

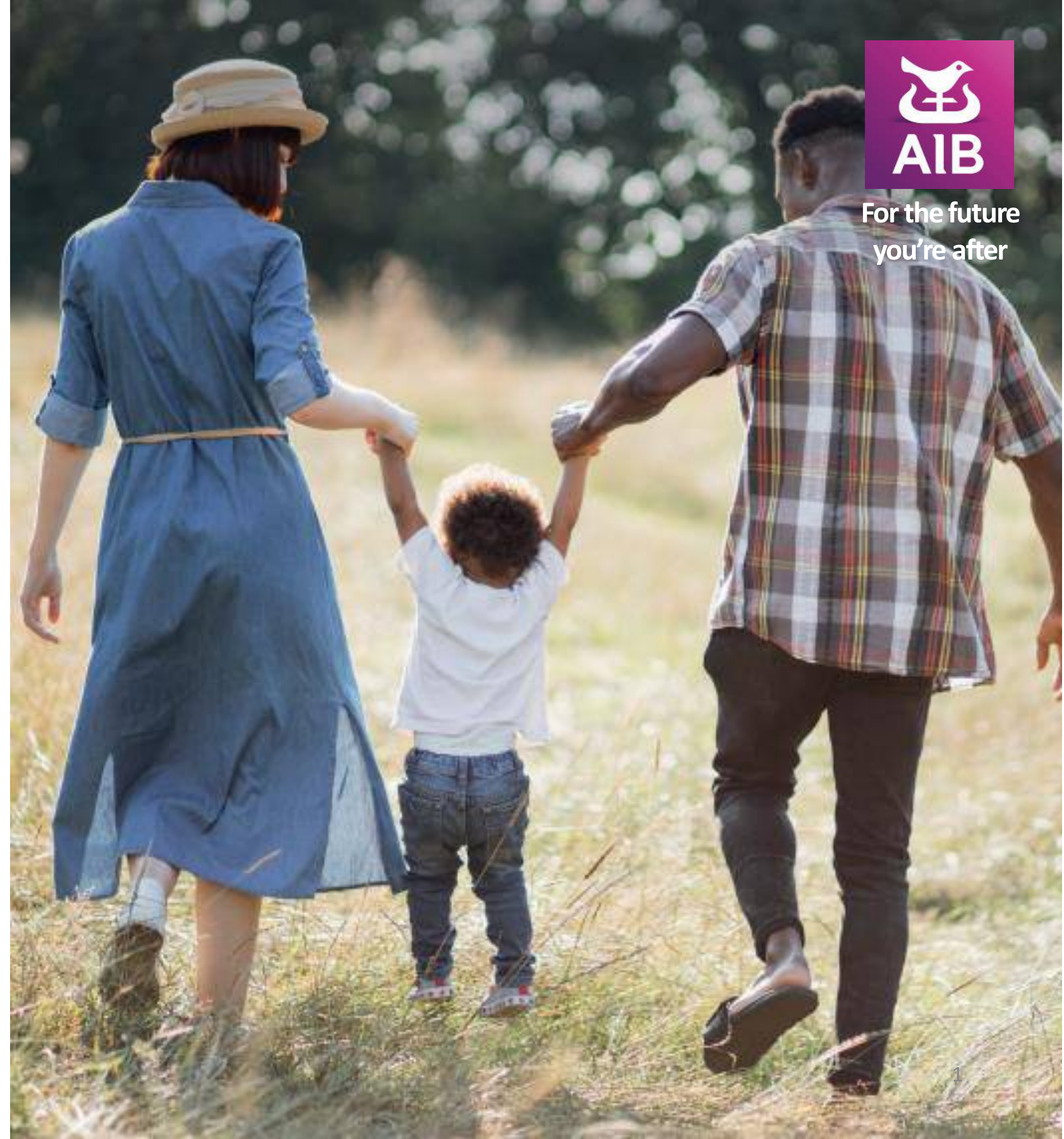
AIB Group plc

Social Bond Investor Presentation

April 2024



For the future
you're after



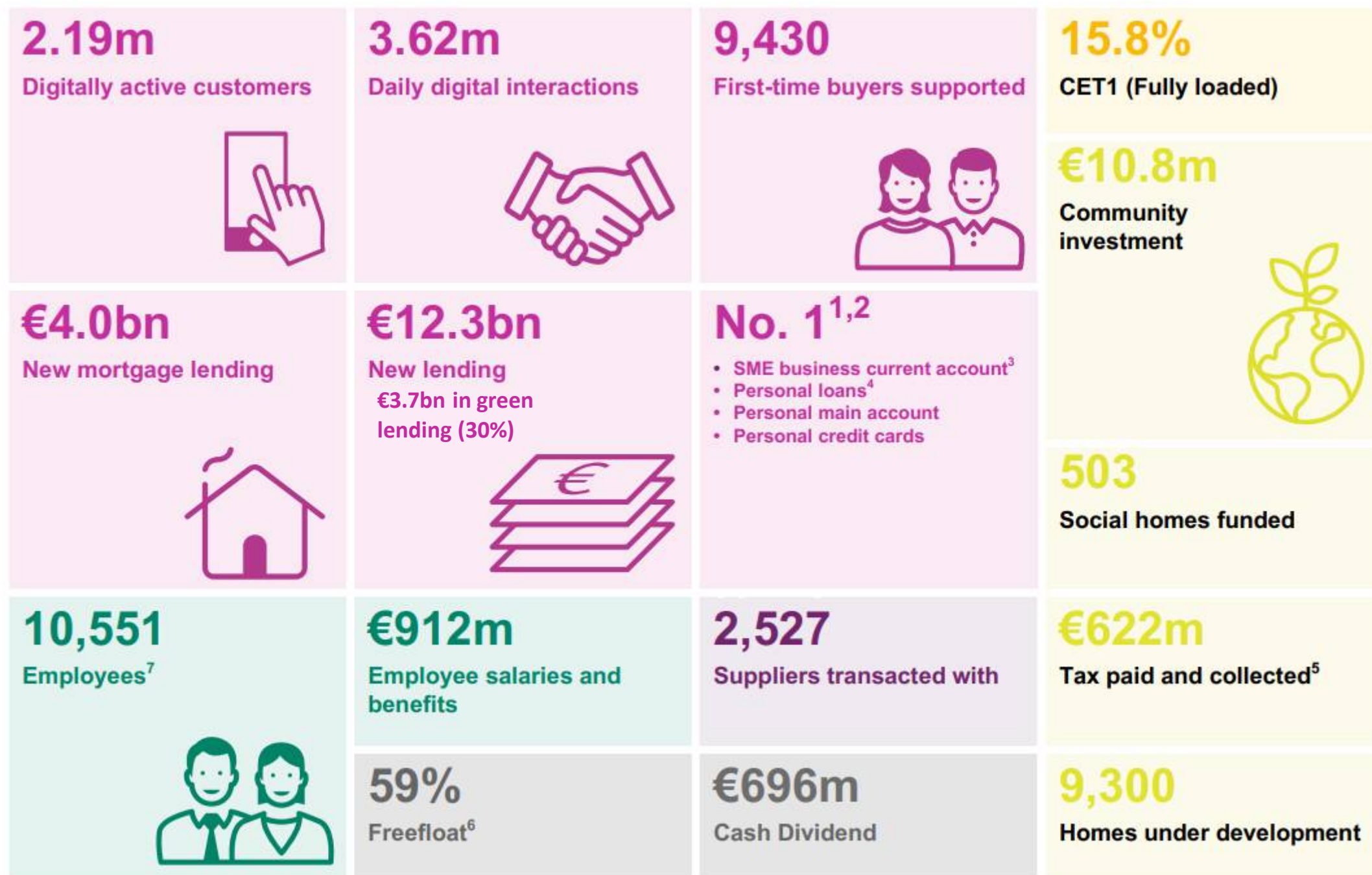
Contents

	Page #
• Sustainability Strategy, Targets & Progress	3
• Journey to Net Zero	6
<i>Own Operations & Financed Emissions (Scope 1, 2 & 3)</i>	
<i>Climate and Environment Risk</i>	
<i>ESG Customer Propositions</i>	
• ESG Ratings	11
• Social Bond Framework & SPO	13
• Allocation and Impact Reporting	20
• Appendix	23
<i>Sector Transition Pathways</i>	
<i>Agriculture</i>	
<i>Biodiversity & Nature Positive</i>	
<i>Governance</i>	
<i>Commitments, Memberships & Partnerships</i>	
<i>Our Policies and Frameworks</i>	
<i>Impact Reporting – SME Financing</i>	



Backing a Sustainable Future – FY2023




Helping to deliver a more sustainable future for all is at the heart of AIB's agenda



As a recognised leader of sustainability in Ireland and through our Pledge to Do More, we are committed to building long-term resilience and sustainability for our business, economy and society.

- As Ireland's biggest bank, we have significant reach into the heart of society, creating value and making impact through our activities – enhancing livelihoods, supporting homemakers, promoting job creation, and enabling communities and society to flourish.
- Our scale and reach confer upon us a responsibility and duty of care towards our customers and the communities we serve. It challenges us to set the pace of a sustainable low-carbon transition, while bringing our customers and stakeholders with us, supporting social and economic inclusion.
- Sustainable Communities is a key pillar of our Group strategy across our three areas of focus: Climate & Environment; Economic & Social Inclusion; and Future Proof Business.

Key to Stakeholder Groups

-  Our customers
-  Our employees
-  Our suppliers
-  Our investors
-  Regulators
-  Society and community

1 Information as at 15 January 2024.

2 Customer Data Points source: Ipsos Personal Finance Market Pulse 2023.

3 SMEs Market Monitor 2023 (Ipsos B&A on behalf of AIB).

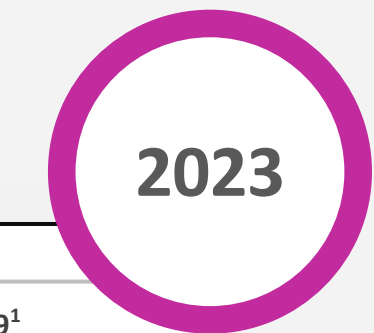
4 Personal lending (excl. car loans) among banks.

5 'Tax paid' (€349m) refers to taxes borne by the Group, including corporate tax, bank levy, employer social insurance and ir recoverable VAT. 'Tax collected' (€273m) comprises taxes collected from employees, customers and shareholders.

6 Freefloat shares represent the number of AIB shares that aren't restricted and can be publicly traded.

7 AIB Group employees, including Goodbody & Payzone. Staff numbers are on a full time equivalent (FTE) basis.

ESG Progress to year end 2023



PLEDGE TO DO MORE

- €5bn Climate Action Fund launched
- Green Mortgage
- 1st Green Bond Framework published
- Founding Signatory of UNEP FI PRB | Supporter of TCFD
- Sustainable Communities as strategic pillar



NET ZERO TARGETS AND AMBITIONS

