomes of the "Project Ireland 2040" - the Government's long-term overarching strategy to make Ireland a better country for all of its people, and Ireland's Climate Action Plan.
Operations	Yes	Ireland's Climate Action Plan sets out a roadmap to deliver on the target of a 51% Green House Gas (GHG) emissions reduction by 2030. This includes increasing the share of electricity demand generated from renewable sources by 2030 to up to 80%. Corporate Power Purchase Agreements (CPPAs) have a role to play in decarbonising the electricity sector. To meet Paris Agreement Goals, AIB Group committed to a Net Zero ambition in its operations by 2030. Furthermore, AIB set GHG emissions targets validated by the Science Based Target Initiative (SBTi). AIB Group has an operational carbon footprint of over 9k tonnes, almost 65% of which is derived from electricity consumption. While the Group purchases electricity on green tariffs from its utility suppliers, it recognises that this is not sufficient to ensure Net Zero or to provide traceability for its renewable energy consumed. In line with the Group's NZ ambition and the National Climate Action Plans, AIB's Workplace Operations embarked on a rationalisation strategy of its operations and planned decarbonisation initiatives through business changes and innovation on energy efficiency and renewable usage. In 2022 we completed a Corporate Power Purchase Agreement (PPA) with NTR plc. Under the agreement, we will source renewable electricity generated from two solar farms in Wexford, Ireland, and it is expected that the two solar farms combined will result in 21.4 GWh of new renewable energy being placed in the Irish grid. This partnership will help us to deliver on our commitment to source 100% of our power requirements from certified renewable energy sources by 2030. It is expected the solar farms, once operational, will eliminate up to 80% of our Scope 2 emissions and provide additional renewable energy on the electricity grid. In addition, we continue to invest in energy efficiency projects. As a large energy user in Ireland, to contract directly with an renewable electricity generator is an opportunity to secure a zero-carbon electricity over the long term. An objective that aligns with the Irish Government Climate Action Plan, contributing to additional renewable energy being developed in Ireland, as well as providing AIB with brand enhancing and verifiable leadership on climate action.

C3.4

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

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital allocation Access to capital Assets	Case Study 1: In 2022 we developed our Financed Emissions Targets for c.75% of our group lending portfolio as at 31.12.2021 comprising Mortgages (50%), Commercial Real Estate (CRE) (10%), Electricity generation (3%) and the Corporate portfolio (12%). As part of the integrated strategic and financial plan, ESG considerations were a key part in formulating the financial plans. The annual financial planning methodology outlined elements for each business area in considering the ESG risks and opportunities. There was a specific focus on integrating the science based targets into Financial Planning. The internal emission reduction targets that were set for the residential, commercial real estate and energy portfolios were integrated into the financial plans over the next three years. This involved providing targets on the percentage of green lending required as part of new lending for each portfolio. In terms of implementation and monitoring, the Group Balanced scorecard that gets reviewed by ExCo and Board was refreshed to monitor the delivery of the strategy against agreed emissions targets. The group scorecard presents a RAG status and commentary based on key milestones and KPIs. One of the additions to the Group Scorecard for 2022 will be the tracking of the science based targets. Case Study 2: As part of the Group Strategy and financial planning process, all strategic items being considered for investment were assessed using a weighted scoring system where Sustainability was a key factor. In advance of the evaluation stage, an in depth review of the climate opportunities was undertaken to strategically review and assess the areas of focus over the short, medium and long term. This exercise involved stakeholders from across the Group to agree the prioritised list of opportunities for consideration, to help provide climate solutions for our customers. The short-term opportunities related to: - Retrofitting of residential & commercial buildings - Sustainability Linked Loans - Green SME loans 1 - Revenue: As noted in Case Study 1 above, the internal Science Based Targets set for mortgages (50%), CRE (10%), Electricity Generation (3%) and corporate portfolio (12%) were embedded into the financial planning process, where business areas were required to plan and forecast the level of new lending and associated revenue that will be generated from low carbon activities to meet the required target trajectory over the next 3 years. For example, within the mortgage business the target is the amount of new lending as a % of total to A+B rated properties from a Building Energy Rating (BER). This requires the business to focus on green mortgage lending and to grow and sustain our market share. Over time to 2030 the level of new lending as a % of total required to A+B BER properties will increase in order to deliver the targets. Magnitude: High impact. Time Horizon: Short term, medium and long term 2 - Operating Costs: 1) Internal resources: We have a wide range of sector specialists in place, providing expert climate and ESG knowledge and insights, such as the Energy, Climate Action and Infrastructure team, the Agri Advisor team, the Sustainability or the Energy & Environmental teams. 2) Emphasis on operational control to reduce our environmental impact and our operating costs. The Group has a) integrated energy and environmental clauses on its maintenance contracts and b) implemented two international standards ISO14001 and ISO50001 to manage and minimise its environmental impact, resulting in emissions reduction and lower operating costs related to energy, water, waste, etc. 3 - Capital Allocation: The Socially Responsible Investment (SRI) Portfolio is made up of Green, Social and Sustainability bonds. AIB can promote and support the transition to a more sustainable global economy and contribute to positive environmental and social change via the sustainable bond market. AIB aim to fund sustainable projects via global sustainable bond issuances, thus contributing to a more sustainable planet. In the SRI Bond Framework we state that it is our ambition to grow the SRI portfolio to at least 14% of AIB's total investment securities. Each year the relevant business unit sets internal quarterly targets to ensure continued progress towards achieving the 14% target. 4 - Access to Capital: As a bank, AIB has a meaningful contribution to make in addressing many of the pressing current and emerging societal issues, including advancing the transition to a low-carbon environment. Following the development of our Green Bond Framework in H2 2019 we have completed 4 individual Green Bond transactions totalling €3.25bn, of which €1.0bn qualifies as Tier 2 capital and €2.25bn as Non-Preferred Senior MREL eligible liabilities.. The objective of AIB Green Bonds is to fund projects or assets that mitigate climate change by reducing emissions, protect ecosystems or otherwise have a positive environmental impact in support of the 10 strategic outcomes of the "Project Ireland 2040" and Ireland's Climate Action Plan. Magnitude: Medium-High impact. Time Horizon: Medium term. 5 - Assets: The Strategy Division within AIB Workplace Operations plans and designs AIB's approach to current and new required properties. For the acquisition of new office buildings, a life cycle perspective of the property is considered and sustainable buildings are preferred. During 2020, the Ann Street office in Belfast underwent significant refurbishment, to modernise and update the building with a focus on energy & carbon reduction. It has been awarded, in 2021, a BREEAM Very Good post completion. These projects demonstrate the AIB commitment to continuously improve its building estate and strive for excellence in their operation, aligned to the Net Zero by 2030 target.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	No, and we do not plan to in the next two years	<Not Applicable>

C-FS3.6

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

	Policy framework for portfolio activities that include climate-related requirements for clients/investees, and/or exclusion policies	Explain why the policy framework for your portfolio activities do not include climate-related requirements for clients/investees, and/or exclusion policies
Row 1	Yes, our framework includes both policies with climate-related client/investee requirements and climate-related exclusion policies	<Not Applicable>

C-FS3.6a

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

Portfolio
Banking (Bank)

Type of policy
Credit/lending policy
Risk policy
Policy related to other products and services

Portfolio coverage of policy
100

Policy availability
Not publicly available

Attach documents relevant to your policy

Criteria required of clients/investees
Other, please specify (The ESG Questionnaire was incorporated into credit applications for borrowers in high climate risk sectors where new lending is over €/£300k and ESG risk commentary is required in all credit applications for customers of our Capital Markets segment.)

Value chain stages of client/investee covered by criteria
Direct operations only

Timeframe for compliance with policy criteria
Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy
Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

Exceptions to policy based on
<Not Applicable>

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

C-FS3.6b

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

Portfolio
Banking (Bank)

Type of exclusion policy
Coal mining
Mountaintop removal mining
Oil from tar sands
Oil from shale
Gas from shale
Arctic oil and gas
Ultra-deepwater oil and gas
Fracked oil and gas
Other, please specify (Nuclear)

Year of exclusion implementation
2021

Timeframe for complete phase-out
By 2025

Application
New business/investment for new projects

Country/Area/Region the exclusion policy applies to
Ireland
United Kingdom of Great Britain and Northern Ireland
United States of America

Description
This exclusions list has been incorporated into our Group Credit Risk Policy, which supports the management of credit risk across the Group. The policy rules now prohibit providing new money for term lending to businesses, or any of their subsidiaries, involved in the excluded business activities. AIB has limited exposure to fossil fuels with less than 1% of the loan book classified as fossil fuels (where a company is included as fossil fuels if more than 5% of revenues come from those activities). Link: https://aib.ie/content/dam/frontdoor/personal/sustainability/aib-group-excluded-activities-policy.pdf

Note: AIB Group has limited exposure to the fossil fuel industry.

C-FS3.8

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

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

C-FS3.8a

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

Types of covenants used	Asset class/product types	Coverage of covenants	Please explain
Margin or pricing depends on sustainability criteria	Corporate loans	Selected clients	SLLs are available to all company borrowers in Capital Markets with limits of c.€10m+. Business banking book (borrowers with limits <€10m) are not yet availing of SLLs but it is expected that as the market evolves, this position will change. In relation to Sustainability Linked Loans (“SLL”) to large corporate customers, the terms of the SLL offer the borrower a pricing incentive to achieve agreed targets in respect of specific aspects of their ESG performance. This incentive is typically a +/- adjustment to the interest margin based on the number of targets achieved. Failure to achieve these specific target does not constitute an event of default but typically results in an increase in the margin. SLLs represent a small but growing proportion of our loan book and our lending would typically not have covenants to enforce our climate related policies. We do however have very strict funding exclusion policies that have the same impact. AIB is developing an SLL framework.

C4. Targets and performance

C4.1

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

C4.1a

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

Target reference number
Abs 2

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Year target was set
2017

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Base year
2011

Base year Scope 1 emissions covered by target (metric tons CO2e)
10199

Base year Scope 2 emissions covered by target (metric tons CO2e)
18656.7

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
28855.7

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2036

Targeted reduction from base year (%)
78

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
6348.254

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
3200

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
5963

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
9163

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
87.4941563782936

Target status in reporting year
Retired

Please explain target coverage and identify any exclusions
AIB Group has obtained validation from the SBTi for GHG emissions targets. Please see Abs3 target

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 3

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

1.5°C aligned

Year target was set
2022

Target coverage
Company-wide

Scope(s)
Scope 1

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
4800

Base year Scope 2 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
4800

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2027

Targeted reduction from base year (%)
33.6

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
3187.2

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
3230.89

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
3230.89

Does this target cover any land-related emissions?
Yes, it covers land-related CO2 emissions/removals associated with bioenergy and non-land related emissions (e.g. non-FLAG SBT with bioenergy)

% of target achieved relative to base year [auto-calculated]
97.2910466269841

Target status in reporting year
New

Please explain target coverage and identify any exclusions
AIB Group validated near-term science-based reduction targets with the Science Based Targets initiative (SBTi). Our Scope 1 target is disclosed here as ABS 3. Regarding Scope 2 emissions , AIB committed to increase annual sourcing of renewable electricity to 100% by 2030 from 2019 baseline.
Note 1: Data from all our locations in ROI (AIB, Payzone and EBS), UK (AIB NI and AIB GB), as well as our US have been considered.
Note 2: This is a company-wide target and there are no exclusions.
Note 3: This target meets a 4.2 % absolute annual emissions reduction between 'Base year' and 'Target year'.
Note 4: The target boundary includes biogenic land-related emissions and removals from bioenergy feedstock. Baseyear (Scope 1: 4,784 tCO2e, Biogenic emissions: 16 tCO2e), Reporting Year (Scope 1: 3,200 tCO2e, Biogenic emissions: 30.89 tCO2e)
Note 5: Year on year, AIB achieved a 19 % reduction and its underway to achieve this target by 2027.
Note 6: We selected a 2019 baseline for our operational emissions targets as neither 2020 or 2021 reflected a standard year's operation due to pandemic-related reductions.
Note 7: During 2022, AIB implemented a hybrid working policy which governs working from home. Part of the energy reduction across AIB Group can be attributed to reduced operational capacity within our buildings.
Note 8: For more information see C.6.1, C6.3 and C6.5a

Plan for achieving target, and progress made to the end of the reporting year
AIB have considered energy efficiency & energy saving as key elements in reducing CO_2 emissions for a number of years now and we are continuously improving our existing branch & office building estate to reduce its energy consumption and carbon footprint. Among others, the following reduction initiatives contributed most to achieving this target:
- implementation of an ISO 50001 energy management system across the group, standardised control and operating procedures for building services plant are in place for every location.
- heating, cooling and ventilation now operates at set times and temperatures across all of our locations
- reprogramming of BMS systems to allow increased capacity and future proofing
- in 2022, we completed a major retrofit (including heat pump installation) of one of our main locations in Galway (Eyre Sq) and have completely eliminated fossil fuel use in this building
- rationalisation strategy of our operations in older inefficient buildings
- replacement of older less efficient air conditioning systems and installation of small controls items across the branch network.
- ongoing monitoring of HVAC systems
- staff engagement programmes

Future energy efficiency initiatives will enable the achievement of this target.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C-FS4.1d

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

Target reference number
Por4

Year target was set
2022

Portfolio
Banking (Bank)

Product type/Asset class/Line of business
Retail mortgages

Sectors covered by the target
Real estate

Target type
Sector Decarbonization Approach (SDA)

Target type: Absolute or intensity
Intensity

Scopes included in temperature alignment
<Not Applicable>

Metric (or target numerator if intensity)
Other, please specify (kgCO2e)

Target denominator
Meters squared

Base year
2021

Figure in base year
40

Percentage of portfolio emissions covered by the target
100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)
Loan book value

Percentage of portfolio covered by the target, using a monetary metric
50

Frequency of target reviews
Every five years

Interim target year
2027

Figure in interim target year
40

Target year
2030

Figure in target year
17

Figure in reporting year
40

% of target achieved relative to base year [auto-calculated]
0

Aggregation weighting used
<Not Applicable>

Proportion of portfolio emissions calculated in the reporting year based on asset level data
26

Proportion of the temperature score calculated in the reporting year based on company targets
<Not Applicable>

Target status in reporting year
New

Is this a science-based target?
Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
The figures provided for the reporting year relate to 2021, as these are the most recent figures available.

AIB's FY2022 Sustainability Report includes a brief pathway for 2023 to 2030.

The approach to setting Financed Emissions Targets and associated data collection is still evolving and is subject to change over time. As such, the figures disclosed may evolve in line with industry best practice.

We have selected the interim year as 2027 as, under SBTi, reviews are required every 5 years (min.).

Proportion of portfolio emissions calculated in the reporting year based on asset level data:
26% represents the proportion of EPC information held as outlined in Template 2 of our Pillar 3 ESG risk disclosures: Level of energy efficiency of loans collateralised by residential immovable property for total EU and Non-EU areas.

Please note this SBTi-validated target replaces Por1 which was set out in our 2022 CDP submission.

Target reference number
Por5

Year target was set
2022

Portfolio
Banking (Bank)

Product type/Asset class/Line of business
Corporate real estate

Sectors covered by the target
Real estate

Target type
Sector Decarbonization Approach (SDA)

Target type: Absolute or intensity
Intensity

Scopes included in temperature alignment
<Not Applicable>

Metric (or target numerator if intensity)
Other, please specify (kgCO2e)

Target denominator
Meters squared

Base year
2021

Figure in base year
135

Percentage of portfolio emissions covered by the target
100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)
Loan book value

Percentage of portfolio covered by the target, using a monetary metric
10

Frequency of target reviews
Every five years

Interim target year
2027

Figure in interim target year
135

Target year
2030

Figure in target year
45

Figure in reporting year
135

% of target achieved relative to base year [auto-calculated]
0

Aggregation weighting used
<Not Applicable>

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

11

Proportion of the temperature score calculated in the reporting year based on company targets
<Not Applicable>

Target status in reporting year
New

Is this a science-based target?
Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
The figures provided for the reporting year relate to 2021, as these are the most recent figures available.

AIB's FY2022 Sustainability Report includes a brief pathway for 2023 to 2030.

The approach to setting Financed Emissions Targets and associated data collection is still evolving and is subject to change over time. As such, the figures disclosed may evolve in line with industry best practice.

We have selected the interim year as 2027 as, under SBTi, reviews are required every 5 years (min.).

