



19th March 2023

AIB sets ambitious financed emissions targets for €43.5 billion of loans representing 75% of its loan book – 2022 Sustainability Report

- **AIB to source 100% of its energy from renewable sources by 2030, including c. 80% from two new solar farms this year**
- **Sets target of €800m for social housing finance by 2024**
- **Opened 12,000 accounts for Ukrainians last year**
- **Has issued €5 billion of green and social bonds to date**

In a further demonstration of its commitment to lead the sustainability agenda in financial services in Ireland, AIB Group has set ambitious carbon reduction targets for c.€43.5 billion of its customer loans representing 75% of its lending portfolio. 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.

AIB's 2022 Sustainability Report discloses for the first time the extent to which AIB will significantly reduce carbon emissions on its residential mortgages, commercial real estate and corporate loan books by 2030. For example, 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

AIB's electricity generation portfolio is primarily comprised of renewable energy assets such as offshore wind and is already at a very low level of emissions intensity aligned to decarbonisation pathways that deliver a 1.5°C outcome. AIB has committed to maintaining this part of the book at these very low levels.

Business areas in the bank will this year be required to develop transition plans to support the delivery of these new "Financed Emission Targets" including ensuring that the bank continues to provide appropriate products and services, education and training to support customers in the transition to a lower carbon future.

Speaking at the launch of the AIB Sustainability Report, AIB Chief Sustainability and Corporate Affairs Officer Mary Whitelaw said: "Tackling climate change is the major challenge facing our generation. We firmly believe that enabling our customers to lower their carbon footprint over the short, medium and long term is a priority than can only be achieved through major investment in energy and climate action infrastructure. AIB's new green lending grew by 65% to €3.3 billion in 2022 accounting for 26% of all new lending, while our green mortgage products represented 28% of new mortgage lending. We are now further aligning ourselves with the global sustainability agenda by pledging to do more to ensure that 70% of our new lending will be green or transition by 2030. We firmly believe that what gets measured gets done, and by publishing our Seventh Annual Sustainability Report we continue to hold ourselves accountable to our stakeholders by reporting on the delivery of our Environmental, Social and Governance (ESG) commitments and setting increasingly ambitious targets."

Already last year, AIB introduced discounted loans for residential developers who adhere to a new Irish Green Building Council benchmark which sets higher green building standards than are required under current building regulations. Also last year, the bank enhanced its green personal loan for consumers wishing to make green home improvements or to purchase new electric/hybrid vehicles, while it has since 2019 been offering discounted green mortgages for customers purchasing homes with a BER energy rating of B3 or higher.

AIB has also been leading by example when it comes to reducing its own carbon footprint after it last year entered into a Corporate Power Purchase Agreement (CPPA) with NTR plc to source energy generated from two dedicated solar farms under construction in Co. Wexford. This will provide up to 80% of AIB's own electricity needs helping the bank to deliver on its commitment to source 100% of its power requirements from certified renewable energy sources by 2030.

Meeting social needs

Elsewhere, the report highlights AIB's target to provide €800 million in finance for social housing by the end of 2024 with €437 million already allocated.

Responding to the refugee crisis triggered by the war in Ukraine, the bank opened c. 12,000 Ukrainian bank accounts in 2022 - more than any other Irish bank - by making the account opening process as easy as possible for people coming to Ireland after fleeing the war. This included establishing an account opening process for those without standard documentation, prioritising account opening in-branch, extending remote account opening to Ukrainian passport holders, publishing Account Opening Guides in Ukrainian and Russian and introducing a Direct Helpline with Ukrainian speaking employees. Separately, AIB provided matched funding for its employees, encouraging fundraising to support charitable organisations including GOAL's Ukraine Emergency Fund.

AIB enjoys very favourable ratings from external ESG ratings 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. Last year, the bank issued €1.5 billion of green bonds and €1 billion of social bonds. The bank also issued a €750m social bond in January 2023.

Notes to Editors:

¹ The figures are based on the group lending portfolio at the December 2021 year end.

² Further details on the Paris Agreement can be found [here](#).

³ Further information is contained in the [AIB Sustainability Report 2022](#)