- Net Zero commitment by 2030 | 70% new lending to be green or transition by 2030
- 1st Irish bank to issue a Green Bond €1bn
- €300m Social Housing Fund
- Gender balanced board and ExCo
- Excluded Activities List | Responsible Supplier Code | Human Rights Commitment



ESG LEADERSHIP RATINGS (MSCI, SUSTAINALYTICS & S&P)

- Climate Action Fund doubled to €10bn
- Internal Emissions Reduction targets set
- Social Housing Fund increased to €800m
- UN Global Compact | NZBA | Equator Principles
- Sustainable Lending Framework & ESG Questionnaire launched



DELIVERING ON OUR STRATEGY

- Corporate Power Purchase Agreement signed to support 80% of AIB energy needs
- Financed emissions targets set for 75% of loan book
- 1st Irish bank to issue a Social Bond €1bn
- AIB Community €1 Million Fund to support 70 local charities
- Inclusion of enhanced TCFD disclosures within Annual Financial Report
- Gold 'Investors in Diversity' | Enhance Inclusion & Diversity strategy launched

For more information on AIB's sustainability progress, see [here](#).

Impact area	Targets	Performance at year end 2023
	2023: 10bn Climate Action Fund in new green & transitional lending (€2bn per year)	€11.6bn in Green lending since 2019¹ €3.7bn Green lending in 2023
	2030: Net zero in our operations	17% Reduction in operational emissions² in 2023 49% Reduction since 2019
	2040: Net zero ambition financed emissions Customer portfolio lending (Agriculture by 2050)	Financed emissions targets set for 75% of loan book
	2024: 800m Finance for social housing	€548m allocated since 2021 €91m finance for social housing in 2023
	2023: 500k Customers supported in financial literacy	550k Customers supported in financial literacy
	Ongoing: AIB in our community Ongoing strategic focus	€10.8m Supporting community causes
	2023: +53 Transactional NPS³	+45 Transactional NPS
	2023:>2.25m Digitally active customers	2.19m Digitally active customers
	Ongoing: Gender balanced⁴ Management On Group Board	Gender balance maintained

¹ In H2 2023, our new green lending definition was expanded to include new mortgage lending to energy efficient homes (BER A1-B2 / APC A-B), aligned to our Sustainable Lending Framework (SLF). Our green mortgage products may include lending to homes with a B3 BER rating. The SLF is an internal AIB Framework that outlines the key parameters on which a transaction can be classified as green. This expanded definition has been applied to all relevant lending activity for the full year.

² Absolute Scope 1 & 2 GHG emissions.

³ Transactional Net Promoter Score (NPS) is an aggregation of 20 customer journeys across Homes, Personal, SME, Digital, Retail, Direct and Day-to-Day Banking in ROI. Customer First is a core pillar of AIB's strategy and we know that we have more to do. We have taken on board our customers' feedback and recorded strong gains in 2023 and we remain committed to enhancing customer experiences in 2024 and beyond.