Proportion of portfolio emissions calculated in the reporting year based on asset level data:
11% represents the proportion of EPC information held as outlined in Template 2 of our Pillar 3 ESG risk disclosures: Level of energy efficiency of loans collateralised by commercial immovable property for total EU and Non-EU areas.

Please note this SBTi-validated target replaces Por2 which was set out in our 2022 CDP submission.

Target reference number
Por6

Year target was set
2022

Portfolio
Banking (Bank)

Product type/Asset class/Line of business
Project finance

Sectors covered by the target
Energy

Target type
Other, please specify (Maintenance Target)

Target type: Absolute or intensity
Intensity

Scopes included in temperature alignment
<Not Applicable>

Metric (or target numerator if intensity)
Other, please specify (gCO2e)

Target denominator
Other, please specify (kWh)

Base year
2021

Figure in base year
21

Percentage of portfolio emissions covered by the target
100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)
Loan book value

Percentage of portfolio covered by the target, using a monetary metric
3

Frequency of target reviews
Every five years

Interim target year
2027

Figure in interim target year
21

Target year
2030

Figure in target year
21

Figure in reporting year
21

% of target achieved relative to base year [auto-calculated]
<Calculated field>

Aggregation weighting used
<Not Applicable>

Proportion of portfolio emissions calculated in the reporting year based on asset level data
<Not Applicable>

Proportion of the temperature score calculated in the reporting year based on company targets
<Not Applicable>

Target status in reporting year
New

Is this a science-based target?
Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
The figures provided for the reporting year relate to 2021, as these are the most recent figures available.

AIB's FY2022 Sustainability Report includes a brief pathway for 2023 to 2030.

AIB Group is the first bank in the world to secure a scientifically validated electricity generation maintenance target from the global (SBTi). The move marks a recognition that AIB's electricity generation loan portfolio is already exceptionally green as it primarily includes renewable energy assets. AIB has limited exposure to fossil fuels, with <1% of the loan book classified as fossil fuels (where a company is included as fossil fuels if more than 5% of revenues come from those activities)

The approach to setting Financed Emissions Targets and associated data collection is still evolving and is subject to change over time. As such, the figures disclosed may evolve in line with industry best practice.

We have selected the interim year as 2027 as, under SBTi, reviews are required every 5 years (min.)

Please note this SBTi-validated target replaces Por3 which was set out in our 2022 CDP submission.

Target reference number
Por7

Year target was set
2022

Portfolio
Banking (Bank)

Product type/Asset class/Line of business
Corporate loans

Sectors covered by the target
All sectors

Target type
Portfolio coverage

Target type: Absolute or intensity
<Not Applicable>

Scopes included in temperature alignment
<Not Applicable>

Metric (or target numerator if intensity)
% of portfolio setting a Science-Based Target

Target denominator
<Not Applicable>

Base year
2021

Figure in base year
12

Percentage of portfolio emissions covered by the target
100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)
Loan book value

Percentage of portfolio covered by the target, using a monetary metric
12

Frequency of target reviews
Every five years

Interim target year
2026

Figure in interim target year
35

Target year
2030

Figure in target year
54

Figure in reporting year
12

% of target achieved relative to base year [auto-calculated]
0

Aggregation weighting used
Other, please specify (% of portfolio setting a Science-based target)

Proportion of portfolio emissions calculated in the reporting year based on asset level data
<Not Applicable>

Proportion of the temperature score calculated in the reporting year based on company targets
<Not Applicable>

Target status in reporting year
New

Is this a science-based target?
Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition
Other, please specify (Emissions target coverage)

Please explain target coverage and identify any exclusions
The figures provided for the reporting year relate to 2021, as these are the most recent figures available.

AIB's FY2022 Sustainability Report includes a brief pathway for 2023 to 2030.

The approach to setting Financed Emissions Targets and associated data collection is still evolving and is subject to change over time. As such, the figures disclosed may evolve in line with industry best practice.

Please note, the figure of "12" reported in this target is 12% of the loan portfolio.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2022

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2019

Consumption or production of selected energy carrier in base year (MWh)
34614.6

% share of low-carbon or renewable energy in base year
1

Target year
2030

% share of low-carbon or renewable energy in target year
100

% share of low-carbon or renewable energy in reporting year
1

% of target achieved relative to base year [auto-calculated]
0

Target status in reporting year
New

Is this target part of an emissions target?
AIB has now set and validated SBT for its operational emissions. For our Scope 2 emissions, we have committed to increase annual sourcing of renewable electricity to 100% by 2030 from a 2019 baseline.

Is this target part of an overarching initiative?
Science Based Targets initiative

Please explain target coverage and identify any exclusions
This is a company-wide target and there are no exclusions.
This target covers the sourcing of renewable electricity.

Plan for achieving target, and progress made to the end of the reporting year
While AIB purchases electricity on green tariffs from our utility suppliers, we recognise that this is not sufficient to ensure that we reach Net Zero or to provide traceability for the renewable electricity we purchase. In 2022 we completed a Corporate Power Purchase Agreement (PPA) with NTR plc. Under the agreement, we will source renewable electricity generated from two solar farms in Wexford, Ireland. This partnership will help us to deliver on our commitment to source 100% of our power requirements from certified renewable energy sources by 2030. It is expected the solar farms, once operational, will eliminate up to 80% of our Scope 2 emissions and provide additional renewable energy on the electricity grid. In addition, we continue to invest in energy efficiency projects.

List the actions which contributed most to achieving this target
<Not Applicable>

C4.2c

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

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs3

Target year for achieving net zero
2030

Is this a science-based target?
No, but we are reporting another target that is science-based

Please explain target coverage and identify any exclusions
We have committed to our own operations (Scope 1 & 2) being Net Zero by 2030. AIB has now set and validated SBT for its operational emissions. These targets are:
i. reducing absolute Scope 1 GHG emissions by 34% by 2027; and
ii. increasing annual sourcing of renewable electricity to 100% by 2030.
We selected a 2019 baseline for our operational emissions targets as neither 2020 or 2021 reflected a standard year's operation due to pandemic-related reductions.

The SBTi Net-Zero Financial Standard is currently in development process but our Scope 1 & 2 targets were set up using the SBTi Net-Zero Criteria for Corporates. Our SBT for Scope 1& 2 will create a pathway with annual targets to deliver on our Net Zero ambition.

See section C4.1a (ABS 3) for progress regarding Scope 1 target.
As per Scope 2 target progress: Following a tender process, in 2022 we entered into a Corporate Power Purchase Agreement (CPPA) with NTR plc to source energy generated from two dedicated solar farms. AIB is the first Irish company to conclude such an agreement, helping us to deliver on our commitment to source 100% of our power requirements from certified renewable energy sources by 2030. We expect the two solar farms will result in 21.4 GWh of new renewable energy being placed in the Irish grid. This will provide up to 80% of AIB's electricity needs while providing additional generation capacity into the national grid. Construction will commence in early 2023 with expected energisation in Autumn 2023.

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

Planned milestones and/or near-term investments for neutralization at target year
Options for target year neutralisation are presently being explored with a view for implementation in 2024.

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

Target reference number
NZ2

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Not applicable

Target year for achieving net zero
2040

Is this a science-based target?
No, but we anticipate setting one in the next two years

Please explain target coverage and identify any exclusions
We have set out our ambition for green and transition lending to represent 70% of new lending and will be Net Zero by 2040 (with the exception of agriculture which will likely need greater support and so we are aligned to the Government of Ireland's Climate Action plan, with a timeline of 2050).

In 2022, AIB Group set near-term science-based Financed Emissions Targets for 75% of our Group Loan portfolio. These were independently validated by the Science Based Targets initiative (SBTi) in early 2023, and lay out our pathway to achieving our NZ 2040 ambition.

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

Planned milestones and/or near-term investments for neutralization at target year
<Not Applicable>

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

C4.3

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

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	3193
To be implemented*	1	4174
Implementation commenced*	0	0
Implemented*	6	1032.9
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

90

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

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

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

68727

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

419519

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

AIB have continued to reduce carbon emissions through reduction in energy consumption, through planned activities. This initiative covers the upgrade of older fluorescent lighting systems to modern LED type fittings and controls across the branch network & head office buildings. These initiatives are delivering annual carbon savings of 90 tonnes of CO2.
NB#1: These initiatives exclude Payzone & Goodbody operations.
NB#2: In addition to our energy initiatives, a key element that contributes to the reduction of our carbon emissions is increased awareness through staff on-line learning. In particular, on promoting "conservation of energy in buildings".

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Ongoing planned maintenance activities combining of building fabric upgrades, small power controls and BMS system adjustments)

Estimated annual CO2e savings (metric tonnes CO2e)

4.5

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

Scope 1

Voluntary/Mandatory

Voluntary

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

15000

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

85000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

AIB have continued to reduce carbon emissions through reduction in energy consumption, through planned maintenance activities. This initiative covers premises within the branch
network, it contained building fabric upgrades to older buildings, time clock controls to small power consuming equipment and adjustments to BMS systems.
These initiatives are delivering annual carbon savings of 4.5 tonnes of CO2.
NB#1: These initiatives exclude Payzone & Goddbody.
NB#2: In addition to our energy initiatives, a key element that contributes to the reduction of our carbon emissions is increased awareness through staff on-line learning. In particular, on promoting "conservation of energy in buildings".

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Ongoing planned maintenance activities combining of building fabric upgrades, small power controls and BMS system adjustments)

Estimated annual CO2e savings (metric tonnes CO2e)
21.1

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
17000

Investment required (unit currency – as specified in C0.4)
85000

Payback period
4-10 years

Estimated lifetime of the initiative
6-10 years

Comment
AIB have continued to reduce carbon emissions through reduction in energy consumption, through planned activities. This initiative covers premises within the branch network, it contained building fabric upgrades to older buildings, time clock controls to small power consuming equipment and upgrades to BMS systems. These initiatives are delivering annual carbon savings of 21.1 tonnes of CO2.
NB#1: These initiatives exclude Payzone & Goodbody operations.
NB#2: In addition to our energy initiatives, a key element that contributes to the reduction of our carbon emissions is increased awareness through staff on-line learning. In particular, on promoting "conservation of energy in buildings".

Initiative category & Initiative type

Company policy or behavioral change	Other, please specify (Hybrid working policy)

Estimated annual CO2e savings (metric tonnes CO2e)
155.6

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
3-5 years

Comment
As the result of the COVID-19 Pandemic, AIB maintained a working from home policy, for non-essential workers, until end of March 2022. Following the end of the requirement to work from home unless it is necessary to attend the workplace in person (Q1 2022), AIB implemented a Hybrid Working Policy.

As such, part of the energy & emissions reduction across AIB Group can be attributed to reduced operational capacity within our office Please note that AIB have continued to reduce carbon emissions through reduction in energy consumption, lower waste production and lower water usage. The energy reduction can be attributed to a reduction in working hours within buildings, reduction in running hours of plant & equipment (e.g. no catering operations in main office buildings) and full or partial closure of some buildings.

This was a business policy change rather than a direct investment.
It is considered that there is a payback associated with this initiative however the rapid increase of energy costs due to the Global Energy crisis meant that the cost savings did not materialise in the current year. As such we indicated “No Payback” above.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Full retrofit Pilot- improve BER rating and eliminate fossil fuel use in buildings)

Estimated annual CO2e savings (metric tonnes CO2e)
66.4

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
21-30 years

Comment
We are continuously improving our existing branch and office building estate to reduce its energy consumption and carbon footprint. In 2022, one of our energy efficiency initiatives was to conduct a pilot project to fully retrofit one of our main locations in Galway. The aim of this deep retrofit was to improve the building energy rating and to completely eliminate fossil fuel use in this building. Expect GHG savings are circa 66.4 tCO_2 annually.

Savings to be determined once full year operations in place.
Investment figure for this pilot project is business sensitive information and has not been disclosed.
This initiative has a payback. However due to the sensitive investment information, we have indicated “No Payback” above.

Initiative category & Initiative type

Company policy or behavioral change	Site consolidation/closure

Estimated annual CO2e savings (metric tonnes CO2e)
695.3

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
>30 years

Comment
We understand the contribution of buildings to carbon emissions, and in 2018 embarked on a rationalisation strategy of our operations starting with those based in older, inefficient buildings. Consolidation and site closures in 2022 provided GHG savings circa 695 tonnes.
The figures for cost savings and investment allocated to this initiative are sensitive information and have not been disclosed.
This set of initiatives have a payback. However due to the sensitive investment information, we have indicated “No Payback” above.

C4.3c

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

Method	Comment
Compliance with regulatory requirements/standards	Our Sustainability and Energy and Environment teams monitor regulatory and market sustainability updates to ensure that we are keeping pace with the rapidly evolving ESG landscape. AIB Workplace Operations has implemented an integrated, Energy and Environment, management system to meet the ISO 50001 (Energy) & ISO 14001 (Environment) international standards. One of the primary cornerstones was an ability to actively measure/monitor environmental compliance obligations, and have the level of compliance expressed as a percentage. The IMS greatly facilitated AIB achieving full compliance with regard to its Trade Effluent Licences or the National Energy Efficiency Action Plan (NEEAP). Other environmental aspects that are to be complied with were GHG regulations, as well as ensuring the appropriate emergency response procedures were in place to deal with potential environmental incidents e.g., an oil leak entering storm drains etc. In 2020, we set out our ambitions in relation to achieving Net-Zero in our own operations and in our customer lending portfolio. Most recently, AIB validated science-based reduction targets with the Science Based Targets initiative (SBTi). In support of our science based targets and Net-Zero ambitions, in our business operations, a key focus in 2023 is on the progress on our Corporate PPA and to continue to invest in energy-efficient projects to reduce our own footprint.
Dedicated budget for other emissions reduction activities	AIB has a dedicated Energy Team which delivers the energy management strategy. To reduce the energy consumption of our property portfolio we have adopted a continuous improvement approach to increase our energy efficiency in our operations based on ISO 50001. Every year AIB allocates a capital investment budget to the Energy Manager for investment in energy, reduction projects. Budgets are planned for 3 years in advance with a pipeline of projects maintained under the ISO 50001 energy opportunities register. Payback and projected savings are used to build a business case for investment. We are continuously improving our existing branch and office building estate to reduce its energy consumption and carbon footprint. Initiatives, including embracing the hybrid working model and, across our building estate in Ireland, UK and USA, upgrading lighting systems to LED, and replacing older, less efficient air conditioning systems, have helped to deliver significant benefits to date. To date 51 branches and two head office buildings have been upgraded. The expected completion date for the remaining locations is 2024. We have also developed a Net Zero Strategy for the Group's remaining property portfolio and, as a pilot, in 2022, we refurbished one of our main locations in Eyre Square, Galway and have completely eliminated fossil fuel use in this building.
Employee engagement	Sustainability is the fifth pillar of AIB's Group Strategy. Our Energy and Environmental Management Systems have detailed energy and environmental awareness plans. Our intranet page has dedicated information aimed to increase behavioural change. In 2022, we re-launched our "Environment and Climate Action" awareness course, designed to make staff more aware of their environmental / energy impacts. This digital course underpins employee engagement, and drives a sustainable, widespread culture change, helping our people make holistic changes that benefit their whole lives and the environment. In 2020, we developed sustainability training 101 which is mandatory for all employees and is focused on ensuring an understanding of sustainability and its importance for business and for AIB. It outlines the role of banks and the financial sector in enabling the environmental and social objectives through sustainable finance. The course also covers AIB's sustainability strategy, our journey to date and areas of focus to integrate sustainability across the organisation. There is a specific module on climate change and climate risks, covering the urgency with which all stakeholders need to act, an overview of relevant climate policies, an outline of business risks as a result of climate change and prompting relevant ESG questions for consideration for customers in different sectors. In 2021, we introduced an additional module in our Sustainability training curriculum on climate risks and opportunities which is also mandatory for all employees. Many working groups have been embedded across our business and are instrumental in supporting the delivery of our Sustainability Strategy. Currently we have working groups in the UK, the USA, Corporate, Institutional & Business Banking, Risk, Legal, Treasury and Retail Banking. We have a Sustainability space on our internal employee communications channel. During 2022, we invited our colleagues to share their stories on action that they were taking and their pledge to do more.
Financial optimization calculations	All energy expenditure and energy processes are reviewed annually to identify if and where savings can be made. Necessary investments and budget for energy and fuel efficiency projects are made based on supporting financial optimisation calculations as well as meeting and supporting the objectives of the organisations' Energy and Environment Policies.
Internal incentives/recognition programs	"Appreciate" is AIB's on-line, bank-wide recognition programme that enables peer-to-peer recognition and empowers employees to recognise behaviours that demonstrate our purpose and values. All full and part-time AIB employees are eligible to participate in Appreciate. A range of awards are available to recognise varying levels of employee contribution. AIB's Head of EEHS gives recognition to colleagues and teams that are contributing and supporting the team's actions to "green" AIB's operations. Our career and performance development programme, Aspire, was rolled out in 2016. On the basis of each employee's objectives, which are set out at the beginning of every year, Aspire recognises and rewards both what was achieved during the year and how it was achieved. This encourages performance as well as behaviours in line with our Values. All employees have mandatory Sustainability objectives for 2022 which were agreed in 2021.
Internal finance mechanisms	Maximise efficiency of existing energy supplier arrangements/contracts. A business case is made for each initiative proposed based on financial optimisation calculations as well as supporting the objectives of the organisations' Environmental and Energy Policies.
Dedicated budget for energy efficiency	On an annual basis, a capital budget is allocated to the energy manager for energy reduction projects. A full measurement and verification programme is put in place to ensure savings are fully achieved.

