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Sustainability leader AIB is the first bank globally to secure a scientifically validated electricity generation maintenance target

- **Validation of maintenance target recognises existing low-carbon intensity of AIB's electricity generation loan book**
- **Financed emissions targets for 75% of the AIB loan book now validated by the Science Based Target Initiative (SBTi)**
- **AIB commended for aligning with the more ambitious Paris Agreement target to limit global warming to 1.5°C, currently the most ambitious pathway available from SBTi**

AIB Group is pleased to announce it has become 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.

As a leader in the sustainability sector, AIB has been a very active lender to renewable energy projects across Ireland, UK, Europe and more recently in the USA supporting onshore and offshore wind, solar and battery storage technologies. The fruits of this green lending are reflected in the very low carbon emissions intensity from the bank's electricity generation portfolio which is estimated to be c. 10-15 times lower than peer banks.

SBTi has now validated AIB's target of maintaining its emissions from electricity generation at these extraordinarily low levels. The electricity generation portfolio is one of the fastest growing parts of AIB's lending portfolio representing a material part of AIB's €10bn Climate Action Fund.

AIB Group has also obtained validation from the SBTi for the financed emissions targets it has set for 75% of its lending portfolio. The bank is aiming for a reduction in emissions intensity of 58% per square metre on homes funded by €29.4 billion of residential mortgages and 67% per square metre on commercial real estate funded by €5.6 billion of loans.¹

By setting these targets, AIB is aligning with global banking best practice and the most ambitious Paris Agreement target to limit the global average temperature increase to 1.5°C above pre-industrial levels. SBTi has commended AIB's 1.5°C aligned target, currently the most ambitious available through the SBTi process.

AIB CEO Colin Hunt said: "The International Panel on Climate Change reminded us in recent weeks that while it may still be still possible to limit the global temperature rise to 1.5°C, the world is skating on thin ice and that ice is melting fast. At AIB, we have set ambitious goals for our loan book and our own operations to meet the challenge of climate change head-on. We know that enabling our customers to lower their carbon footprint is a priority that can only be achieved through major investment in energy and climate action infrastructure, while supporting our personal customers with

discounted mortgages to buy energy efficient homes and green personal loans to fund retrofits or the purchase of electric vehicles.

“Already in 2022, AIB’s green lending book accounted for 26% of all new lending reflecting our sustained focus on giving customers more choice and making it easier for them go green. We are pleased that our ambitious financed emission targets have now been independently validated giving our stakeholders further independent assurance on our pathway to deliver our ambition that green or transition lending will account for 70 per cent of new lending by 2030. In terms of becoming net zero on our own operations by 2030, we last year signed a Corporate Power Purchase Agreement (CPPA) with NTR plc to source energy generated from two new solar farms in Co Wexford which will provide up to 80% of AIB Group’s electricity needs.”

Notes to Editors:

¹ The figures are based on the group lending portfolio at year end December 2021. The baseline emissions intensity maintenance target for AIB’s electricity generation portfolio has been set at 21 gCO²e/kWh. Carbon intensity is a measure of how clean electricity is. It refers to how many grams of carbon dioxide (CO₂) are released to produce a kilowatt hour (kWh) of electricity.

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About the Science Based Targets initiative

The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. It is focused on accelerating companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050. The SBTi defines and promotes best practice in science-based target setting, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies’ targets. See www.sciencebasedtargets.org

About AIB Group

AIB Group operates predominantly in Ireland and the United Kingdom. The Group’s shares are quoted on the Irish and London stock exchanges and the bank is a member of the FTSE4Good Index. Its three core operating segments are Retail Banking, Capital Markets and AIB UK. Progressing the sustainability agenda is a strategic priority and AIB enjoys very favourable ratings from external Environmental Social and Governance (ESG) agencies such as S&P Global enabling the bank to attract quality global investors when it issues green and social bonds. AIB was the first Irish bank to issue green bonds and is the only Irish bank to have issued social bonds, having issued €5 billion in green and social bonds to date.

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