⁴ The Equileap annual Gender Equality Global Report and Ranking equates gender balances with between 40% and 60% women.

In 2020, we set out our longer-term ambitions in relation to achieving Net Zero in our own operations in our customer lending portfolio. As we embark on our next three-year strategic cycle, sustainability is proudly part of our everyday. Please see details of our Sustainability Strategy for 2024-2026 overleaf.

Our Sustainability Strategy 2024-2026

With a new segment dedicated to Climate Capital from 2024, sustainability remains at the very core of AIB Group's strategy. Our Climate Capital segment, alongside our other segments, will increase our capability, support business growth, and demonstrate our position as a driving force in the transition to a zero-carbon future.

Our purpose	Empowering people to build a sustainable future		
ESG Strategic Pillars	Climate & Environmental Action 	Societal & Workforce Progress 	Governance & Responsible Business 
Areas of Focus	<ul style="list-style-type: none"> ▪ Lend responsibly and steer our portfolio towards net zero by 2040 (Agriculture by 2050). ▪ Reach net zero in our own operations by 2030. ▪ Increase consideration and management of climate- and environmental- related risks. ▪ Contribute to protecting nature and safeguarding natural ecosystems/habitats. 	<ul style="list-style-type: none"> ▪ Put our customers first, always treating them fairly and with respect. ▪ Continue to proactively contribute to a robust and sustainable future economy and society. ▪ Empower own workforce and foster a safe, inclusive and supportive work environment. ▪ Positively support sustainable communities and local initiatives. 	<ul style="list-style-type: none"> ▪ Facilitate a culture that promotes our values and fosters engagement. ▪ Board and Management to work to the highest standards to deliver long-term value. ▪ Operate responsibly at all levels, while managing cybersecurity, data security and operational resilience risks.
Alignment with UN SDGs*	   	  	
Some key measures of how we bring our ESG Strategy to life	<ul style="list-style-type: none"> ▪ We have increased our existing Climate Action Fund from €10bn (by end 2023) to a cumulative €30bn by 2030. ▪ We aim to have 70% of new lending to be Green or Transition by 2030. 	<ul style="list-style-type: none"> ▪ We will build a brighter and fairer future for our customers by lending more than €6bn to first-time buyers by 2026. ▪ We will continue to support sustainable communities and local initiatives through AIB's community fund and charity donations. 	<ul style="list-style-type: none"> ▪ We will act responsibly and build an inclusive workforce that reflects our culture and promotes our values. ▪ We will further improve our efforts to manage cyber security, data security and operational resilience risks, protecting customers and the bank.







*While AIB supports all 17 United Nations Sustainable Development Goals, we believe we can make the most sustained and scalable impact in those listed above.



Journey to Net Zero: Scope 1 & 2

In 2020, AIB became the first Irish bank to pledge to operate as carbon neutral by 2030, using a net zero approach

Transitioning our own operations to net zero by 2030 – aligned to 1.5°C target

Targets	1	2	3
	Increase sourcing of renewable energy to 100%	Reduce absolute Scope 1 GHG emissions by 34% by 2027	Full electrification of AIB functional car fleet by 2027 (internal target)
			
Actions	vCPPA will significantly contribute to AIB's power needs	(44)% reduction in absolute Scope 1 GHG emissions since 2019*	At the end of 2023, 47% of the fleet was EV, 4% was PHEV (plug-in hybrid) and 40% was hybrid
			

*Based on verification exercise in February 2024. To align with our financial reporting, data was extrapolated to account for the 12 month of the reporting period.

Emissions Targets

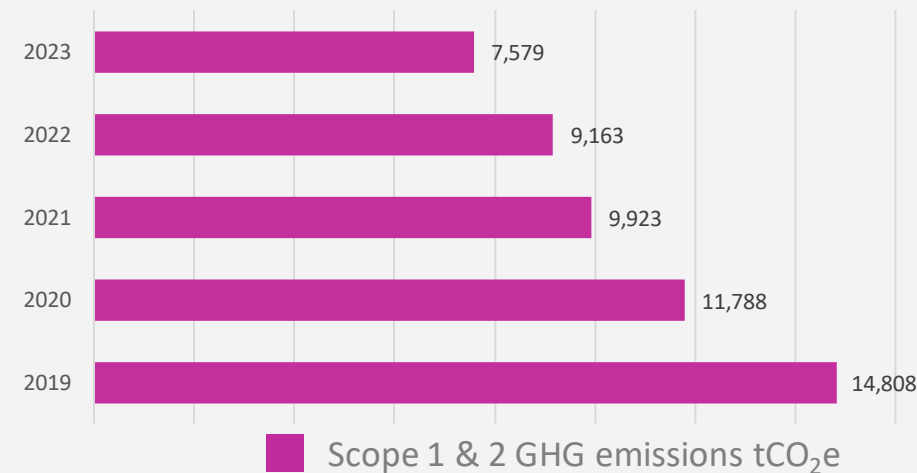
The emissions targets we have set and validated for our own operations are (using 2019 as our baseline):

- Reduce our absolute Scope 1 GHG emission by (34%) by 2027; and
- Increase our annual sourcing of renewable electricity to 100% by 2030.

Operational Emissions Progress

Since 2019, we have:

- Reduced our absolute Scope 1 GHG emission by (44%); and
- Reduced our overall Scope 1 & 2 emissions by (49)%.



AIB's carbon footprint, as verified in February 2024, shows a significant 49% reduction in Scope 1 & 2 emissions from 2019 to 2023. This includes a year-on-year reduction of 17% in operational emissions across the estate. Fleet emissions reduced by 14%. In addition, electricity, gas and oil consumption showed 18%, 20% and 19% reductions respectively.

Absolute GHG Emissions (tCO ₂ e) ^a		2023	2022	2021	Baseline Emissions	Baseline Year
Scope 1:	Direct emissions	2,670	3,200	3,978	4,784	2019
Scope 2 ^b :	Indirect emissions	4,909	5,963	5,945	10,025	2019
Total Absolute Scope 1 & 2 GHG emissions		7,579	9,163	9,923	14,808	2019

a. For more detail on our GHG emissions, see page 100 of our Detailed Sustainability Report 2023, [here](#).

b. Scope 2 emissions are location-based

For detail on our Scope 3 emissions see pp. 22-23 of our Detailed Sustainability Report 2023, [here](#).

virtual Corporate Power Purchase Agreement



In 2021, AIB entered into a virtual Corporate Power Purchase Agreement (vCPPA) with NTR plc. This resulted in the construction of two solar farms, in 2022, helping AIB meet its target of delivering on 100% of estimated electrical needs sourced from certified renewable sources by 2030.

The two County Wexford based solar farms will deliver energy to the Group along with supplying the national grid with 21.4 GWh of new renewable energy.