C-FS4.5

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

Yes

C-FS4.5a

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

Product type/Asset class/Line of business

Banking	Retail mortgages

Taxonomy or methodology used to classify product

Internally classified

Description of product

Green Residential Mortgages: In Ireland, our proposition is a Fixed rate mortgage for new and existing AIB, EBS & Haven, Owner Occupier Mortgage Customers whose property has a Building Energy Rating (BER) of between A1-B3 inclusively. Both new and existing customers who meet the qualifying criteria can avail of the Green Fixed Rate either as part of their mortgage application (new customers) or via the Mortgage Rate Amendment process (for qualifying existing customers). In February 2020, AIB UK launched one of the first Green Mortgage offerings in the UK market and the first in Northern Ireland. These Green rates offer a discount to incentive customers financing energy efficient homes.

Green Mortgages are a key product for our business. We do not report the total Green mortgages outstanding, which is why we have reported 0% of total portfolio value for this response. However, annually we report new green mortgage lending. In 2022, new Green Mortgages represented €1.3bn (28%) of all new Mortgage Lending across the Group and we have reported this figure under Portfolio value below.

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

Portfolio value (unit currency – as specified in C0.4)
1300000000

% of total portfolio value
0

Type of activity financed/insured or provided
Green buildings and equipment

Product type/Asset class/Line of business

Banking	Corporate loans

Taxonomy or methodology used to classify product
Green Bond Principles (ICMA)

Description of product
Our Green Bond programme is underpinned by our comprehensive Green Bond Framework. The Eligibility Criteria used to define the eligible Green Loan Portfolio for AIB's Green Bonds are based strictly on the International Capital Marketing Association (ICMA) Green Bond Principles and on best market practice. The definition of the Eligibility Criteria set out in the framework takes into account the EU Taxonomy regulation and the EU Taxonomy Climate Delegated Act and we have implemented them to the greatest extent currently possible - as verified in our latest Second Party Opinion from Sustainalytics.

Our Capital Markets segment provides financing for the development of energy efficient homes and offices.

Green buildings is one of the ICMA categories in the pool of eligible loans that underpins our Green Bond programme. As at 31.12.2022 our pool of eligible loans included €2,676,504,866 of Green Buildings projects, expressed as a% of AIB's Group loan portfolio (€61.2bn), is c.4.4%.

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

Portfolio value (unit currency – as specified in C0.4)
2676504866

% of total portfolio value
4.4

Type of activity financed/insured or provided
Green buildings and equipment

Product type/Asset class/Line of business

Banking	Corporate loans

Taxonomy or methodology used to classify product
Green Bond Principles (ICMA)

Description of product
Our Green Bond programme is underpinned by our comprehensive Green Bond Framework. The Eligibility Criteria used to define the eligible Green Loan Portfolio for AIB's Green Bonds are based strictly on the International Capital Marketing Association (ICMA) Green Bond Principles and on best market practice. The definition of the Eligibility Criteria set out in the framework takes into account the EU Taxonomy regulation and the EU Taxonomy Climate Delegated Act and we have implemented them to the greatest extent currently possible - as verified in our latest Second Party Opinion from Sustainalytics.

AIB is an active lender to renewable energy projects across Ireland, UK, Europe and the US. Technologies supported include Onshore & Offshore wind, Solar and Bioenergy. The Energy, Climate Action and Infrastructure (ECAI) portfolio continued to be one of the fasting growing lending books in AIB, with net balance sheet growth of c.40% in 2022. We have a clear focus on renewable energy projects.

Renewable energy is one of the ICMA categories in the pool of eligible loans that underpins our Green Bond programme. As at 31.12.2022 our pool of eligible loans included €1,976,950,470 pf Renewable Energy projects which, expressed as a % of AIB's Group loan portfolio (€61.2bn), is c.3.2%.

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

Portfolio value (unit currency – as specified in C0.4)
1976950470

% of total portfolio value
3.2

Type of activity financed/insured or provided
Renewable energy

Product type/Asset class/Line of business

Banking	Retail loans

Taxonomy or methodology used to classify product
Green Bond Principles (ICMA)

Description of product
Our Green Bond programme is underpinned by our comprehensive Green Bond Framework. The Eligibility Criteria used to define the eligible Green Loan Portfolio for AIB's Green Bonds are based strictly on the International Capital Marketing Association (ICMA) Green Bond Principles and on best market practice. The definition of the Eligibility Criteria set out in the framework takes into account the EU Taxonomy regulation and the EU Taxonomy Climate Delegated Act and we have implemented them to the greatest extent currently possible - as verified in our latest Second Party Opinion from Sustainalytics.

AIB provides finance to support clean transportation e.g. zero emissions vehicles. Clean transportation is one of the ICMA categories in the pool of eligible loans that underpins our Green Bond programme. As at 31.12.2022 our pool of eligible loans included €33,134,148 of Clean Transportation projects which, expressed as a % of AIB's Group loan portfolio (€61.2bn), is c.0.05%.

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

Portfolio value (unit currency – as specified in C0.4)
33134148

% of total portfolio value
0.05

Type of activity financed/insured or provided
Low-emission transport

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

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

Row 1

Has there been a structural change?
No

Name of organization(s) acquired, divested from, or merged with
<Not Applicable>

Details of structural change(s), including completion dates
<Not Applicable>

C5.1b

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

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	Change in Methodology: a) Our 2021 emissions for paper consumption and IT were estimated using an economic input-output model which has used emission factors (EF) from the CEDA 5.0 Database. In 2022 we have changed the EF source to "Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities. U.S. Environmental Protection Agency". b) AIB have developed an internal commuting model to estimate emissions from employee commuting. This methodology was adjusted in 2023 as per recommendation noted by our carbon auditors in 2022. c) Within Scope 1 we adjusted our "Mobile combustion" methodology our 2022 emissions for this activity were calculated using a fuel-based method instead of the distance-based method used for previous years emissions. In our CDP 2022 disclosure, only 73% of our Scope 3 emissions in 2021 were verified. In February 2023, we completed an exercise to achieve full verification of our 2021 Scope 3 emissions. Our updated Scope 3 figures for 2021 are reported in section C6.5a. There are no changes to previously reported Scope 1 and Scope 2 emissions. Proportion of 2021 emissions verified is 100% for all Scopes. Please note, the 2021 verified Scope 3 emissions referenced here excludes Category 15 emissions, which are not independently verified.

C5.1c

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

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	No, because the impact does not meet our significance threshold	<Not Applicable>	In accordance with the GHG Protocol, a material misstatement is deemed to be that returning a variance of greater than or equal to 5%. This applies to the baseline year and all subsequent reported years. In instances where, due to a change in calculation methodology, a structural change to the organisation or improvements in data accuracy, our emissions are materially misstated, AIB will update these figures in the subsequent annual reporting.	Yes

C5.2

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

Scope 1

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
4784

Comment
In 2022, to coordinate with Net Zero commitments, AIB set 2019 as its operational emissions base year. We selected a 2019 baseline for our operational emissions targets as neither 2020 or 2021 reflected a standard year's operation due to pandemic-related reductions.

Scope 2 (location-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
10025

Comment
In 2022, to coordinate with Net Zero commitments, AIB set 2019 as its operational emissions base year. We selected a 2019 baseline for our operational emissions targets as neither 2020 or 2021 reflected a standard year's operation due to pandemic-related reductions.

Scope 2 (market-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
64

Comment
In 2022, to coordinate with Net Zero commitments, AIB set 2019 as its operational emissions base year. We selected a 2019 baseline for our operational emissions targets as neither 2020 or 2021 reflected a standard year's operation due to pandemic-related reductions.

Scope 3 category 1: Purchased goods and services

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
488

Comment

Scope 3 category 2: Capital goods

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
129

Comment

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

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
5512

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
N/A

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
199

Comment

Scope 3 category 6: Business travel

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
3845

Comment

Scope 3 category 7: Employee commuting

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
4287

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
N/A

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

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

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

C5.3

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

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

C6. Emissions data

C6.1

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

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
3200

Start date
January 1 2022

End date
December 31 2022

Comment

C6.2

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

Row 1

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

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

Comment

C6.3

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

Reporting year

Scope 2, location-based
5963

Scope 2, market-based (if applicable)
226

Start date
January 1 2022

End date
December 31 2022

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

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

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
2584

Emissions calculation methodology
Average data method
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
AIB use supplier water bills, and total spend on paper consumption to calculate these emissions. Within this category we also report emissions from data centres (co-located facilities not operated by AIB).
Water: Water data shows only water supplied to AIB Group. Emissions factors used are based on DEFRA 2022 guidelines.
Paper: Paper consumption is based on total spend per AIB division. Total emissions for paper were estimated using an economic input-output model which has used emission factors from the "Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities. U.S. Environmental Protection Agency". Note: In previous years CEDA emission factors were used to calculate these emissions.
Data Centre: These are emissions associated with the energy use of the co-located datacentres. CRU (SEM) conversion factors used.
The bank is analysing and studying the reliability and availability of more data related to this category to determine the incorporation of its emissions in subsequent years.
AIB is a member of the CDP Supply Chain Programme.

Capital goods

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
1045

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Capital Goods is comprised of IT equipment. Total emissions for IT were estimated using an economic input-output model which has used emission factors from the "Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities. U.S. Environmental Protection Agency". Note: In previous years CEDA emission factors were used to calculate these emissions.

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

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
3342

Emissions calculation methodology
Average data method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
WTT & T+D emissions associated with AIB's energy use. Fuel and energy related activities includes all well-to-tank emissions and transmission and distribution loss emissions associated with all energy consumed by AIB.
This was calculated using the Scope 1 and 2 fuel data (natural gas, diesel, kerosene, gas oil), Scope 2 electricity data, and Scope 3 business travel and commuting data, and applying the DEFRA 2022 Well-to-tank and transmission and distribution loss conversion factors.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
35

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Waste data is provided by our waste service providers and the use of water bills allows us to calculate water treatment emissions. Waste calculated categories include data gathered from the following waste streams: MSW mixed municipal waste, dry mixed recyclables, food & compost waste, C&D waste, C&I waste, cardboard waste, timber waste, paper waste, metal waste, water treatment waste, WEEE waste, grease trap waste, waste refrigerant gases and used cooking oil. Waste to landfill, waste recycled, waste recovered and waste composted were measured in tonnes on site. Relevant emissions factors sourced from DEFRA 2022 were used to calculate emissions.

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
1556

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Business travel is divided into the following sections: air travel, bus travel, taxi, rail travel, ferry travel, car mileage and hotel stays. Relevant emissions factors sourced from DEFRA 2022 were used to calculate emissions. Business travel data is captured from suppliers and internal expenses management systems. As per best practice we have included hotel stays within the scope of business travel emissions.

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
5346

Emissions calculation methodology
Average data method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
AIB has developed an internal commuting model to estimate emissions from employee commuting. This methodology was adjusted in 2023 as per recommendation noted by our carbon auditors in 2022.
Benchmarks for the countries in which AIB offices are located (Ireland,United Kingdom and U.S.) have been used based on FTE to identify journey times, journey distances and modes of transport.
For Ireland, the "Census of Population 2016 -Profile 6 Commuting in Ireland - Means of Travel to Work" census, as made available by the Central Statistics Offices, was used to estimate proportion of transport model taken by employees in Ireland. Time and distance data also provided by the Central Statistics Office was used to determine journey times and distances.
For the United Kingdom, the UK Government's Department of Transport's 2022 statistics indicating proportions of travel mode and duration and distance of commute, were used.
For the U.S., U. S. Census Bureau, 2021 American Community Survey.

The relevant emission factor for each transport type provided by DEFRA (2022) were used to estimate emissions based in UK and Ireland on resultant data. EFs from EPA Center for Corporate Climate Leadership were used to calculate the emissions for commuting in the US.

a) AIB actively works to minimise this type of commuting emissions. AIB facilitate staff who wish to work from flexible locations to enable a better work-life balance. In 2022, we adopted a flexible hybrid working model. Hybrid working is available to 78% of employees. AIB encourages the use of sustainable transport where possible: Bike racks, showers and drying areas are provided to encourage staff uptake. Electric car changing points are available at our main head offices. AIB staff in Dublin has access to a car sharing scheme and, Tax saver and bike to work schemes are available to all AIB staff.
b) Working from home emissions not included.
c) In Ireland, from 24 January 2022, the requirement to work from home unless it is necessary to attend the workplace in person ended. Emissions in this category have increased, due to increased occupancy levels in office buildings, the addition of Goodbody operations to our footprint and a change in methodology.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

Processing of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

Use of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

C6.5a

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

Past year 1

Start date
January 1 2021

End date
December 31 2021

Scope 3: Purchased goods and services (metric tons CO2e)
2319.4

Scope 3: Capital goods (metric tons CO2e)
926.1

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
3905.9

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

Scope 3: Waste generated in operations (metric tons CO2e)
38.6

Scope 3: Business travel (metric tons CO2e)
341.9

Scope 3: Employee commuting (metric tons CO2e)
2007.9

Scope 3: Upstream leased assets (metric tons CO2e)

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

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

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

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

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)
<Not Applicable>

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

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

Comment
In our CDP 2022 disclosure, only 73% of our Scope 3 emissions in 2021 were verified. In February 2023, we completed an exercise to achieve full verification of our 2021 Scope 3 emissions. Our updated Scope 3 figures for 2021 are reported at https://aib.ie/content/dam/frontdoor/sustainability/fy2021-ghg-assertations(feb-2023).pdf

The following categories had no changes from previous reported emissions in our CDP 2022 disclosure. Employee commuting (2,007.9 tCO2e), Waste (38.6 tCO2e) and Capital Goods (926.1 tCO2e). Other Scope 3 categories are considered not relevant.

C6.10

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

Intensity figure
0.00000315

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
9163

Metric denominator
unit total revenue

Metric denominator: Unit total
2913000000

Scope 2 figure used
Location-based

% change from previous year
25

Direction of change
Decreased

Reason(s) for change
Other emissions reduction activities
Change in revenue

Please explain
The reduction in our tCO2/unit total revenue emissions intensity figure (25% lower) has been driven largely by a combination of an increase in revenue and a reduction in our Scope 1 and 2 carbon footprint. Our revenue increased by 25% (from €2,376m to €2,913m), whilst our Scope 1 and 2 emissions decreased from 9,923 tCO2e to 9,163 tCO2e (-8%). This decrease in emissions intensity is partially linked to emission reduction initiatives (full list outlined in question 4.3b).

Intensity figure
0.99

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
9163

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
9221

Scope 2 figure used
Location-based

% change from previous year
9

Direction of change
Decreased

Reason(s) for change
Other emissions reduction activities

Please explain
The reduction in our tCO2/FTE emissions intensity figure (9% lower) has been driven largely by a reduction in our Scope 1 and 2 carbon footprint. Our Scope 1 and 2 emissions decreased from 9,923 tCO2e to 9,163 tCO2e (-8%).

Please note the FTE emissions intensity figure for 2021 is calculated reflecting that our subsidiary Goodbody was not included in our 2021 GHG emissions reporting.