Journey to Net Zero: Scope 3

Supporting customers in the transition to a greener future, we are targeting 70% of new lending to be green or transition, by 2030, and for our entire lending portfolio to be net zero by 2040 (agri by 2050)



Supporting our Customers to achieve their net zero ambitions

- Amplification of **ESG leadership**
- **New** dedicated green-financing segment '**Climate Capital**' and a new ExCo position created, MD of Climate Capital.
- Ambition to be a **market leader in financing energy transition & ESG infrastructure**
 - Focus on solar PV, onshore wind and offshore wind in Europe, the UK and North America
- **€30bn Climate Action Fund** to support transition to a low-carbon economy
- **€3.7bn of green lending in 2023** (30% of new lending)



During 2023, Goodbody acquired Clearstream, Ireland's leading corporate climate and sustainability services provider, to further support customers in the transition.

In 2022, we set financed emissions targets for three sectors using a Sector Decarbonisation Approach (SDA), and a fourth Corporate Portfolio Coverage Target.

SBTi validated targets for Residential Mortgages, Commercial Real Estate, and Electricity Generation, which cover 75%* of loan book.

* As at baseline of 2021



	% of loans 31.12.2021	Decarbonisation Scenario	2021 Baseline Financed Emissions (mtCO ₂ e)	2021 Baseline Emission Intensity/Emissions Targets Coverage (kgCO ₂ e/m ²)	% Reduction in Emissions/Emissions Targets coverage required by 2030
Residential Mortgages	50%	IEA 2021 NZE2050 (1.5°C)	1.30	40	(58)%
Commercial Real Estate	10%		1.20	135	(67)%
Electricity Generation	3%	Maintenance Target	0.07	21	Maintain
Corporate Portfolio Coverage (incl. Fossil Fuels)	12%	Emissions Targets coverage	n/a	12% of loans volume covered by emissions targets	54% loan value covered by emissions targets (while increasing loans covered by emissions targets from 12% to 54%)
Total Loan Portfolio Covered	75%		2.57 mtCO₂e		

- The % reduction required by 2030 is the % reduction in intensity required to meet the targets. The Corporate Portfolio Coverage target relates to counterparties with >500 employees, that have set validated science based targets. From a baseline of 12%, AIB have set a target to increase this to 54% by 2030.
- An intensity measure is a normalised metric that expresses emissions relative to economic output or size; this allows emissions reductions targets to be set while accounting for economic growth.

For more on our Sector Transition Pathways see Appendix

Climate & Environmental Risk Management (1/2)



Significant steps taken to analyse Physical & Transition Risks in 2023

The management of climate risk is integrated into our overall approach to risk management, as set out in our TCFD disclosures in our Annual Financial Report 2023. The below table summarises the risks identified as being impacted by climate-related risks (physical and transition risks) as well as the processes for managing these risks across the short, medium, and long-term horizons.

Principal Risks	Time Horizon			How are we responding?
	Short	Medium	Long	
Physical Risk	Conduct risk and Culture risk			Ensuring consideration of C&E risk within the conduct risk and culture risk processes.
	Credit risk			The Group utilises a physical risk heatmap to identify the primary physical risks it faces. Considerations in respect of the main physical risk identified from the heatmap is included in guidance for collateral valuation instructions, and in 2023 investment was made into a tool to assist identification of flood risk for new large commercial collateral property assets.
	Liquidity & Funding risk			Liquidity and funding risk includes C&E risk considerations to ensure that that the liquidity and funding profile is appropriate for its asset mix and a sufficient liquid buffer of appropriate quality is provided to protect the Group from any liquidity stresses
	Model risk			Model risk management ensures that climate model risk is appropriately managed within each stage of the model risk management lifecycle.
	Operational risk			The management of C&E risk takes place via the oversight and assurance of third-party suppliers, continuity and operational resilience risk management as well as the protection of staff, customers, visitors, contractors, consultants, agents, third parties and assets (including property) in all its locations and operations. This ensures adherence to statutory obligations with respect to health and safety as well as security industry standards and practices.

Principal Risks	Time Horizon			How are we responding?
	Short	Medium	Long	
Transition Risk	Business model risk			C&E risk is considered as a risk of not achieving the agreed Group's Strategy or approved business plan. This can be either as a result of an inadequate implementation of the plan, or the inability to secure the required investment.
	Conduct risk and Culture risk			Conduct risk and Culture risk includes the consideration of C&E risk when reviewing potential changes to services or propositions to ensure customer segments are not unfairly disadvantaged or negatively impacted as a result.
	Credit risk			The integration of C&E risk as a consideration within credit risk management policies and processes. For example the Group's ESG Questionnaire is incorporated into credit applications for customers in high C&E Risk transition sectors where new lending is over €/£300k.
	Model risk			On an ongoing basis, Group models are enhanced for climate risk including redevelopment of physical risk and transition risk models.
	Regulatory compliance risk			Regulatory compliance risk consider C&E risk when ensuring effective compliance with the applicable obligations which protects the Group's customers and its business.

For more on our approach to identifying and managing climate and environmental risks, see p196 of our Annual Finance Results 2023 [here](#) as well as of our Detailed Sustainability Report 2023, [here](#).

Climate & Environmental Risk Management (2/2)

Highlights of AIB's approach to managing Climate Risk

Recognising its importance as a key strategic pillar, as well as its potentially significant impact over time on the Group and wider society, the Board Risk Committee reviewed Climate and Environmental Risk in 2023, and recommended to the Board that it be considered as a material risk.

Climate Stress Testing

We commenced development of our Climate Stress Testing capabilities in 2021. In 2022, AIB completed all three modules of the ECB 2022 Climate Risk Stress Test. During 2023, the Group redeveloped its suite of Climate Stress Testing Models (which assess physical and transition risks) and formally approved the Group's Climate Stress Testing Framework, with climate stress tests now incorporated into the annual ICAAP assessment.

Physical Risk

We continue to focus on flood risk as the most significant acute and chronic physical risk and have developed initial metrics to better understand this risk for our property-related exposure. These metrics support the tracking of physical risk for our key property portfolios. Our approach is subject to further evolution based on industry developments and supervisory and regulatory expectations which continue to evolve over time. AIB's Non Financial Corporate (NFC) exposures sensitive to Flood risk secured on immovable property* is 3.2% (€ 0.28bn) in 2023.

Transition Risk

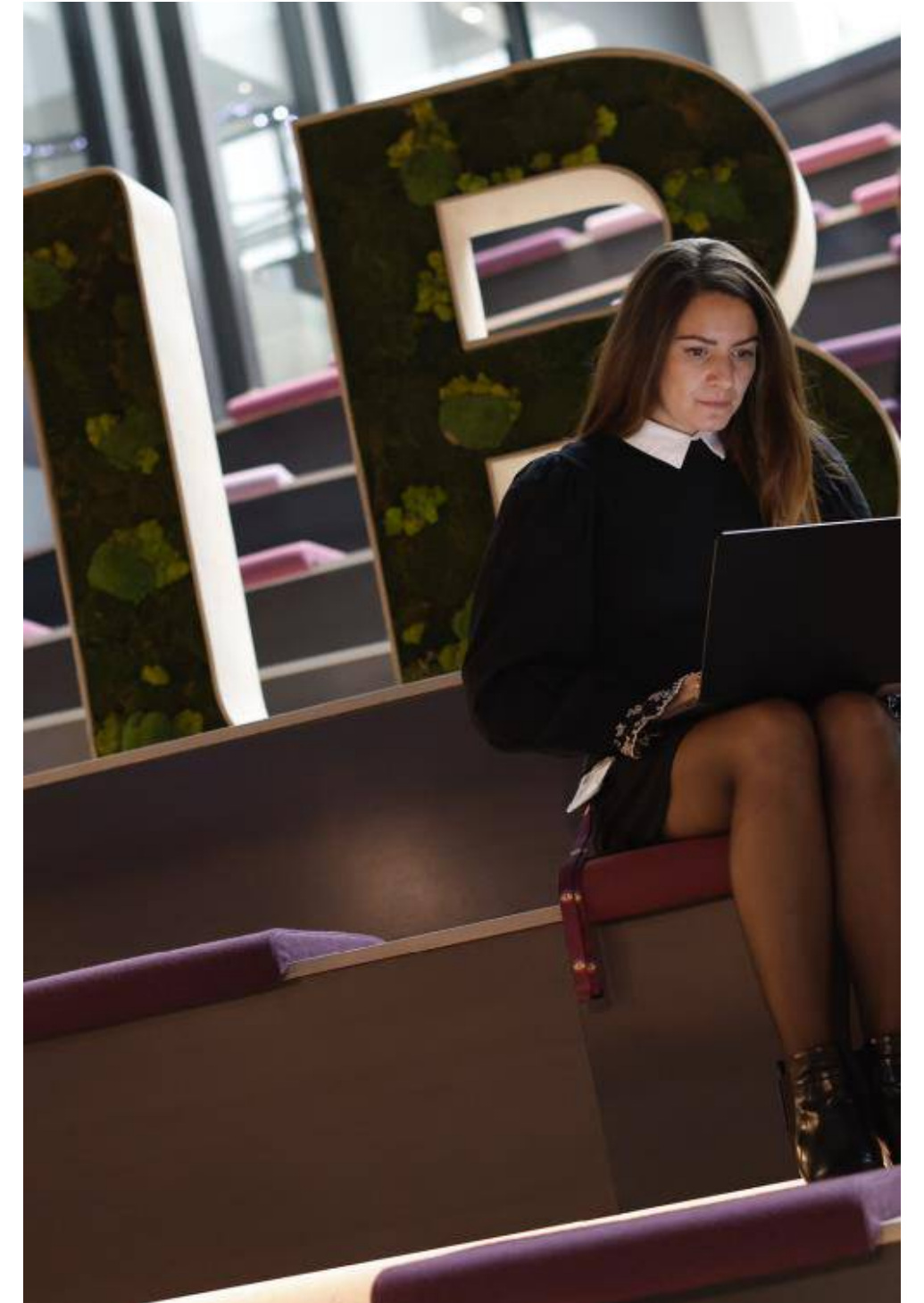
We require all new lending over £/€300k in high transition risk sectors to complete our ESG Questionnaire. We have deemed the following sectors/sub-sectors as most prone to transition risk (combined exposure ~8% of new lending in 2023):

- i. **Agriculture** – Dairy and Cattle Farming
- ii. **Manufacturing** – Food Processing
- iii. **Transport** – Road, rail and water
- iv. **Non-renewable energy**

ESG Questionnaire

In 2021, AIB established an ESG Questionnaire to incorporate ESG in to credit applications. In 2023, AIB used ESG Sectoral Risk heat-maps to identify additional high-risk sectors to enhance the scope of the questionnaire.

Additionally, the Group has incorporated an improved ESG Questionnaire into its supplier risk assessment process, which adds focus on reviewing responses and evidence from suppliers of establishing or achieving sustainability targets, sustainability reporting, and more.



**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. AIB Group plc Annual Financial Report 2023*

Market Leading ESG Customer Propositions & Disclosure Transparency

Propositions



Green Mortgage for energy efficient homes across AIB, Haven, EBS brands & UK



Widescale lending for projects in **Renewables, Housing, Healthcare, Education**



Green Personal Loan for retrofitting homes and Electric Vehicles



Sustainable Lending for Corporate customers who commit to ESG targets



Green & Social bonds to fund domestic and international projects aimed at emission reduction & social improvement



vCPPA places AIB as a corporate leader in Ireland to leverage decarbonisation capabilities & expertise



NiftiBusiness & Nifti Personal Leasing provides car leasing including sustainable options to businesses and personal customers



SBCI SME Sustainability focused loans



ESG Advisory Services

Ratings

12.7
Sustainalytics

AA
MSCI

61
S&P Global





A-
CDP

For more detail on ESG Ratings see overleaf.

ESG Ratings

AIB's Sustainability Performance Assessed by Key Agencies

Our performance continues to be recognised by independent ESG rating agencies where we hold leadership positions:

	<p>12.7</p>	<p>On 04 May 2023 AIB received an ESG Risk Rating of 12.7, was assessed by Morningstar Sustainalytics to be at Low Risk of experiencing material financial impacts from ESG factors and was ranked by Sustainalytics as 62 out of 987 Banks. AIB is also a Sustainalytics ESG Industry Top Rated and ESG Regional Top Rated company for 2023. **In no event the ESG Risk Rating shall be construed as investment advice or expert opinion as defined by the applicable legislation.</p>
	<p>AA</p>	<p>In Sept 2023, AIB received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment*</p>
	<p>61</p>	<p>In the 2023 Corporate Sustainability Assessment AIB achieved a score of 61/100 (2022: 70/100) which, as at 27 Oct 2023, placed us in the 91st percentile of banks (2022: 94th percentile). AIB is also listed as a member of the S&P Global Sustainability Yearbook 2023. The Yearbook aims to distinguish those companies within their industries that have each demonstrated their strengths in corporate sustainability. To be listed as a member, companies must be within the top 15% of their industry and must achieve an S&P Global ESG Score within 30% of their industry's top-performing company.</p>
	<p>A-</p>	<p>The international environmental impact non-profit organisation CDP highlighted AIB as a global leader in corporate climate action. AIB has achieved the Leadership rating since 2016 and was the only bank in Ireland or the UK to make the Global A list in 2020. To achieve this we've reduced our carbon footprint in our business and continue to increase our levels of disclosure on the impact of climate risks to our business. Every year AIB proactively responds to the CDP Climate Change questionnaire. Click here to view our 2023 response.</p>

For more information see www.aib.ie/sustainability/esg-ratings



FTSE4Good

Since July 2020 AIB has been a member of the FTSE4Good Index Series which identifies companies demonstrating strong environmental, social and governance practices measured against globally recognised standards, you can find out more [here](#).