C7. Emissions breakdowns

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?
Yes

C7.7a

(C7.7a) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Subsidiary name
AIB UK

Primary activity
Other financial

Select the unique identifier(s) you are able to provide for this subsidiary
LEI number

ISIN code – bond
<Not Applicable>

ISIN code – equity
<Not Applicable>

CUSIP number
<Not Applicable>

Ticker symbol
<Not Applicable>

SEDOL code
<Not Applicable>

LEI number
54930061N57ORAEPGX16

Other unique identifier
<Not Applicable>

Scope 1 emissions (metric tons CO2e)
186

Scope 2, location-based emissions (metric tons CO2e)
420

Scope 2, market-based emissions (metric tons CO2e)
0

Comment
Under SI 2018/1155, the Streamlined Energy & Carbon Reporting ('SECR') regulations, AIB UK discloses annually the energy consumption and related carbon emissions which result directly from its operations - see the AIB Group (UK) p.l.c. Annual Financial Report at https://aib.ie/content/dam/frontdoor/investorrelations/docs/resultscentre/annualreport/2022/AIB-Group-UK-p.l.c-Annual-Financial-Report-2022.pdf. Please note the data reported covered 10 months actual and 2 months extrapolated. The figures above reflect full 12 months to 31.12.2022, and are reflected in the independently verified statement covering the GHG emissions for AIB Group.

C7.9

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

C7.9a

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

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	We are reporting location-based Scope 2 emissions, so renewables do not affect the total.
Other emissions reduction activities	1032.9	Decreased	10	The emissions total (1,032.9 tonnes) is derived from the emissions reductions activities/projects implemented in C4.3b. These emissions are then divided by total Scope 1&2 from 2021 (9,923 tonnes) x100. 1,032.9/9,923*100 = 10.4% reduction (rounded to 10%)
Divestment		<Not Applicable>		
Acquisitions	306	Increased	3	In September 2021, Goodbody became part of AIB Group. Emissions from this subsidiary were incorporated to the Group's carbon inventory in 2022. Their operational emissions (Scope 1+2) in 2022 were 306 tCO2e. These emissions are then divided by total Scope 1&2 from 2021 (9,923 tCO2e) x100. 306/9,923*100 = 3.1% increase (rounded to 3%). Note that YOY difference Scope 1&2 emissions is 760 tCO2e.
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology	110	Increased	1	Within Scope 1 we adjusted our "Mobile combustion" methodology our 2022 emissions for this activity were calculated using a fuel-based method instead of the distance-based method used for previous years emissions. The difference between those method is 110 tCO2e. These emissions are then divided by total Scope 1&2 from 2021 (9,923 tCO2e) x100. 110/9,923*100 = 1.1% increase (rounded to 1%)
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified	143.1	Decreased	1	The emissions total (143.1 tonnes) is derived from remaining unidentified emissions (YOY reduction change + Increase due to Acquisition + Increase due to Methodology change - Reduction from Energy Initiatives = Unidentified emission) // 760+306+110-1, 032.9 = 143.1). These emissions are then divided by total Scope 1&2 from 2021 (9,923 tCO2e) x100. 143.1/9,923*100 = 1.4% reduction (rounded to 1%). These unidentified emissions are due to a) reductions related to transition to a sustainable fleet and b) behavioural changes (increased awareness through staff on promoting "conservation of energy in buildings"). The proportion of emissions attributed to a and b above is unknown. Therefore these emissions are reported under the "unidentified changes" category instead of other table categories.
Other		<Not Applicable>		

C7.9b

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

Location-based

C8. Energy

C8.1

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

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

C8.2

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

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

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	15473.4	15473.4
Consumption of purchased or acquired electricity	<Not Applicable>	22115.8	1070.5	23186.2
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	22115.8	16543.9	38659.6

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
Ireland

Consumption of purchased electricity (MWh)
21289.8

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
21289.8

Country/area
United Kingdom of Great Britain and Northern Ireland

Consumption of purchased electricity (MWh)
1732.9

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
1732.9

Country/area
United States of America

Consumption of purchased electricity (MWh)
163.5

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
163.5

C9. Additional metrics

C9.1

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

C10. Verification

C10.1

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

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

C10.1a

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

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
AIB GHG Emissions FY22_ Limited Verification statement_v2.0_230707_FINAL_ISSUED.pdf

Page/ section reference
1

Relevant standard
ISO14064-1

Proportion of reported emissions verified (%)
100

C10.1b

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

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
AIB GHG Emissions FY22_ Limited Verification statement_v2.0_230707_FINAL_ISSUED.pdf

Page/ section reference
1

Relevant standard
ISO14064-1

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
AIB GHG Emissions FY22_ Limited Verification statement_v2.0_230707_FINAL_ISSUED.pdf

Page/ section reference
1

Relevant standard
ISO14064-1

Proportion of reported emissions verified (%)
100

C10.1c

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

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

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
AIB GHG Emissions FY22_ Limited Verification statement_v2.0_230707_FINAL_ISSUED.pdf

Page/section reference
1-2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
99.8

C10.2

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

Yes

C10.2a

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

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Other, please specify (Annual Primary Energy Consumption for AIB locations in ROI, activity metrics, annual energy management projects and practices)	The information is submitted using SEAI's online monitoring & reporting (M&R) system. (SEAI stands for Sustainable Energy Authority of Ireland). An SEAI-appointed Energy Expert carries out a Data Verification assessment (DVA) to ensure that the information submitted is robust and satisfies SEAI's data acceptability thresholds. The DVA is a limited assurance process and is a critical aspect of data validation in the M&R system, i.e. for ensuring, insofar as is practical, that the data which is submitted is robust and verifiable. However, it is also a means for SEAI to support organisations in improving how they gather and submit M&R data and for providing feedback on the M&R system. Link - https://www.seai.ie/business-and-public-sector/public-sector/monitoring-and-reporting/data-quality/	AIB is required to improve its energy efficiency by 50% by 2030 under NEEAP and the SI 426:2014 Regulations and to report to SEAI (The Sustainable Energy Authority of Ireland) its annual energy performance data using an online monitoring and reporting system (M&R). The following is reported on annual basis: a) primary energy consumption for all energy types, b) value that quantifies the level of activity undertaken by the organisation each year (activity metrics - energy performance indicators), c) detail on energy saving projects (annual savings from implemented and planned projects in kWh TPER) and d) summary of AIB's energy management programme.
C6. Emissions data	Other, please specify (ROI Business Travel)	Business mileage data is submitted using SEAI's online monitoring & reporting (M&R) system. (SEAI stands for Sustainable Energy Authority of Ireland). Mileage data reported for business travel in 2023 (2022 reporting cycle) is converted to emissions by SEAI directly. For 2022, this data was not subject to data verification assessment (DVA) by SEAI. In subsequent years this data will be included in the annual DVA process and subject to limited assurance.	In addition to reporting energy data (under NEEAP and the SI 426:2014), AIB is also required to provided business travel data to SEAI since 2021.

C11. Carbon pricing

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

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

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

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

Yes, our suppliers
Yes, our customers/clients
Yes, our investees
Yes, other partners in the value chain

C12.1a

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

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Run an engagement campaign to educate suppliers about climate change

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

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

Rationale for the coverage of your engagement
We continue to furnish our Third Parties with our Responsible Supplier Code, which is reflective of our current approach in relation to climate-related activity. Third Parties have the opportunity to raise climate related matters at Supplier meetings, which are conducted in accordance with our Supplier Treatment Strategy

Third party suppliers are incredibly important to AIB and each play a different part. They help support our IT systems and banking platforms, give us professional advice, provide us with resources with specialised skills, operate our buildings and feed our colleagues. They are all essential to help AIB operate and achieve our purpose. They all play a part in helping back our customers to achieve their dreams and ambitions.

As one of the largest pillar banks in Ireland, AIB employs a broad range of suppliers across multiple categories of suppliers. Our suppliers are predominantly in Ireland (63%) and the UK (26%), however we have a small number elsewhere, mostly in other European countries, USA and India. AIB wants to support an inclusive ethical supply chain and ensure that individuals and companies throughout our supply chain work responsibly, sustainably, and safely.

During 2022, we continued to ensure that our Responsible Supplier Code is communicated as part of all our purchasing transactions. We are encouraging our suppliers to consider the environmental impact of their activities and to integrate environmental principles into their activities as far as possible. Our Responsible Supplier Code supports this and the requirement to comply with our Code is written into all our Request For Procurement (RFP) documentation. By submitting an RFP, any potential supplier agrees to comply with the principles of the code. It is mandatory for suppliers to agree and comply with the principles of the Code or they are precluded from participation in our RFP process. As part of our RFP process all Suppliers are being asked to adhere to our Responsible Supplier Code.

In 2022 we continued to co-host a webinar with CDP to help give our suppliers a better understanding of the importance and significance of disclosing carbon emissions and in doing so encourage more of our suppliers to actively engage. The data received from the Third Party via CDP helps to give us better insight into our Scope 3 emissions.

Impact of engagement, including measures of success
Following on from the launch of our Responsible Supplier Code ('the code') in 2020 we continued to implement the code as part of our supplier management processes. We had an objective to ensure we communicate the code to all of our suppliers, by communicating the code to our suppliers we are informing them of our expectations of them with respect to Human rights, doing business responsibly and doing business sustainably. The Code not only identifies our expectations of all Suppliers but also of their stakeholders, employees, subcontractors and any other third parties, whilst detailing what they can expect from us in return. The code applies to all Suppliers and now forms part of our RFP process when engaging with all new Suppliers.

Measurement of success:
We have now achieved our aim of communicating the code to 100% of our suppliers via purchase order inclusion. Our Suppliers are more actively engaging with us on climate related matters, which is reflected in the increase in the number of Suppliers disclosing through CDP.

Comment

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Collect GHG emissions data at least annually from suppliers
Collect targets information at least annually from suppliers
Collect climate-related risk and opportunity information at least annually from suppliers
Collect other climate related information at least annually from suppliers

% of suppliers by number
4

% total procurement spend (direct and indirect)
50

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

Rationale for the coverage of your engagement
In 2022 we co-hosted a webinar with CDP that was attended by a number of our key Suppliers. The purpose of the webinar was to support our Suppliers in disclosing Carbon Emission data via CDP and encourage more Suppliers to engage in the process. The engagement is reflective of our ambition in relation to Third Party Suppliers as documented in our Annual Sustainability Report and Responsible Supplier Code.

The engagement covered the following topics
• Overview & update of AIB's Environmental Ambitions
• Introduction to CDP
• How our Third Parties can disclose climate information
• Guidance, Support & Q&A

As a result we are collecting Scope 3 data, including:
• GHG emission
• Targets information
• Climate-related risk and opportunity information
• Climate transition plan information

In 2022 engaged with our key Suppliers within Tier 1 & Tier 2 of our Supplier Register to disclose their Carbon emissions via CDP. The rationale for selecting these Suppliers is that this is the cohort of Suppliers that AIB has its highest concentration of spend with, consisting of the larger corporate establishments

Impact of engagement, including measures of success
Approximately 100 Suppliers were encouraged to disclose Carbon Emissions via CDP. This led to a circa 10% increase in the number of our Suppliers disclosing emissions data. In 2022, 66 of our Suppliers disclosed data as a result of our direct engagement.

CDP evaluates organizations engagement with their suppliers on climate change. By evaluating supplier engagement and recognizing best practice, CDP aims to accelerate global action on supply chain emissions. For 2022 AIB received an A- Supplier Engagement rating from CDP for our performance, which is ahead of the Financial Services and global average.

Comment

C-FS12.1b

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

Type of clients
Customers/clients of Banks

Type of engagement
Education/information sharing

Details of engagement
Run an engagement campaign to educate clients about the climate change impacts of (using) your products, goods, and/or services
Run an engagement campaign to educate clients about climate change
Share information about your products and relevant certification schemes (i.e. Energy STAR)

% client-related Scope 3 emissions as reported in C-FS14.1a
0

Portfolio coverage (total or outstanding)
100

Rationale for the coverage of your engagement
Non-targeted engagement

Impact of engagement, including measures of success
As part of our 'pledge to do more' campaign, AIB has consistently communicated the ways in which we are bringing that to life to our customers and to encourage customer education and to drive engagement with the ways they can make a difference. In 2020, AIB publicly committed to operate as carbon neutral by 2030, and in 2022 AIB continued to promote this commitment and our green products heavily to customers, supported by multi-channel advertising campaigns including TV, radio, OOH, digital and social along with our event series which were designed to educate and engage with customers face to face, proving successful. AIB continued to sponsor the Sustainability Academy with Dublin Chamber of Commerce. Comprising a series of workshops designed to help participant companies gain a better understanding of where they are on their sustainability journey and what sustainability means for business, it enabled participants to develop a roadmap for future engagement and action. We want all our customers to know that they have sustainable options when they bank with us and to help them to make informed financial decisions that can have a positive impact on climate change. This commitment is also evident in the corporate partnerships that we support, including organisations such as FoodCloud (charity committed to eradicating food waste) and TASC (an independent Think Tank for Action on Social Change).

Examples:
AIB partnered with Coillte and launched a Youth Reforestation initiative where AIB committed to planting a native Irish tree on behalf of the account holder. A target of 90,000 trees was set over the course of three years and with every student current account opened AIB would plant a tree with the goal to grow a forest. AIB launched the Strategic Business Corporation of Ireland (SBCI) Energy Efficiency Loan Scheme (EELS) in September 2022. This is a low-cost loan scheme that aims to help eligible SMEs and farmers reduce their carbon emissions and cut their energy bills by investing in energy-saving measures, which was supported by search and social. In addition, AIB's green lending book accounted for 26% of all new lending, while our green mortgage products represented 28% of new mortgage lending. We had 46,000 visits to AIB Green Living hub in 2022, which provides tips on how to live more sustainably.

Type of clients
Customers/clients of Banks

Type of engagement
Education/information sharing

Details of engagement
Run an engagement campaign to educate clients about climate change

% client-related Scope 3 emissions as reported in C-FS14.1a
0

Portfolio coverage (total or outstanding)
100

Rationale for the coverage of your engagement
Non-targeted engagement

Impact of engagement, including measures of success
The AIB Sustainability Index collects information from a representative sample of Irish consumers to understand both their behaviours and attitudes to Sustainability, particularly with regard to Climate, on an ongoing basis. The latest wave of this study (our 5th survey) reveals that, despite the polycrisis of the last few years, Consumers still have a positive view of sustainability overall. However, the cost of living and energy crisis have negatively impacted interest in sustainability (43% feel sustainability is important for them personally in their daily lives, the lowest level of importance recorded since 2019) and consumers' appetite for taking greater sustainable action in their personal lives has reduced.

As a result we are committed to helping our customers lower their carbon footprint by supporting them with products finance and guidance. Personal customers have benefitted from our partnership with Nissan (0% PCP finance on the Leaf EV range). In 2022, 28% of all new mortgage lending was for Green Mortgages, which provide a lower rate for those drawing down an energy-efficient A - B rated loan. In Ireland , our Green Mortgage was advertised to a mass audience on TV, Outdoor, VOD, Radio, Digital, Search and Social, supported by mortgage events. Promotion of the AIB Green Mortgage continued in NI in 2022, via search, Digital and Social.

Our sponsorship of Teagasc Grass10, Signpost, Moorpark and Irish Grasslands Association promoted the importance of sustainability in Agriculture. From a wider SME perspective AIB are actively involved with Plan it With Purpose and started the rollout of a range of sector specific Sustainability guides in association with Mabbett. The SCBI Energy Efficiency Loan Guarantee Scheme has been promoted from Qtr 4 2022. Following strong demand, in 2021 we increased our Climate Action fund to €10bn in total by 2023 to support Green and Transition lending. We also Issued €1.5bn in two separate Green Bonds in 2022. We communicated ATL throughout 2022, confirming our commitment to operate as carbon neutral and promoting our Green personal loan and mortgage across all channels including TV. We promoted our sponsorship of Climate Finance Week (CFWI) 2022 and the AIB Sustainability Conference encouraging registrations, we had 6,000 people in attendance an increase of 54% YoY.

Type of clients
Customers/clients of Banks

Type of engagement
Engagement & incentivization (changing client behavior)

Details of engagement
Offer financial incentives for clients who reduce your downstream emissions (Scope 3) and/or exposure to carbon-related assets

% client-related Scope 3 emissions as reported in C-FS14.1a
50

Portfolio coverage (total or outstanding)
100

Rationale for the coverage of your engagement
Engagement targeted at clients with increased climate-related opportunities

Impact of engagement, including measures of success
49% of our Group Loan portfolio (@31.12.2022) is in Residential Mortgages. In April 2023 AIB published a SBTi validated science-based target to reduce Financed Emissions in our Residential Mortgage portfolio by 58% by 2030 (2021 baseline).

The AIB Green Mortgage was introduced in November 2019 in Republic of Ireland, and in February 2020 AIB UK launched one of the first Green Mortgage offerings in the UK market and the first in Northern Ireland. Subsequently we also launched our EBS and Haven Green Mortgages. We offer market competitive 5yr Green Mortgage fixed rates in Ireland and the UK for new customers buying their home which has a Building Energy Rating Certificate (Ireland) / Energy Performance Certificate (UK) with an energy rating in bands A-B. This offer is also available to customers who already have a mortgage loan with us, their home has an energy rating in bands A-B and they have more than 5 years left on the loan.

In 2022 we continued our Green Mortgage Campaign. Key activity included:
• Republic of Ireland: It ran across TV, Outdoor, VOD, Radio, Digital, Search and Social to a mass audience, supported by lead-generation mortgage events. EBS launched the Green Mortgage proposition in Q1 2022 to a mass audience via a fully integrated campaign across TV, Outdoor, VOD, Radio, Digital, Search and Social. Strong lead Generation was also delivered via the EBS 'Home Truths' mortgage events with a Green focus for the audience. Haven launched their Green Mortgage Proposition in Q1 2022 with a market-leading rate at time of launch
• UK: It continued in Northern Ireland via search, Digital and Social. AIB NI partnered with influencers to create a content & event series 'Rate My Home' on social media to educate audiences on how to find their EPC rating.

Impact:
To avail of a Green Mortgage, the property being financed must have an energy efficiency rating of A–B, thus increasing the stock of properties with an energy efficient A-B rating (and lower emissions) in our Residential Mortgages portfolio. With an increase in green mortgages, we would expect to see a reduction in financed emissions for our Residential Mortgages portfolio. However, as emissions are reported one year in arrears the impact is yet to be fully realised.

Measure:
As at 31.12.2022 c.14% of exposure collateralised by residential immovable property had a level of energy efficiency of A/B with an EPC label available (Template 2, Pillar 3 report 2022).

C12.1d

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

To understand the environmental issues of most concern of our stakeholders, we have ongoing engagement exercises that combine direct feedback with a revised survey of our stakeholder group. In this case "other partners" refers to staff, management, state agencies, shareholders, analyst, educational bodies, suppliers and non-governmental bodies. To simplify for reporting purposes we have grouped all our stakeholders in 6 groups: Society, Customers, Investors, Regulators, Suppliers and Employees. We continually engage with the above groups. Following are some of the ways we use to engage with them: Society (direct partnership, community initiatives, surveys, materiality exercise, other), Customers (materiality exercise, focus groups, AIB website, Ask AIB, net promoter score, others), Investors (materiality exercise, industry conferences, AGM and shareholder services, financial reporting, others), Regulators (site visits, regulatory reporting, materiality exercise, others) and Employees (iConnect engagement survey, team meetings, intranet, employee resources groups, materiality exercise, others. Given our role and impact across the markets where we operate, engaging with our stakeholders remains a cornerstone of our approach to meeting their expectations of us. This engagement has continued through 2022, across both formal and informal channels, and is two-way. It has to be. That's how we understand, learn and respond to the issues that matter. Working in collaboration with them, and recognising the interaction they have with one another through the course of business and personal lives we use the insights we get as the basis for our evolving strategy and reporting activities. Our stakeholder management and engagement programme is overseen by our Executive Committee (ExCo). In 2021 we extended our scope of stakeholders to include our suppliers for the first time. This was in recognition of the significant role they play in the economy and in their impact on our sustainability strategy and Climate & Environment ambitions and targets. AIB undertakes a biennial annual, independent materiality exercise which informs and drives our Sustainability strategy and reporting approach. Our Sustainable Communities strategy is based on the most recent exercise, which started in Q4 2021 and was approved by the Sustainable Business Advisory Committee in Q1 2022. We expect to complete our full biennial materiality exercise update in H2 2023, which will enable us to take into fuller consideration the enhanced impact materiality requirements of the GRI 2021 Universal Standards as we transition to fully reporting on the updated Standards. As we prepare the groundwork for mandatory ESG reporting required under the Corporate Sustainability Reporting Directive (CSRD), we intend that the materiality exercise will also take into consideration its double materiality requirements. We intend to incorporate consideration of the financial materiality requirements of the International Sustainability Standards Board's sustainability-related disclosure standards.

C12.3

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

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate
Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

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

Attach commitment or position statement(s)
We have a stated clear ambition for 70% of our new lending to be green or transition by 2030 and have a target to achieve Net Zero in our financed emissions by 2040 for our lending portfolio (2050 including Agriculture). See page 12 of document attached.
AIB-sustainability-report-2022 (1).pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan
As a Group operating predominantly in Ireland, we are deeply rooted in our economy and society with market leading franchises and an extensive range of relationships. Engaging systematically and effectively with our stakeholders is a responsibility and the focus of AIB's approach to ESG. Our stakeholder management and engagement programme is a continuous process which is overseen by our Executive Committee. Global events of recent years – the Covid-19 pandemic, war in Ukraine, energy security, cost of living pressures and the existential threat posed by climate change – mean that truly meaningful engagement with stakeholders has never been more important.

In 2021, we refreshed our independent ESG materiality exercise - the results are outlined on page 17 of our 2022 Sustainability Report (attached). Through 2021, notwithstanding the prevalence of the pandemic, our stakeholders told us that climate change, cyber security and responsible lending were among their most pressing priorities, agenda, with the challenge of Climate Change raised for all our stakeholders which was a marked change from our previous exercise in 2019. Throughout our sustainability report we demonstrate how we continue to respond to the issues raised, continue to support the economy & society where we operate whilst also ensuring a strong balance sheet for the benefit of all our stakeholders. AIB is a supporter of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and this is our second year of disclosure aligning to the TCFD recommendations. AIB has also signed up to the Net Zero Banking Alliance, Equator Principles, WEF Stakeholder Capitalism metrics and UN Global Compact in 2021. We continue to make progress in building a climate resilient business and expanding our range of products to address environmental issues. Our 2022 ESG independent ratings reflect the progress we have made with leadership scores across three of the key ESG ratings, and we are working to sustain and where possible improve our performance further in 2022. In 2023, we will once again conduct an independent ESG materiality exercise. In engaging formally with stakeholders this year, we will do so against the backdrop not only of global uncertainties, but also of a significantly evolving and changing banking landscape in Ireland with the departure of a number of competitor banks.

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

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

C12.3b

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

Trade association
Other, please specify (United Nations Environment Programme Finance initiative (UNEP FI))

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

Has your organization attempted to influence their position in the reporting year?
No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

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

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (UN Global Compact)

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

Has your organization attempted to influence their position in the reporting year?
No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

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

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (TCFD)

Is your organization’s position on climate change policy consistent with theirs?
Mixed

Has your organization attempted to influence their position in the reporting year?
No, we did not attempt to influence their position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position
Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and ‘how’ this is achieved may differ on a case-by-case basis.

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

Describe the aim of your organization’s funding
<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (SBTi)

Is your organization’s position on climate change policy consistent with theirs?
Mixed

Has your organization attempted to influence their position in the reporting year?
No, we did not attempt to influence their position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position
Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and ‘how’ this is achieved may differ on a case-by-case basis.

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

Describe the aim of your organization’s funding
<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Net Zero Banking Alliance)

Is your organization’s position on climate change policy consistent with theirs?
Mixed

Has your organization attempted to influence their position in the reporting year?
No, we did not attempt to influence their position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position
Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and ‘how’ this is achieved may differ on a case-by-case basis.

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

Describe the aim of your organization’s funding
<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Banking Payments Federation of Ireland (BPFI))

Is your organization’s position on climate change policy consistent with theirs?
Mixed

Has your organization attempted to influence their position in the reporting year?
No, we did not attempt to influence their position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position
Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and ‘how’ this is achieved may differ on a case-by-case basis.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
0.01

Describe the aim of your organization’s funding
Industry membership.

We do not publicly disclose the membership fee we paid, therefore we have reported a funding figure of €0.01.

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

Yes, we have evaluated, and it is aligned

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

Is your organization’s position on climate change policy consistent with theirs?
Mixed

Has your organization attempted to influence their position in the reporting year?
No, we did not attempt to influence their position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position
Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and ‘how’ this is achieved may differ on a case-by-case basis.

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

Describe the aim of your organization’s funding
<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Chambers Ireland)

Is your organization’s position on climate change policy consistent with theirs?
Mixed

Has your organization attempted to influence their position in the reporting year?
No, we did not attempt to influence their position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position
Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and ‘how’ this is achieved may differ on a case-by-case basis.

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

Describe the aim of your organization’s funding
<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Dublin Chamber)

Is your organization’s position on climate change policy consistent with theirs?
Mixed

Has your organization attempted to influence their position in the reporting year?
No, we did not attempt to influence their position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position
Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and ‘how’ this is achieved may differ on a case-by-case basis.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
0.01

Describe the aim of your organization’s funding
Industry membership.

We do not publicly disclose the membership fee we paid, therefore we have reported a funding figure of €0.01.

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Institute of Bankers Ireland)

Is your organization’s position on climate change policy consistent with theirs?
Mixed

Has your organization attempted to influence their position in the reporting year?
No, we did not attempt to influence their position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position
Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and ‘how’ this is achieved may differ on a case-by-case basis.

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

Describe the aim of your organization’s funding
<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Wind Energy Ireland)

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

Has your organization attempted to influence their position in the reporting year?
No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

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

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

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

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

Has your organization attempted to influence their position in the reporting year?
No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
Ambition to meet Global, EU and National Climate Action Targets / Plan. This is consistent with our own ambitions – the trajectory and 'how' this is achieved may differ on a case-by-case basis.

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

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.3c

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

Type of organization or individual
Research organization

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

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

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

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

C12.4

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

Publication
In mainstream reports

Status
Complete

Attach the document
AIB AFR 2022.pdf

Page/Section reference
TCFD disclosures - page 32-42
Governance – page 30-32
Strategy page – page 32-36
Risk Management – page 37-38
Metrics & targets - page 39-41

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In mainstream reports

Status
Complete

Attach the document
AIB AFR 2022.pdf

Page/Section reference
Governance - page 26
Strategy - page 26
Risks - page 25-26
Emission targets - page 25 (for the Parent Group's overarching targets, which AIB UK contributes to the achievement of)
UK CO2 emissions, UK Energy use (kWh) and Total CO2e per FTE - page 26

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

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

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	CDP Signatory Equator Principles Net Zero Banking Alliance Science Based Targets Network (SBTN) Science-Based Targets Initiative for Financial Institutions (SBTi-FI) Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact UNEP FI Principles for Responsible Banking Other, please specify (World Economic Forum Stakeholder Capitalism Metrics)	CDP signatory - AIB has been reporting to CDP since 2003 Equator Principles - AIB became a signatory of the Equator Principles (EP) in October 2021 making a formal commitment to apply these principles to all applicable lending which includes our Renewable Energy, Infrastructure and other Project Finance lending in Ireland, UK, Europe and North America. As a recent signatory to the Equator Principles, the Bank has a grace period to implement the EP across the relevant areas in the organisation. This involves training all applicable staff and updating procedures and processes where required. These steps will form part of our Implementation Plan, which is due to be submitted to the Equator Principles Association in July 2023. Net Zero Banking Alliance - Signed up in April 2021. Science Based Targets Network (SBTN) / Science-Based Targets Initiative for Financial Institutions (SBTi-FI) - As at 6 April 2023, financed emissions targets for 75% of the AIB loan book (based on the group lending portfolio at year end December 2021) are validated by the Science Based Target Initiative (SBTi). AIB is the first bank globally to secure a scientifically validated electricity generation maintenance target. Task Force on Climate-related Financial Disclosures - Signed up in Sept 2019, and began reporting on our implementation of the recommendations in our FY2020 reporting. UN Global Compact- Signed up in Feb 2021, and submitted our first Communication of Progress in March 2022. UNEP FI Principles for Responsible Banking - We signed up in September 2019 and began reporting on our implementation of the principles in our FY2020 Sustainability Report. World Economic Forum ("WEF") Stakeholder Capitalism Metrics - in 2021 AIB became the first Irish company to sign up to the World Economic Forum (WEF) Stakeholder Capitalism metrics in our reporting. These metrics include non-financial disclosures around the four pillars of people, planet, prosperity and principles of governance. These pillars align with our own existing commitments built around the Environmental, Social and Governance (ESG) model.

C14. Portfolio Impact

C-FS14.0

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

Lending to all carbon-related assets

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

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
148000000

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

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
0.49

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

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

Details of calculation
As per our Q4 2022 Pillar 3 report (see Template 1 Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity), the Group provided information on exposures to sectors that are more prone to the risks that institutions may face from the transition to a low-carbon and climate resilient economy. As part of Template 1 of the Pillar 3 report, AIB disclosed exposures to counterparties that are are excluded from the EU Paris-aligned Benchmarks as specified in Article 12(1), points (d) to (g) of Commission Delegated Regulation (EU) 2020/1818 outlined below:
d) companies that derive 1 % or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite
e) companies that derive 10 % or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
f) companies that derive 50 % or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
g) companies that derive 50 % or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh.

The Group completed a bottom up review of the portfolio in line with the relevant revenue and emissions thresholds and determined that €148m of NFC exposures were towards companies that highly contribute towards climate change.

Percentage of portfolio value comprised of carbon-related assets in reporting year:
Total carbon-related assets in our portfolio as at 31.12.2022 €148m
Total NFC exposures as at 31.12.2022 €29.8bn
€148m / €29.8bn => 0.49%

Lending to coal

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

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
0

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

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
0

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

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

Details of calculation
As per our Q4 2022 Pillar 3 report (see Template 1 Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity), the Group provided information on exposures to sectors that are more prone to the risks that institutions may face from the transition to a low-carbon and climate resilient economy.

As per template 1, AIB does not have any exposures to counterparties involved in coal-related activities as specified in Article 12(1), point (d) of Commission Delegated Regulation (EU) 2020/1818.

Article 12(1), (d) is outlined below:
d) companies that derive 1 % or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite

Lending to oil and gas

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

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
147000000

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

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
0.49

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

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

Details of calculation
As per our Q4 2022 Pillar 3 report (see Template 1 Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity), the Group provided information on exposures to sectors that are more prone to the risks that institutions may face from the transition to a low-carbon and climate resilient economy.

As per template 1, the Group determined that €147m worth of exposures were to counterparties involved in oil and gas related activities as specified in Article 12(1), points (e) to (g) of Commission Delegated Regulation (EU) 2020/1818 outlined below:
e) companies that derive 10 % or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
f) companies that derive 50 % or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
g) companies that derive 50 % or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh.

Percentage of portfolio value comprised of carbon-related assets in reporting year:
Total carbon-related assets in our portfolio as at 31.12.2022 €147m
Total NFC exposures as at 31.12.2022 €29.8bn
€147m / €29.8bn => 0.49%

C-FS14.1

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

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

C-FS14.1a

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

Banking (Bank)

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

2570000

Portfolio coverage

75

Percentage calculated using data obtained from clients/investees

0

Emissions calculation methodology

The Global GHG Accounting and Reporting Standard for the Financial Industry

Please explain the details and assumptions used in your calculation

In 2022, Financed Emission Targets were set for c. 75% of our group lending portfolio. AIB selected 31 December 2021 as the Scope 3 financed emissions baseline position as this reflected the latest available year-end loan book data against which to set the targets. The targets include the mortgage portfolio (50%), commercial real estate lending portfolio (10%), electricity generation (3%) and the corporate portfolio (12%). Over the period to 2030 we expect to see a significant reduction in emissions intensity of 58% per m² for mortgages and 67% per m² for commercial real estate at the Group level. The electricity generation portfolio is primarily comprised of renewable energy assets such as offshore wind and is therefore starting at a very low level of intensity of emissions (21g CO2/kwh). This is aligned to science based IEA decarbonisation pathways that deliver a 1.5°C outcome. For the corporate portfolio, we have set portfolio coverage targets. This means our counterparties are required to set their own approved emissions targets. 12% of the in-scope corporate book (by loan value) currently have approved emissions targets, and AIB's target is to increase that to 54% by 2030.