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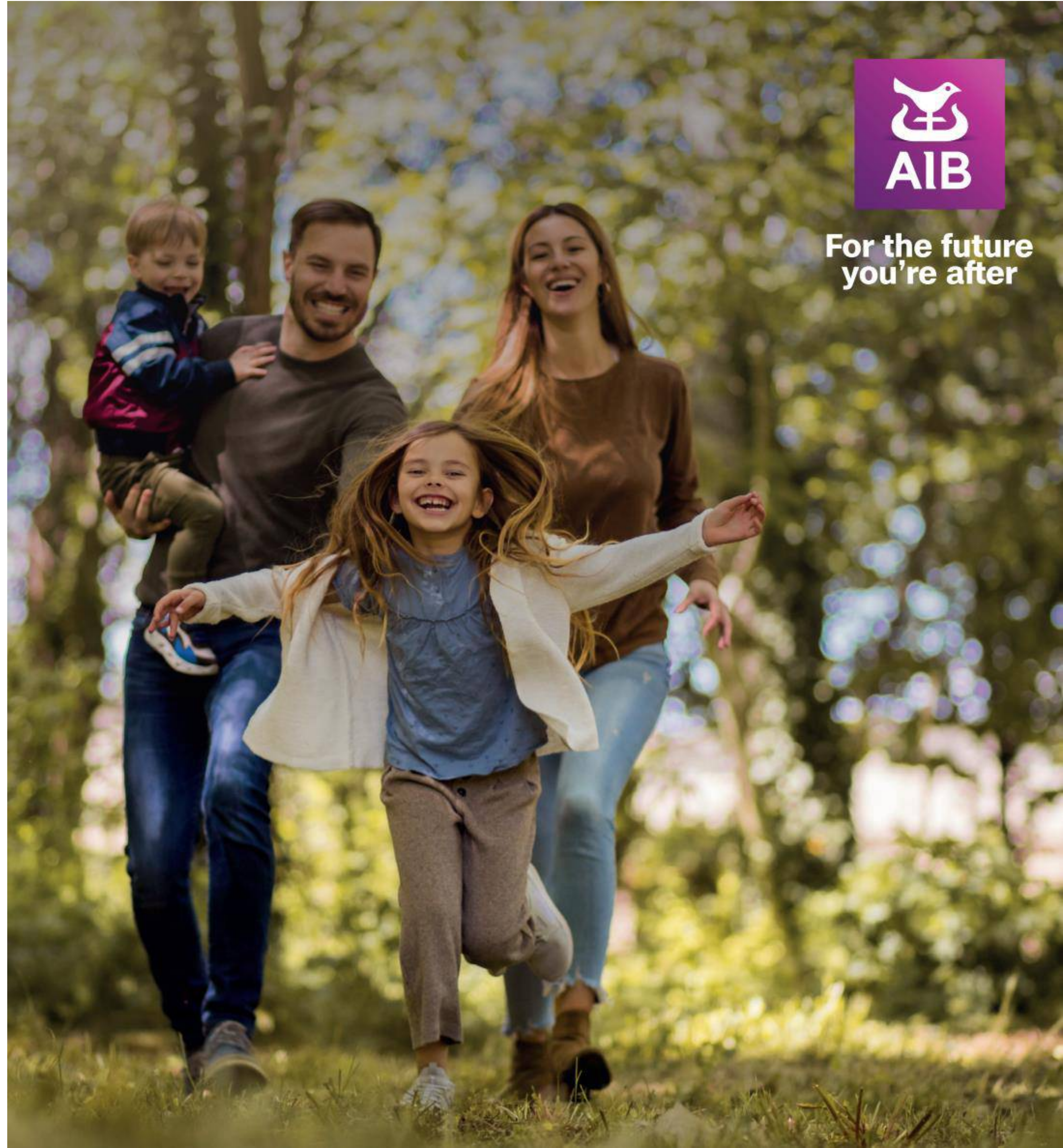
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AIB Social Bond Framework

April 2024



**For the future
you're after**



Social Bond Framework

Rationale

- Being a responsible member of society is a cornerstone of AIB's business. We believe that Social Bond financing offers a way to create transparency around funds targeted to provide positive societal impact and/or mitigate social problems.

1

Use of Proceeds



- AIB allocates the net proceeds of the Social Bonds to a loan portfolio of new and existing loans, the "Eligible Social Loan Portfolio"
- ✓ Access to Healthcare and Education
- ✓ Social and Affordable Housing
- ✓ SME Financing
- ✓ Affordable Basic Infrastructure
- ✓ Support to Non-Profit Organisations

2

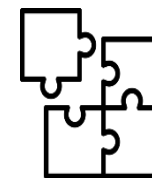
Project Evaluation & Selection



- Loans financed and/or refinanced are evaluated and selected based on compliance with the Eligibility Criteria, described in Use of Proceeds (UoP) section of the Social Bond Framework.
- A core team will assess project eligibility and allocation of proceeds to Eligible Social Loans.
- Bank-wide exclusion list and Social Bond specific exclusions.

3

Management of Proceeds



- The net proceeds from the Social Bonds will be managed by AIB on a portfolio basis, with loans selected in accordance with UoP criteria and the evaluation and selection process.
- AIB will track investments in eligible loans.

4

Reporting



- Allocation reporting: AIB prepares an annual report with the status of the allocation of AIB's Social Bond proceeds (at least at category level).
- Impact reporting: AIB reports annually on the impact of the Eligible Social Loan Portfolio, in conjunction with Cambridge Econometrics.



5

External Review



- AIB's Social Bond Framework has been reviewed by ISS Corporate, who has issued a positive Second Party Opinion.



- Verification: Mazars has produced a limited assurance report for FY 23 Allocations.

Use of Proceeds 2024

Social & Affordable Housing

Use of Proceeds

- a) **Housing organisations:** Loans to housing bodies, organisations and entities that enable the provision of affordable housing and provide greater access to social and affordable housing in accordance with accredited or registered social and affordable housing definitions, and/or contributes to enhanced access for low income residents or marginalised communities. Housing organisations are often not-for-profit charities. In general, they provide affordable rented housing for people who cannot afford to pay private sector rents or buy their own homes, or for particular groups, such as older people or homeless people
- b) **First Home Scheme:** Loans to individuals that enable the purchase of new build primary dwelling homes on a shared equity basis, subject to approval of the individual(s) participation in the scheme
- c) **Local Authority Affordable Purchase Scheme:** Loans to individuals that enable the purchase of local authority primary dwelling homes on a shared equity basis, subject to local authority approval of the individual(s) participation in the scheme-
- d) **Mortgage to rent:** Loans under the mortgage to rent scheme

UN SDGs



Access to Healthcare

Use of Proceeds

- a) **Healthcare facilities:** Loans dedicated to the financing of healthcare facilities such as hospitals and primary care facilities, affiliated to the relevant national healthcare system and schemes and/or broadly accessible by the general population, including facilities to treat specific physical and/or learning and cognitive deficit conditions, and rehabilitation services for drugs and alcohol related conditions
- b) **Residential care facilities:** Loans dedicated to the financing of residential care facilities for elderly people and people with specific health conditions (such as learning or physically disabled people), assisted living facilities and nursing homes, respectively affiliated with national residential care and nursing home schemes
- c) **“Pure-play” companies in healthcare:** Loans to “pure-play” companies in healthcare, defined in accordance with the 3-Step process described in Appendix 1 of the Framework