AIB reports portfolio emissions one year in arrears. The 2,570,000 tCO2e portfolio emissions reported in 2022 relate to 2021.

C-FS14.1c

(C-FS14.1c) Disclose or restate your portfolio emissions for previous years.

Past year 1 for Banking (Bank)

Start date

End date

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

Portfolio coverage

Percentage calculated using data obtained from clients/investees

Emissions calculation methodology

Please explain the details and assumptions used in your calculation

C-FS14.2

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

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

C-FS14.2a

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

Asset class		Portfolio metric	Portfolio emissions or alternative metric
Banking	Retail mortgages	Other, please specify (Emission Intensity (KgCO₂/M²))	40
Banking	Corporate real estate	Other, please specify (Emission Intensity (KgCO₂/M²))	135
Banking	Other, please specify (Project Finance: Electricity Generation)	Other, please specify (Emission Intensity (gCO₂/kWh))	21
Banking	Retail mortgages	Absolute portfolio emissions (tCO2e)	1300000
Banking	Corporate real estate	Absolute portfolio emissions (tCO2e)	1200000
Banking	Other, please specify (Project Finance: Electricity Generation)	Absolute portfolio emissions (tCO2e)	70000

C-FS14.3

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

	Actions taken to align our portfolio with a 1.5°C world	Briefly explain the actions you have taken to align your portfolio with a 1.5-degree world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	Yes	The key action we have taken is setting Financed Emissions Targets covering 75% of our Group loan portfolio as of 31 December 2021, based on decarbonisation scenarios with outcomes to 1.5°C. Our baseline is 2021 and our target year is 2030. The targets, which were approved by our Board, can be summarised as follows • Residential Mortgages: 58% reduction in emissions intensity by 2030 • Commercial Real Estate: 67% reduction in emissions intensity by 2030 • Electricity Generation: Maintain emissions at the 2021 baseline level until 2030 • Corporate Portfolio Coverage: Increase loan volume covered by emissions targets from 12% to 54% by 2030. These targets were validated by the Science Based Targets initiative (SBTi) in April 2023, and AIB Group is the first bank in the world to secure a scientifically validated electricity generation maintenance target from the global Science Based Target Initiative (SBTi). The move marks a recognition that AIB’s electricity generation loan portfolio is already exceptionally green as it primarily includes renewable energy assets. For each of the portfolios covered by the Financed Emissions Targets the business areas are required to develop transition plans considering the delivery of the targets within the business planning process, including via ensuring appropriate products and services are in place to support customers to transition. This includes education, training, and customer engagement. For each of the Financed Emissions Targets, the key business actions that support these emission reductions have been identified and are now tracked as part of our business planning process. We provide customers with a range of sustainable finance options including Green Mortgages, finance for green buildings and project finance for Renewable Energy, as well as substainability-linked loans.	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS14.3a

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

	Assessment of alignment of clients/investees' strategies with a 1.5°C world	Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world
Banking (Bank)	No, but we plan to in the next two years	In April 2023 SBTi validated our Scope 3 Financed Emissions Targets for portfolios including residential mortgages, CRE, electricity generation, Corporate and Other. Our 2030 targets has been set with a 2021 baseline and, To ensure that these portfolios are aligned to 1.5°C, AIB will be tracking lending to clients to ensure alignment to 1.5 C. In due course this will require an assessment alignment of client / investees business strategies to 1.5 C outcomes and providing the appropriate level of support to enable the transition to a 1.5°C outcome.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	Biodiversity plays an underpinning role in our economy, health and resilience to climate change. Biodiversity is an intrinsic and essential aspect to our Sustainable Strategy. The Sustainable Business Advisory Committee (SBAC) has been the overarching Board Advisory Committee responsible for the guidance of our sustainability agenda since 2016. The Committee is appointed by the Board to assist them in fulfilling its independent oversight responsibilities in relation to ESG matters. SBAC met on six occasions in 2022.	Risks and opportunities to our own operations Risks and opportunities to our bank lending activities The impact of our own operations on biodiversity

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to Net Positive Gain Commitment to respect legally designated protected areas Commitment to avoidance of negative impacts on threatened and protected species	SDG Other, please specify (Via Partnerships, sponsorship, support or investment. Eg: Teagasc's Signpost programme and Teagasc Grass10 Campaign, GIY Ireland, Foodcloud and Coillte Nature and Forestry, All-Ireland Pollinator Plan, The Yield Lab, Europe's largest AgTech VC fund.)

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?
Yes

C15.4a

(C15.4a) Provide details of your organization's activities in the reporting year located in or near to biodiversity -sensitive areas.

Classification of biodiversity -sensitive area
Other biodiversity sensitive area, please specify (Area of Specific Scientific Interest (ASSI) and Special Protection Area (SPA))

Country/area
United Kingdom of Great Britain and Northern Ireland

Name of the biodiversity-sensitive area
Lough Foyle

Proximity
Up to 5 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area
We have identified one site in Northern Ireland (0.08244 hectares) with a property which is adjacent to an ASSI/ SPA area with terrestrial and maritime ecosystem attributes. This property is a leasehold office property, located within a shopping centre which is multi-tenanted. Based on the nature of our operations (i.e. offices), it is our understanding that our operations do not represent a heightened risk of adverse impacts on biodiversity.
Note - Area of Specific Scientific Interest (ASSI) and Special Protection Area (SPA)

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity
No

Mitigation measures implemented within the selected area
<Not Applicable>

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented
This property is a leasehold office property, located within a shopping centre which is multi-tenanted. Based on the nature of our operations (i.e. offices), it is our understanding that our operations do not represent a heightened risk of adverse impacts on biodiversity.
AIB manages its environmental impact under the ISO 14001 Environmental Management System.

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Education & awareness Law & policy Other, please specify (Ongoing planting of 90k trees as part of our 3 year commitment with Coillte)

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Other, please specify (WEF Stakeholder Capitalism metrics, ISO 14001 Environmental Aspects)

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Impacts on biodiversity Details on biodiversity indicators	Biodiversity and ecological sensitivity page 23 Agri propositions page 29 Water use page 100-101 Land use page 100 AIB-sustainability-report-2022 (1).pdf

C16. Signoff

C-FI

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

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member
Airbnb

Scope of emissions
Please select

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Allocation level
Please select

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e

Uncertainty (±%)

Major sources of emissions

Verified
Please select

Allocation method
Please select

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied
Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?
No, I am not providing data

FW-FS Forests and Water Security (FS only)

FW-FS1.1

(FW-FS1.1) Is there board-level oversight of forests- and/or water-related issues within your organization?

	Board-level oversight of this issue area	Explain why your organization does not have board-level oversight of this issue area and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

FW-FS1.1a

(FW-FS1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for forests- and/or water-related issues.

Issue area(s)	Position of individual(s) or committee(s)	Responsibilities for forests- and/or water-related issues
Forests Water	Board-level committee	The Board is responsible for promoting the long-term sustainable performance of the Group, setting strategic aims and risk appetite to support the strategy. It is responsible for approving the Group's strategic plans (including divestments and acquisitions), capital investment and financial plans which includes the consideration of ESG and climate factors. These strategic considerations are expressed in the Sustainable Communities pillar of the Group strategy. It is responsible for the approval of the Sustainability Report and considers the sustainability targets for the Group. It appointed the Sustainable Business Advisory Committee (SBAC) to assist it in fulfilling its independent oversight responsibilities for ESG matters. It receives updates regarding the execution of the Group's sustainability strategy, including the quarterly Group Balanced Scorecard, bi-annual sustainability updates and both the green bond and social bond transactions. The SBAC oversees the Group’s performance as a sustainable business and its delivery of AIB’s sustainability strategy. SBAC has been the overarching Board Advisory Committee responsible for the guidance of our sustainability agenda since 2016. It is chaired by an independent Non-Executive Director of AIB Group and membership includes three other independent Non-Executive Directors. It also includes members of the Executive Committee including the Chief Executive Officer, Chief People Officer and Chief Sustainability & Corporate Affairs Officer and Chief Risk Officer. To ensure ongoing awareness of the work of the Committee by all Directors, the Chair provides an update to the Board following each meeting on key items discussed and considered by SBAC. The Committee meets at least four times every year and also convenes at regular intervals for ESG training. Its responsibilities include overseeing the external reporting of the Group’s sustainability strategy including objectives, policies, measures and progress of implementation as well as review and challenge the Group’s Sustainability Report for onward recommendation to the Board for approval. During 2022, the SBAC met on six occasions. Key topics reviewed by SBAC include: • progress in achieving our sustainability targets • the ESG Framework (which was approved by the Board) • update on the climate risk stress tests, regulatory expectations, supplier risk management and AIB’s own environmental footprint; • updates on sustainability propositions development.
Forests Water	Board-level committee	Board Risk Committee (BRC) As part of discharging its overall responsibilities, the Board Risk Committee (BRC) ensures that risks within the Group are appropriately identified, reported, assessed, managed and controlled including commission, receipt and consideration of reports on key strategic and operational risk issues. The BRC receives updates regarding the effectiveness of the Group’s policies and programmes, which relate to identifying, managing and mitigating ESG risks, including climate risk, in connection with the Group’s operations and ensuring compliance with regulatory requirements and industry standards.
Forests Water	Board-level committee	Board Audit Committee (BAC) The Board Audit Committee (BAC) assists and advises the Board in fulfilling its independent oversight responsibilities in relation to: • The quality and integrity of the Group’s accounting policies, financial and narrative reporting, non-financial disclosures and disclosure practices; • The effectiveness of the Group’s internal control, risk management, and accounting and financial reporting systems; • The independence and performance of the internal and external auditors; and, • The role of the BAC with regard to the review of certain additional non-financial disclosures included in the Annual Financial Report has been clarified, with the BAC undertaking a detailed review of the disclosures contained in this Annual Financial Report.
Forests Water	Chief Executive Officer (CEO)	The CEO has set a vision for the group to become a sustainability leader. The CEO sits on the Board and is a member of our Sustainable Business Advisory Committee (SBAC). Sustainability and climate action are clearly highlighted across the organisation as a CEO-priority.

FW-FS1.1b

(FW-FS1.1b) Provide further details on the board's oversight of forests- and/or water-related issues.

Issue area(s)
Forests

Frequency with which the issue area(s) is a scheduled agenda item
Scheduled - some meetings

Governance mechanisms into which this issue area(s) is integrated
Reviewing and guiding strategy
Reviewing and guiding the risk management process

Scope of board-level oversight
Risks and opportunities to our banking activities
The impact of our banking activities on forests and/or water security

Please explain
Our Excluded Activities List has been incorporated into the Group Credit Risk Policy, which supports the management of credit risk across the Group. The updated policy was first approved by our Board in October 2020. The policy rules prohibit providing new money for term lending to businesses, or any of their subsidiaries, involved in the excluded business activities which include deforestation or the burning of natural ecosystems for the purposes of land clearance, timber from illegal trading or logging operations and production/trade in wood or other forestry products other than from sustainably managed forests. The Group Credit Risk Policy was approved by our Board.

Issue area(s)
Water

Frequency with which the issue area(s) is a scheduled agenda item
Scheduled - some meetings

Governance mechanisms into which this issue area(s) is integrated
Reviewing and guiding strategy
Reviewing and guiding the risk management process
Overseeing and guiding scenario analysis

Scope of board-level oversight
Risks and opportunities to our banking activities
The impact of our banking activities on forests and/or water security

Please explain
Board Risk Committee was updated on outputs of initial climate risk quantification covering physical flood risk.

The Board approved the Group Risk Appetite Statement 2023 which included specific ESG-related qualitative statements.

AIB's Sustainable Business Advisory Committee (SBAC) is an advisory committee that provides direction and guidance on the sustainability strategy and implementation throughout the year. Given the continued evolution of the ESG agenda, a detailed review of the approach to governance and oversight of ESG was completed as part of the new ESG Framework with the Chairs of SBAC, BAC and BRC to support enhanced evidencing of decision-making and ownership of ESG matters at Board level. As of 1 January 2023 a BAC member joined the SBAC and cross membership already exists between the BRC and the SBAC. The Committees' Terms of Reference were updated to align to this position in December 2022. To ensure ongoing awareness of the work of the Committee by all Directors, the Committee Chairs provide an update to the Board following each meeting on the key items discussed and considered by the Committee.

In 2022, topics presented to one or more of Board, BRC and SBAC, including:
• The Board approved the Group Risk Appetite Statement (RAS) 2023 which included specific ESG-related qualitative statements;
• The BRC was updated on the outputs of initial climate risk quantification covering transition risks for high risk sector and physical flood risk;
• The SBAC and Board reviewed and challenged the sustainability strategy as part of the wider Group strategy process and were updated on Financed Emissions Targets.

The Board approved the Group Risk Appetite Statement (RAS) 2023 which included specific ESG-related qualitative statements. Our Material Risk Assessment (MRA), which is completed at least annually, identifies the Principal Risks and emerging risks facing the Group, the assessment considers the impact of climate risks for AIB, our customers and the societies in which we operate and determines a suitable risk appetite. The MRA is a key input into the Group's risk management processes including the Risk Appetite Statement (RAS), which sets out the maximum amount of risk the Group is willing to accept. ESG risks continue to be identified as key risk drivers impacting all of the Group's principle risks, especially Credit Risk.

FW-FS1.1c

(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?

Forests

Board member(s) have competence on this issue area
Not assessed

Criteria used to assess competence of board member(s) on this issue area
<Not Applicable>

Primary reason for no board-level competence on this issue area
Important but not an immediate priority

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future
Important but not an immediate priority

Water

Board member(s) have competence on this issue area
Not assessed

Criteria used to assess competence of board member(s) on this issue area
<Not Applicable>

Primary reason for no board-level competence on this issue area
Important but not an immediate priority

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future
Important but not an immediate priority

FW-FS1.2

(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.

Position or committee
Chief Executive Officer (CEO)

Issue area(s)
Forests
Water

Forests- and/or water-related responsibilities of this position
Assessing forests- and/or water-related risks and opportunities
Managing forests- and/or water-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our banking portfolio

Reporting line
Reports to the Board directly

Frequency of reporting to the board on forests- and/or water-related issues via this reporting line
As important matters arise

Please explain
The CEO has set a vision for the group to become a sustainability leader. The CEO sits on the Board and is a member of our Sustainable Business Advisory Committee (SBAC). Sustainability and climate action are clearly highlighted across the organisation as a CEO-priority.

FW-FS2.1

(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?

	We assess our portfolio's exposure to this issue area	Explain why your portfolio's exposure is not assessed for this issue area and any plans to address this in the future
Banking – Forests exposure	Yes	<Not Applicable>
Banking – Water exposure	Yes	<Not Applicable>
Investing (Asset manager) – Forests exposure	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Water exposure	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Forests exposure	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water exposure	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests exposure	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water exposure	<Not Applicable>	<Not Applicable>

FW-FS2.1a

(FW-FS2.1a) Describe how you assess your portfolio's exposure to forests- and/or water-related risks and opportunities.

Banking – Forests exposure

Type of risk management process
Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process

Type of assessment
Qualitative only

Time horizon(s) covered
None of the above/ Not defined

Tools and methods used
Other, please specify ((see Rationale below))

% of clients/investees (by number) exposed to substantive risk

% of clients/investees (by portfolio exposure) exposed to substantive risk

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities
AIB list of Excluded Activities,

Sustainable Lending Framework https://aib.ie/content/dam/frontdoor/personal/sustainability/aib-sustainable-lending-framework.pdf

ESG Questionnaire for borrowers in sectors more exposed to climate risk

Banking – Water exposure

Type of risk management process
Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process

Type of assessment
Qualitative and quantitative

Time horizon(s) covered
Short-term
Medium-term
Long-term

Tools and methods used
External consultants
Scenario analysis

% of clients/investees (by number) exposed to substantive risk

% of clients/investees (by portfolio exposure) exposed to substantive risk

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities
The Group continues to be focused on flood risk as the most significant physical risk for AIB's portfolio and have developed initial metrics to better understand this risk for property-related exposure to begin with. The initial approach is subject to further evolution based on industry developments and as supervisory and regulatory expectations continue to evolve over time.

As part of AIB's Pillar 3 Disclosures, the Group analysed sensitivity to impact from climate change physical risk (i.e. flood events). It was determined that the portfolio was most sensitive to river flooding (acute) and coastal flooding (chronic).