UN SDGs



Access to Education

Use of Proceeds

- a) **Education facilities:** Loans dedicated to the financing of education facilities such as schools, universities and 3rd level education facilities and vocational training centres
- b) **Student housing:** Loans to student housing organisations and providers
- c) **“Pure-play” companies in education:** Loans to “pure-play” companies in education, defined in accordance with the 3-Step process described in Appendix 1 of the Framework

UN SDGs



Support to Non-profits Organisations

Use of Proceeds

- a) **Non-profit organisations, associations, foundations:**
 - i. Redistribution from the food industry to the charity sector aimed at making safe, nutritious, and sufficient food available to low-income people and homeless people
 - ii. Offering safe shelter to people in need
 - iii. Sport activities for children

UN SDGs



SME Financing

Use of Proceeds

- SMEs within the bottom 30% of the Irish Deprivation Index** (methodology for selecting assets in Appendix 2 of the Framework)
- SMEs that are owned or led by women**
- SMEs affected by socioeconomic crises**

UN SDGs



Affordable Basic Infrastructure






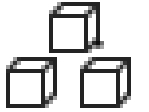
Use of Proceeds

- a) **Affordable Basic Infrastructure:** Loans to finance ongoing provision of basic infrastructure projects such as clean drinking water, sewers, sanitation, transport, broadband

UN SDGs



Use of Proceeds – Social Impact Matrix

SBP category	SBP Sub-category	Target Population	Social Benefits / Objectives	Alignment with National Policy Frameworks
Access to Healthcare 	Hospitals	<ul style="list-style-type: none"> • General public • Individuals with specific physical and/or mental conditions, including cognitive deficit(s) 	<ul style="list-style-type: none"> • Increase access to quality, timely and accessible healthcare • Enhance quality and accessible care for aging population • Increase availability of quality medical equipment to healthcare facilities and individuals 	<ul style="list-style-type: none"> • Irish National Treatment Purchase Fund (NTPF) • Irish Nursing Homes Support Scheme (NHSS) • Irish HSE Fair Deal • HSE /TUSLA • UK National Healthcare System (NHS) • Department of Health and Social care Policies UK
	Residential care/ Nursing homes/ Hospices	<ul style="list-style-type: none"> • Elderly people • Individuals in need of rehabilitation services 		
Access to Education 	Education Facilities	<ul style="list-style-type: none"> • Students, including low-income students • Adults benefitting from vocational training 	<ul style="list-style-type: none"> • Increase access to quality and accessible education and vocational training 	<ul style="list-style-type: none"> • Student Universal Support Ireland (SUSI) & Student Grant Scheme • Student Support Scheme for Asylum Seekers
	Student Housing		<ul style="list-style-type: none"> • Increase access to quality, safe and affordable student accommodation 	
SMEs financing 	Location based SME lending / female-led SME financing / SMEs affected by crisis	<ul style="list-style-type: none"> • SMEs in socioeconomically disadvantaged areas in Ireland • SMEs that are owned or led by women, independently from location SMEs affected by socioeconomic crises independently from location • SMEs affected by socioeconomic crises, including those affected by energy cost crises 	<ul style="list-style-type: none"> • Employment generation and retention • Reduction of social and economic inequalities • Foster economic growth in deprived areas 	<ul style="list-style-type: none"> • Irish Government's Supporting SMEs campaign • Our Rural Future: Government's blueprint to transform rural Ireland • Business Energy Support Scheme
Social & Affordable Housing 	Affordable Housing (First Homes Scheme, Local Authority Affordable Purchase Scheme)	<ul style="list-style-type: none"> • Individuals and families which due to income and/or affordability constraints, restricted access to finance, meeting the relevant social and/or affordable housing requirements as defined by local authorities, or authorised government bodies, in Ireland and the UK 	<ul style="list-style-type: none"> • Allow for universal access to decent housing • Promote the social inclusion of all, including low-income people and groups with no or restricted access to housing or home ownership • Provide access to housing & home ownership by bridging the considerable 'financial gap' for first time buyers and fresh starters 	<ul style="list-style-type: none"> • Accredited and/or registered housing organisations in Ireland & UK based on national Social & Affordable Housing Schemes • Local authorities' definition of eligible residents and prioritisation mechanism based on Social Housing Assessment Regulations • Schemes operating under the 'Housing For All' national policy framework and 'Fresh Start' principle, the legislative basis being contained in the 'Irish Affordable Housing Bill, 2021', including • National Affordable Housing Scheme (First Homes), Local Authority Affordable Housing Scheme, Mortgage to rent scheme, National Planning Policy Framework
	Social Housing (Mortgage to rent Scheme, Housing Organisations)			
Support to non-profit organisations 	Food Security / Socioeconomic advancement and empowerment	<ul style="list-style-type: none"> • Local communities in Ireland and the UK, 	<ul style="list-style-type: none"> • Granting social, and economic access to safe, nutritious, and sufficient food to low-income people • Supporting the local community • Promote social inclusion of all 	<ul style="list-style-type: none"> • Non-profit organisations registered within the Irish Charities Regulator or the Charity Commission for England and Wales • Irish Stability Fund and Philanthropy Fund for charities and non-profits
Affordable Basic Infrastructure 	Clean drinking water, sewers, sanitation, transport, broadband	<ul style="list-style-type: none"> • General population, including marginalised, rural and vulnerable populations • Populations with limited or no access to the relevant infrastructure 	<ul style="list-style-type: none"> • Allow for universal access to basic infrastructure * Promote the social inclusion of all, including low-income people, vulnerable and marginalised people 	<ul style="list-style-type: none"> * National Broadband Plan (NBP) • National Development Plan 2021-2030 • Project Ireland

Process for Project Evaluation and Selection - Overview

Process for Project Evaluation and Selection

Compliance with ICMA Social Bond Eligibility Criteria (i.e. Use of Proceeds)

Alignment with AIB's sustainability strategy

Compliance with official and international environmental and social standards and local laws and regulation

Group Sustainability Committee

Reviews and approves the SBF and eligible loan categories in accordance with AIB Sustainability Strategy and the AIB Sustainable Lending Framework, approves additional SBF specific loan exclusion criteria.

ESG Working Group

- The group comprises of Group Treasury; Legal; Sustainability Team; Risk; and relevant business teams.
- The members of the ESG Bond WG apply the approved SBF (eligible categories, and exclusions) in terms of the population of loan templates, assessment of loan eligibility, and determination of impact for larger loans.