AIB has taken steps to develop our understanding of flood risk for AIB-owned operations across ROI & UK. Based on 2020 flood data, c.22% of properties (out of 284 properties) are in higher flood risk areas and this increases to 24% in 2080 under RCP 8.5. The relatively high percentage is due to location of AIB-owned operations being located in town centres (majority in Dublin & Cork both located near rivers which have a high flood risk score). AIB has a comprehensive Property Damage Insurance programme which covers the building and contents of premises owned and operated by AIB Group against loss or damage caused by flood which mitigates the risk for the Group. As part of the development of AIB's climate risk modelling capability, further work, as noted above, will need to be undertaken and the outputs and findings from the scenario analysis carried out to date will be used to inform the next iteration of the model. We will continue to refine the forecasting models, data and assumptions with the aim of improving our understanding of how extreme weather events impacts on our property portfolio as climate risk and assessments tools improve and evolve.

FW-FS2.2

(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?

	We consider forests- and/or water-related information	Explain why information related to this issue area is not considered and any plans to address this in the future
Banking – Forests-related information	Yes	<Not Applicable>
Banking – Water-related information	Yes	<Not Applicable>
Investing (Asset manager) – Forests-related information	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Water-related information	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Forests-related information	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water-related information	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests-related information	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water-related information	<Not Applicable>	<Not Applicable>

FW-FS2.2a

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

	Type of information considered	Process through which information is obtained	Industry sector(s) covered by due diligence and/or risk assessment process	State how these forests- and/or water-related information influences your decision making
Banking – Forests-related information	Other, please specify (Sustainable Lending Framework, ESG questionnaire and excluded activities)	Directly from the client/investee	Other, please specify (Corporate Lending)	Under the Sustainable Lending Framework, all forestry company activities qualify given the positive environmental impact as long as they also comply with Sustainable Forestry Management practices laid out in the EU Taxonomy. An ESG questionnaire has been incorporated into credit applications for borrowers in high climate risk sectors where new lending is over €/£300k. It was introduced to ensure a better understanding of the ESG risk associated with the borrower. One of the rules of our Group Credit Risk Policy prohibits providing new money for term lending to businesses, or any of their subsidiaries, involved in the excluded business activities. including: • Deforestation or the burning of natural ecosystems for the purposes of land clearance; • Timber from illegal trading or logging operations; • Production or trade in wood or other forestry products other than from sustainably managed forests. This rule applies to all business customers with a Gross Connected Exposure of >£/€300k and who are relationship managed.
Banking – Water-related information	Other, please specify (ESG questionnaire)	Directly from the client/investee	Other, please specify (Corporate Lending)	An ESG questionnaire has been incorporated into credit applications for borrowers in high climate risk sectors where new lending is over €/£300k. It was introduced to ensure a better understanding of the ESG risk associated with the borrower.
Investing (Asset manager) – Forests-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Forests-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS2.3

(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Risks identified for this issue area	Primary reason why your organization has not identified any substantive risks for this issue area	Explain why your organization has not identified any substantive risks for this issue area
Forests	No	Not yet evaluated	Not yet evaluated
Water	Yes	<Not Applicable>	<Not Applicable>

FW-FS2.3a

(FW-FS2.3a) Provide details of forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk1

Portfolio where risk driver occurs
Banking (Bank) portfolio

Issue area risk relates to
Water

Risk type & Primary risk driver

Acute physical	Flood (coastal, fluvial pluvial, groundwater)

Primary potential financial impact
Increased credit risk

Risk type mapped to traditional financial services industry risk classification
Credit risk

Company-specific description
The Group’s risk identification and assessment processes are supported by stress testing and scenario analysis to assess the impact that climate risks might have on the bank. The Group continue to be focused on flood risk as the most significant physical risk for AIB's portfolio and, to begin with, have developed initial metrics to better understand this risk for property-related exposure. The initial approach is subject to further evolution based on industry developments and as supervisory and regulatory expectations continue to evolve over time.

As per Article 449a CRR, our Q4 2022 Pillar 3 report (see Template 5 Banking book - Indicators of potential climate change physical risk) provides information on exposures in the banking book, including loans and advances, debt securities and equity instruments not held-for-trading and not held-for-sale, towards Non-Financial Corporates, on loans collateralised with immovable property and on repossessed real estate collaterals, exposed to chronic and acute climate-related hazards. The Group have completed this template on a best efforts basis in line with Regulation (EU) 2022/2453 and EBA Q&A 2022_6541.

Time horizon
Short-term

Likelihood
About as likely as not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
270000000

Explanation of financial impact figure
As per our Q4 2022 Pillar 3 report (see Template 5 Banking book Indicators of potential climate change physical risk: Exposures subject to physical risk), the Group analysed Non Financial Corporate (NFC) exposures secured on immoveable property, exposed to chronic and acute climate-related hazards. For the purpose of the CRR 449a disclosure, acute physical risk relates to river flooding and chronic physical risk relates to coastal flooding. Other physical risks such as landslides, tsunamis, wildfires and extreme heat were identified as low risk for the portfolio and therefore discounted in the analysis. Analysis of exposures secured on immovable property of €8.4bn in 2022 found that €0.27bn (3.2%) is sensitive to Physical Flood Risk.

The maximum financial impact figure of €270m represents the total value in exposures to Non-Financial Corporates that are exposed to physical flood risk, as analysed in Template 5 of the Group's Pillar 3 disclosures.

Cost of response to risk
0

Description of response and explanation of cost calculation
We have reported "Cost of response to risk" as €0 as it is absorbed in our business as usual costs and we cannot extract it separately at this time.

Comment

FW-FS2.4

(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Opportunities identified for this issue area	Primary reason why your organization has not identified any substantive opportunities for this issue area	Explain why your organization has not identified any substantive opportunities for this issue area
Forests	Yes	<Not Applicable>	<Not Applicable>
Water	Yes	<Not Applicable>	<Not Applicable>

FW-FS2.4a

(FW-FS2.4a) Provide details of forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Portfolio where opportunity occurs
Banking (Bank) portfolio

Issue area opportunity relates to
Forests

Opportunity type & Primary opportunity driver

Products and services	Development and/or expansion of financing products and solutions supporting sustainable forest risk commodity supply chains

Primary potential financial impact
Please select

Company- specific description
In 2021, AIB developed a Sustainable Lending Framework (SLF) to enable the classification of customer loans as green, transition and also social. The SLF is based on industry best practice and is largely aligned, where applicable, to the EU Taxonomy regulation. In our SLF, to classify any Use of Proceeds or General Purpose as Green or Transition lending, eligibility criteria is set out for sectors including forestry. All activities of Forestry companies qualify under “Green lending”, given the positive environmental impact as long as they also comply with Sustainable Forestry Management practices laid out in the EU Taxonomy.

Time horizon
Please select

Likelihood
Please select

Magnitude of impact
Please select

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
We have reported "Cost of realise the opportunity" as €0 as it is absorbed in our business as usual costs and we cannot extract it separately at this time.

Comment

Identifier
Opp2

Portfolio where opportunity occurs
Banking (Bank) portfolio

Issue area opportunity relates to
Water

Opportunity type & Primary opportunity driver

Products and services	Development and/or expansion of financing products and solutions supporting water security

Primary potential financial impact
Please select

Company- specific description
In 2021, AIB developed a Sustainable Lending Framework (SLF) to enable the classification of customer loans as green, transition and also social. The SLF is based on industry best practice and is largely aligned, where applicable, to the EU Taxonomy regulation. In our SLF, to classify any Use of Proceeds or General Purpose as Green or Transition lending, eligibility criteria is set out for sectors including water management.

Time horizon
Please select

Likelihood
Please select

Magnitude of impact
Please select

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
We have reported "Cost of realise the opportunity" as €0 as it is absorbed in our business as usual costs and we cannot extract it separately at this time.

Comment

FW-FS3.1

(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization's strategy and/or financial planning?

Forests

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning
Yes, we take these risks and opportunities into consideration in the organization's strategy

Description of influence on organization's strategy including own commitments
In 2021, AIB developed a Sustainable Lending Framework (SLF) to enable the classification of customer loans as green, transition and also social. The SLF is based on industry best practice and is largely aligned, where applicable, to the EU Taxonomy regulation. In 2019, we launched our Climate Action Fund committing €1bn per year over five years to support Green and Transition lending. In 2021, we increased the fund to €10bn in total by 2023, to reflect the financial implications of this opportunity for our business.

An ESG questionnaire has been incorporated into credit applications for borrowers in high climate risk sectors where new lending is over €/£300k. It was introduced to ensure a better understanding of the ESG risk associated with the borrower.

One of the rules of our Group Credit Risk Policy prohibits providing new money for term lending to businesses, or any of their subsidiaries, involved in the excluded business activities. including:
• Deforestation or the burning of natural ecosystems for the purposes of land clearance;
• Timber from illegal trading or logging operations;
• Production or trade in wood or other forestry products other than from sustainably managed forests. This rule applies to all business customers with a Gross Connected Exposure of >£/€300k and who are relationship managed.

Financial planning elements that have been influenced
<Not Applicable>

Description of influence on financial planning
<Not Applicable>

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning

Water

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning

Yes, we take these risks and opportunities into consideration in the organization’s strategy and financial planning

Description of influence on organization’s strategy including own commitments

From a physical risk perspective, following a review of the relevant risks for Ireland and the UK (covering drought, fire, water stress, hurricanes and flooding), flood risk was deemed highest risk. The physical risk quantification exercise focused on AIB's ROI residential mortgage book to begin to quantify the effect of flood risk, and went on to assess the Commercial Real Estate book and AIB's own properties.

As part of the physical risk scenario analysis, two Representative Concentration Pathways, RCP 8.5 and RCP 2.6, have been applied to the ROI residential collateral data representing the ROI Residential Mortgage portfolio. The RCPs selected by AIB are closely aligned to the Network for Greening of the Financial System (NGFS) scenarios being used by regulators for climate stress testing.

The analysis indicates that (as we might expect) various locations will be subject to higher levels of flooding, more frequently in the future and that the severity/frequency of flooding is more adverse under the RCP 8.5 "hot house" scenario. Under a hot house scenario every location will have higher flooding risk. AIB mortgage lending process requires all properties to be insured, and flood risk is assessed as part of the insurance process which mitigates AIB's exposure in the main. Insurance cover can be provided with no flood risk cover, however in these instances, both the bank and the customer accept no flood risk cover is in place.

At a Group level, transition risks and opportunities, as well as physical risks, across the short (0-3 yrs) medium (3-10 yrs) and long term (10+ yrs) are inputs into the business and financial planning process.

Financial planning elements that have been influenced

Revenues
Indirect costs
Capital allocation
Access to capital
Assets

Description of influence on financial planning

Case Study 1:
In 2022 we developed our Financed Emissions Targets for c.75% of our Group Loan portfolio (as at 31.12.2021) comprising Residential Mortgages (50%), Commercial Real Estate (10%), Electricity generation (3%) and the Corporate Portfolio (12%).

As part of the integrated strategic and financial plan, ESG considerations were a key part in formulating the financial plans. The annual financial planning methodology outlined elements for each business area in considering the ESG risks and opportunities. There was a specific focus on integrating the Financed Emissions Targets into Financial Planning. The internal emission reduction targets that were set for the Residential Mortgages, Commercial Real Estate and Energy Generation portfolios were integrated into the financial plans over the next three years. This involved providing targets on the percentage of green lending required as part of new lending for each portfolio.

In terms of implementation and monitoring, the Group Balanced scorecard that is reviewed by Executive Committee and the Board was refreshed to monitor the delivery of the strategy against agreed Financed Emissions Targets. The Group Scorecard presents a RAG status and commentary based on key milestones and Key Performance Indicators (KPIs).

Case Study 2:
As part of the Group Strategy and financial planning process, all strategic items being considered for investment were assessed using a weighted scoring system where Sustainability was a key factor. In advance of the evaluation stage, an indepth review of the climate opportunities was undertaken to strategically review and assess the areas of focus over the short, medium and long term. This exercise involved stakeholders from across the Group to agree the prioritised list of opportunities for consideration, to help provide climate solutions for our customers.

The short-term opportunities related to:
- Retrofitting of residential & commercial buildings
- Sustainability Linked Loans
- Green SME loans

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning

<Not Applicable>

FW-FS3.2

(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests- and/or water-related outcomes?

Forests

Scenario analysis conducted to identify outcomes for this issue area
No, we have not conducted any scenario analysis to identify outcomes for this issue area, and we don't plan to in the next two years

Type of scenario analysis used
<Not Applicable>

Parameters, assumptions, analytical choices
<Not Applicable>

Description of outcomes for this issue area
<Not Applicable>

Explain how the outcomes identified using scenario analysis have influenced your strategy
<Not Applicable>

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future

Water

Scenario analysis conducted to identify outcomes for this issue area
Yes, we have conducted scenario analysis and we have identified outcomes for this issue area

Type of scenario analysis used
Climate-related

Parameters, assumptions, analytical choices
From a physical risk perspective, following a review in 2021 of the relevant risks for Ireland and the UK (covering drought, fire, water stress, hurricanes and flooding), flood risk was deemed highest risk. Given the percentage of property related loans that AIB holds (62% for residential mortgages and commercial real estate combined), this was agreed as the appropriate starting point for quantifying physical risk.

The physical risk quantification exercise focused on AIB's ROI Residential Mortgage book to begin to quantify the effect of flood risk, and went onto assess the commercial real estate book and AIB's own properties. A physical risk prototype has been developed to convert climate scenarios into scenario adjusted LTVs to understand the impact on house prices as a result of increased flooding frequency.

As part of the physical risk scenario analysis, two Representative Concentration Pathways - RCP 8.5 and RCP 2.6 - have been applied to the ROI residential collateral data representing the ROI mortgage portfolio. The RCPs map to both CO_2 and temperature anomalies up to 2100. The RCPs selected by AIB represent bookends to a range of possible climate scenarios, and are closely aligned to the Network for Greening of the Financial System (NGFS) scenarios being used by regulators for Climate stress testing. RCP 8.5 is a "hot house" scenario whereas RCP 2.6 has a lower amount of CO_2 emissions representing an orderly scenario.

A peer review of the physical risk prototype was carried out by an independent third party, and a number of findings were noted in their review for AIB to consider for future iterations of the physical risk mode development. Keys findings for future improvements relate to limitations associated with current flood data and some of the underlying assumptions in the Aggregate Damage Ratio (ADR) calculation and insurance assumptions. The physical risk model relies on expert judgement parameters to translate physical risk measures into property valuation impacts which is a common approach across the industry. The physical risk approach and methodology is consistent with approaches being taken across the industry and limitations are largely driven by data challenges which are not unique to AIB.

In addition to our mortgage book analysis, in 2022 we completed scenario analysis of NFCs immovable property identifying that €0.27bn (3.2%) of €8.4bn exposures are sensitive to physical flood risk, and reported on this in our Q4 Pillar 3 report.

Description of outcomes for this issue area
The analysis indicates that (as we might expect) various locations will be subject to higher levels of flooding, more frequently in the future and that the severity/ frequency of flooding is more adverse under the "hot house" RCP 8.5 scenario. Under a hot house scenario every location will have higher flooding risk.

With respect to understanding the current flood zone, AIB mortgage lending process requires all properties to be insured, and, flood risk is assessed as part of the insurance process which mitigates AIB's exposure in the main. Insurance cover can be provided with no flood risk cover, however in these instances, both the bank and the customer accept no flood risk cover is in place.

The results of the NGFS transition scenarios were as follows:
• The impact of transition risk on a given counterparty is driven primarily by (but not limited to) two main factors:
• The emissions intensity of the sector they operate in, and the industry "pass-through" rates for that customer.

Explain how the outcomes identified using scenario analysis have influenced your strategy
With respect to understanding the current flood zone, AIB mortgage lending process requires all properties to be insured, and flood risk is assessed as part of the insurance process which mitigates AIB's exposure in the main. Insurance cover can be provided with no flood risk cover, however in these instances, both the bank and the customer accept no flood risk cover is in place.

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future
<Not Applicable>

FW-FS3.3

(FW-FS3.3) Has your organization set targets for deforestation free and/or water secure lending, investing and/or insuring?

	Targets set	Explain why your organization has not set targets for deforestation free and/or water secure lending, investing and/or insuring and any plans to address this in the future
Forests	No, and we do not plan to set targets in the next two years	
Water Security	No, and we do not plan to set targets in the next two years	

FW-FS3.4

(FW-FS3.4) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?

	Existing products and services that enable clients to mitigate deforestation and/or water insecurity	Explain why your organization does not offer products and services which enable clients to mitigate deforestation and/or water insecurity and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

FW-FS3.4a

(FW-FS3.4a) Provide details of your existing products and services that enable clients to mitigate deforestation and/or water insecurity.

Product type
Other, please specify (Student Account)

Taxonomy or methodology used to classify product(s)
Internally classified

Product enables clients to mitigate
Deforestation

Description of product(s)
In 2021, AIB partnered with Coillte Nature and Forestry Partners to plant 90,000 native Irish trees over the next three years on behalf of new AIB second-level student account holders. This initiative acknowledges the concerns of young people across Ireland regarding the combined climate and biodiversity crises, and will help create new native Irish woodlands by planting a tree for every second-level student account opened.

Type of activity financed, invested in or insured
Sustainable forest management
Forest protection
Forests restoration
Afforestation
Sustainable agriculture

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

% of total portfolio value

Product type
Other, please specify (All products for business and corporate customers)

Taxonomy or methodology used to classify product(s)
Internally classified

Product enables clients to mitigate
Deforestation
Water insecurity

Description of product(s)
General products and services are available to provide finance to support our customers for a broad range of activities, excluding activities on our Excluded Activities List.

Type of activity financed, invested in or insured
Sustainable forest management
Forest protection
Forests restoration
Afforestation
Sustainable agriculture
Water supply and sewer networks infrastructure
Water treatment infrastructure
Wastewater treatment infrastructure
WASH services
Water resources and ecosystem protection
Flood/drought resilience

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

% of total portfolio value

FW-FS3.5

(FW-FS3.5) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?

	Policy framework includes this issue area	Explain why your organization does not include this issue area in the policy framework and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

FW-FS3.5a

(FW-FS3.5a) Provide details of the policies which include forests- and/or water-related requirements that clients/investees need to meet.

Portfolio
Banking (Bank)

Issue area(s) the policy covers
Forests

Type of policy
Credit/lending policy

Portfolio coverage of policy

Policy availability
Publicly available

Attach documents relevant to your policy
Excluded activities list
AIB Excluded Activities Policy.pdf

Requirements for clients/investees
Commit to no deforestation/conversion of other natural ecosystems
Commit to no development on peat regardless of depth
Avoid negative impacts on threatened and protected species and habitats
Commit to no land clearance by burning or clearcutting
Restricting sourcing of forest risk commodities to verified legal and known sources

Value chain stages of client/investee covered by criteria
Direct operations only

Timeframe for compliance with policy criteria
Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy
Other, please specify (All corporate lending)

Forest risk commodities covered by the policy
All agricultural commodities

Commodities with critical impact on water security covered by the policy
<Not Applicable>

Forest risk commodity supply chain stage covered by the policy
Production
Processing
Trading
Manufacturing

Exceptions to policy based on
<Not Applicable>

Explain how criteria coverage and/or exceptions have been determined
Our Group Credit Risk Policy includes a list of excluded business activities that are considered to be incompatible with Group strategy due to negative environmental impacts associated with activities including deforestation. The policy rule prohibits providing new money for any term lending facilities to businesses, or any of their subsidiaries, involved in the excluded business activities. This rule applies to all business customers with a Gross Connected Exposure of > €/£300k and who are relationship managed. Our policy was approved by our Board. The list of excluded activities is publicly available.

In addition, under our Green Bond Framework, AIB takes care that the Eligible Green Loan Portfolio complies with official international, national and local laws and regulations on a best effort basis. Within credit assessment due diligence, assets likely to have significant effects on the environment by virtue of their size, nature or location must undergo an environmental impact assessment (EIA) which will have to be submitted to competent authorities when applying for project development. In addition, where an asset is likely to have a significant effect on a designated European conservation site, an appropriate assessment must be carried out under the Habitats Directive. AIB may rely on analysis provided by external parties, in addition to our own assessment.

FW-FS3.6

(FW-FS3.6) Does your organization include covenants in financing agreements to reflect and enforce your forests- and/or water-related policies?

	Covenants included in financing agreements to reflect and enforce policies for this issue area	Explain how the covenants included in financing agreements relate to your policies for this issue area	Explain why your organization does not include covenants for this issue area in financing agreements and any plans to address this in the future
Forests	Yes	In relation to Sustainability Linked Loans (“SLL”) to large corporate customers, the terms of the SLL offer the borrower a pricing incentive to achieve agreed annual targets in respect of specific aspects of their ESG performance. This incentive is typically a +/- adjustment to the interest margin based on the number of targets achieved. Failure to achieve these specific target does not constitute an event of default but typically results in an increase in the margin. SLLs represent a small but growing proportion of our loan book and our lending would typically not have covenants to enforce our climate related policies we do however have very strict funding exclusion policies that have the same impact. In terms of our SLLs our asset class/product types include: • Corporate Loans • Invoice Discounting • Overdrafts (but not in isolation, they are linked to larger financing) Under facilities agreements based on LMA standards (and not just SLL), standard clauses in relation to ensuring compliance with environmental laws are included.	<Not Applicable>
Water	Yes	In relation to Sustainability Linked Loans (“SLL”) to large corporate customers, the terms of the SLL offer the borrower a pricing incentive to achieve agreed annual targets in respect of specific aspects of their ESG performance. This incentive is typically a +/- adjustment to the interest margin based on the number of targets achieved. Failure to achieve these specific target does not constitute an event of default but typically results in an increase in the margin. SLLs represent a small but growing proportion of our loan book and our lending would typically not have covenants to enforce our climate related policies we do however have very strict funding exclusion policies that have the same impact. In terms of our SLLs our asset class/product types include: • Corporate Loans • Invoice Discounting • Overdrafts (but not in isolation, they are linked to larger financing) Under facilities agreements based on LMA standards (and not just SLL), standard clauses in relation to ensuring compliance with environmental laws are included.	<Not Applicable>

FW-FS4.1

(FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?

	We engage with clients/investees on this issue area	Explain why you do not engage with your clients/investees on the issue area and any plans to address this in the future
Clients – Forests	Yes	<Not Applicable>
Clients – Water	Yes	<Not Applicable>
Investees – Forests	<Not Applicable>	<Not Applicable>
Investees – Water	<Not Applicable>	<Not Applicable>

FW-FS4.1a

(FW-FS4.1a) Give details of your forests- and/or water-related engagement strategy with your clients.

Type of clients
Clients of Banks

Issue area this engagement relates to
Forests

Type of engagement
Engagement & incentivization (changing client behavior)

Details of engagement
Avoid or divest from companies that pose an unacceptable level of forests-related risks

Portfolio coverage of engagement

Rationale for the coverage of your engagement
Engagement targeted at clients with increased forest-related risks

Impact of engagement, including measures of success
In July 2020, AIB published a defined list of ‘Excluded Activities’ and stated that new term lending and Corporate Finance advisory services would not be provided to any entities or their subsidiaries engaged in the excluded activities. Initially this list was implemented in our Capital Markets segment. It has since been incorporated into AIB’s Group Credit Risk Policy, which supports the management of credit risk across the Group. The rules in it prohibit providing new money for any term lending facilities to businesses, or any of their subsidiaries, involved in the excluded activities. The policy was first approved by AIB’s Board in October 2020 and since 29 January 2021 this rule applies to all business customers with a Gross Connected Exposure of >£/€300k and who are relationship-managed. The policy was approved by the Board.

FW-FS4.3

(FW-FS4.3) Does your organization provide financing and/or insurance to smallholders in the agricultural commodity supply chain?

	Provide financing and/or insurance to smallholders in the agricultural commodity supply chain	Agricultural commodity	Primary reason for not providing finance and/or insurance to smallholders	Explain why your organization does not provide finance/insurance to smallholders and any plans to change this in the future
Row 1	Yes	Timber products Cattle products	<Not Applicable>	<Not Applicable>

FW-FS4.3a

(FW-FS4.3a) Describe how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity.

Timber products

Financial service provided
Banking

Smallholder financing/insurance approach

Other smallholder engagement approaches
Organizing capacity building events
Disseminating technical materials

Number of smallholders supported

Explain how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity

Cattle products

Financial service provided
Banking

Smallholder financing/insurance approach
Use of government subsidized schemes
Long term financing/insurance contracts

Other smallholder engagement approaches
Organizing capacity building events
Disseminating technical materials

Number of smallholders supported

Explain how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity

FW-FS4.4

(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?

	External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Explain why you do not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area
Forests	Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact this issue area Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact this issue area	<Not Applicable>	<Not Applicable>
Water	Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact this issue area Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact this issue area	<Not Applicable>	<Not Applicable>

FW-FS5.1

(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?

	We measure our portfolio impact on this issue area	Explain how your organization measures its portfolio impact on this issue area, including any metrics used to quantify impact	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Banking – Impact on Forests	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	Important but not an immediate priority
Banking – Impact on Water	Yes	The physical risk quantification exercise focused on AIB's ROI Residential Mortgage book to begin to quantify the effect of flood risk, and went on to assess the Commercial Real Estate book and AIB's own properties. A physical risk prototype has been developed to convert climate scenarios into scenario adjusted LTVs to understand the impact on house prices as a result of increased flooding frequency.	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS5.2

(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Lending to companies operating in the timber products supply chain	Yes	Yes	<Not Applicable>
Lending to companies operating in the palm oil products supply chain	No	<Not Applicable>	<Not Applicable>
Lending to companies operating in the cattle products supply chain	Yes	Yes	<Not Applicable>
Lending to companies operating in the soy supply chain	No	<Not Applicable>	<Not Applicable>
Lending to companies operating in the rubber supply chain	No	<Not Applicable>	<Not Applicable>
Lending to companies operating in the cocoa supply chain	No	<Not Applicable>	<Not Applicable>
Lending to companies operating in the coffee supply chain	No	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS5.2a

(FW-FS5.2a) For each portfolio activity, state the value of your financing and/or insurance of companies operating in forests risk commodity supply chains in the reporting year.

Lending to companies operating in the timber products supply chain

Forest risk commodity supply chain stage coverage

Production
Processing
Trading
Manufacturing
Retailing

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

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

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

<Not Applicable>

Percentage portfolio value

Lending to companies operating in the cattle products supply chain

Forest risk commodity supply chain stage coverage

Production
Processing
Trading
Manufacturing

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

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

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

<Not Applicable>

Percentage portfolio value

FW-FS5.3

(FW-FS5.3) Indicate whether you measure the percentage of clients/investees compliant with your forests- and/or water-related requirements stated in question FW-FS3.5, and provide details.

Portfolio
Banking (Bank)

Issue area(s) the requirements cover
Water Security

Forests risk commodity covered by the requirements
Please select

Commodities with a critical impact on water security covered by the requirements
<Not Applicable>

Measurement of proportion of clients/investees compliant with forests- or water-related requirements
No, and we do not plan to measure this in the next two years

Metric used for compliance with forests-related requirements
<Not Applicable>

Metric used for compliance with water-related requirements
<Not Applicable>

% clients/investees compliant with forests- or water-related requirements
<Not Applicable>

% portfolio value that is compliant with forest- or water-related requirements
<Not Applicable>

Target year for 100% compliance
<Not Applicable>

Explain why your organization does not measure the % of clients/investees compliant with forests- or water-related requirements, and any plans to address this in the future

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Portfolio
Banking (Bank)

Issue area(s) the requirements cover
Forests

Forests risk commodity covered by the requirements
Please select

Commodities with a critical impact on water security covered by the requirements
<Not Applicable>

Measurement of proportion of clients/investees compliant with forests- or water-related requirements
No, and we do not plan to measure this in the next two years

Metric used for compliance with forests-related requirements
<Not Applicable>

Metric used for compliance with water-related requirements
<Not Applicable>

% clients/investees compliant with forests- or water-related requirements
<Not Applicable>

% portfolio value that is compliant with forest- or water-related requirements
<Not Applicable>

Target year for 100% compliance
<Not Applicable>

Explain why your organization does not measure the % of clients/investees compliant with forests- or water-related requirements, and any plans to address this in the future

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FW-FS6.1

(FW-FS6.1) Have you published information about your organization's response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Focus of the Publication
Water Security

Publication
In a voluntary sustainability report

Status
Complete

Attach the document
https://aib.ie/content/dam/frontdoor/personal/sustainability/AIB-sustainability-report-2022.pdf

Page/Section reference
AIB Group FY2022 Annual Financial Report - Physical & Transition risks page 32 - 35 and Water, Land use & ecological sensitivity page 43
AIB Group FY2022 Sustainability Report - Water, biodiversity & ecological sensitivity page and Green procurement page 23

Content elements
Governance
Strategy
Risks and opportunities
Response to forests- and/or water-related risks and opportunities

Comment

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

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

Please confirm below
I have read and accept the applicable Terms

Verification statement

To the stakeholders of AIB Group plc

EcoAct, an Eviden business, was engaged by AIB Group plc (hereinafter referred to as AIB) at 10 Molesworth Street, Dublin D02 R126 to provide independent third-party verification of its direct (Scope 1) and indirect (Scope 2 and selected Scope 3 categories) greenhouse gas emissions as detailed in the company's carbon footprint calculation for the period 1st of January to 31st of December 2022.

Objective & responsibilities

The objective of this verification was to confirm whether the GHG statements as reported in AIB's Annual Report for FY22 were fairly stated and free from material error or omission in accordance with the criteria outlined below.

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

Criteria

- Calculation methodology: World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol);
- Reference methodologies: UK Government Conversion Factors for greenhouse gas (GHG) reporting 2022 (BEIS – Department for Business, Energy & Industries Strategy), the Sustainable Energy Authority of Ireland 2022, and other emissions factors as required.

Level of Verification and Materiality

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

The organisational boundary of AIB was established as including its operational sites in FY22. AIB uses the operational control approach for the consolidation of its emissions totals. The verification team reviewed the source data from AIB's GHG Emissions report, to identify emissions sources material to the carbon footprint.

Verification Opinion

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

AIB's Carbon Emissions sources	FY2022 Emissions (tCO_2e)
Scope 1 Emissions	**3,200**
Scope 2 Emissions (location-based)	**5,963**
Scope 2 Emissions (market-based)	**226**
Total Scope 1 and 2 (Location-Based)	**9,163**

Scope 3 Cat. 1 - Purchased goods and services[1]	2,572
Scope 3 Cat. 2 - Capital goods[2]	1,045
Scope 3 Cat. 3 – Fuel- and Energy-Related Activities (Not included in Scope 1 or Scope 2)	3,342
Scope 3 Cat. 5 – Waste	13
Scope 3 Cat. 6 - Business Travel	1,556
Scope 3 Cat. 7 – Employee commuting	5,346
Total Scope 3[3]	**13,873[5]**
Total tCO_2e scope 1,2 and 3 (location-based)	**23,037**
Total tCO_2e scope 1,2 and 3 (market-based)	**17,300**
Outside-of-scopes emissions[4]	**31**

Description of activities

In accordance with the Limited Verification requirement, EcoAct selected and verified sufficient and appropriate evidence, data and calculations to form the basis of our verification opinion. Selected data for verification included: Scope 1 emissions (combustion of fuels and refrigerants), Scope 2 emissions (electricity) and Scope 3 emissions (Purchased Goods and Services, Capital Goods, Fuel and energy-related activities, Waste generated in operations, Business travel and Employee commuting).

The verification of AIB's emissions-related information was conducted through the review of selected primary and secondary evidence and the testing of its emissions calculations. We engaged closely with the persons responsible for entering data and reporting at AIB to discuss systems, processes and methodologies used to compile the GHG report for FY22.

Amendments to the carbon footprint calculation, to correct minor data discrepancies, were made during the verification process by the AIB team prior to the finalization of the GHG emissions totals. These discrepancies were not material to the data reported above. The final, verified emissions total was **23,037 tCO_2e**.

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

Verified by

Saskia Hassefras
Managing Consultant

Independent review by

Gavin Tivey
Principal Consultant

[1] Only purchased paper and data centre electricity is in scope of AIB's category 1 emissions.
[2] Emissions related to IT equipment.
[3] Excludes emissions from Water Supply (Cat. 1) and Water Treatment (Cat. 5) which were not verified as FY22 data was not yet available.
[4] Biogenic emissions from biofuel.
[5] All figures are rounded numbers, and this rounding causes the slight difference.

Statement of Independence

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