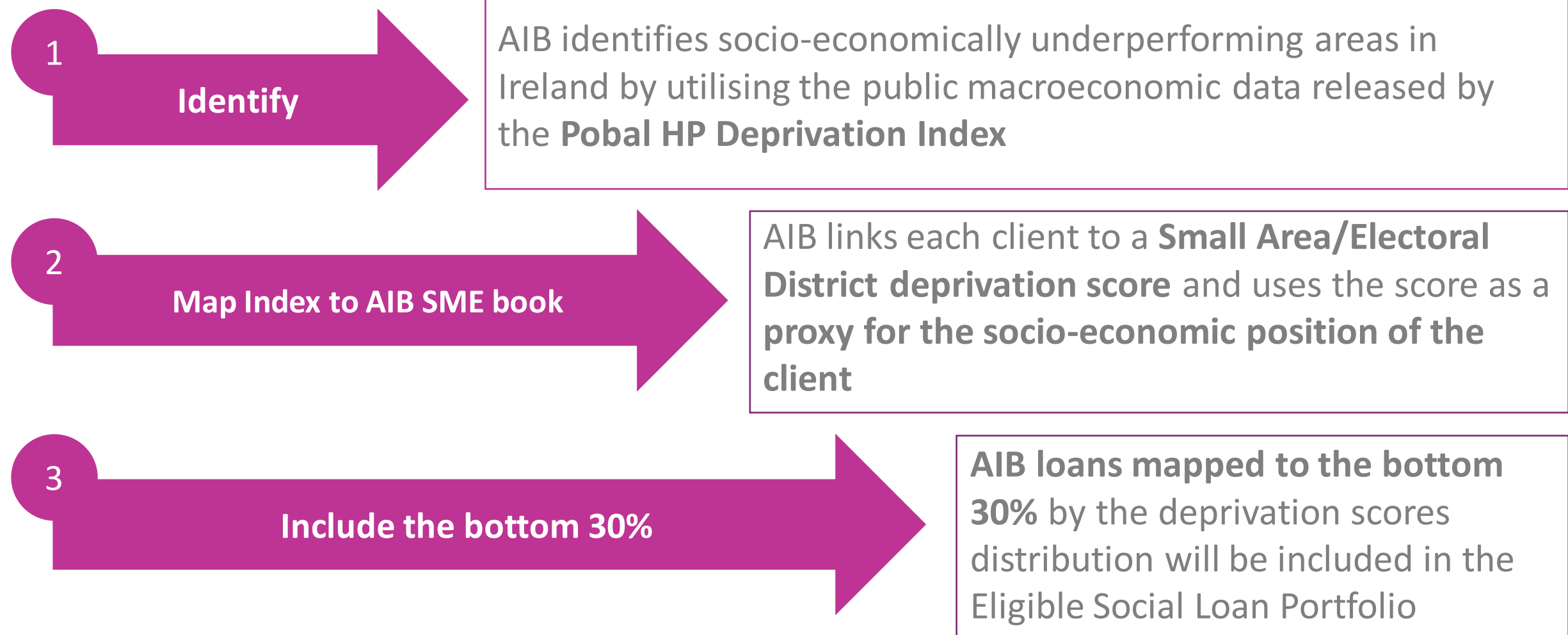
Selection Process for SME Financing in Deprived Areas

Eligibility Criteria

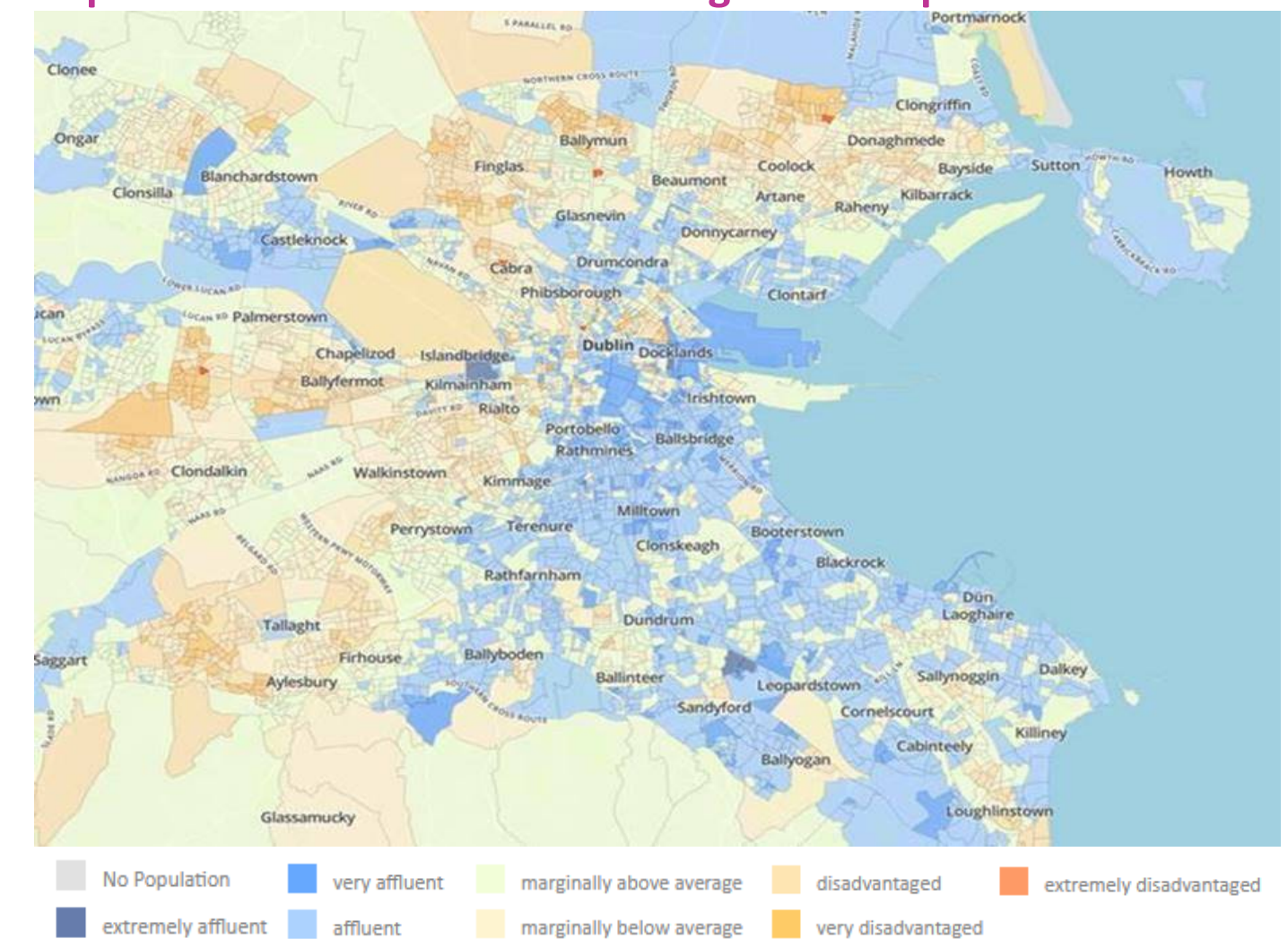
1. Be an SME as per EU Commission definition.
2. Not be engaged in any business activity described in the AIB Social Bond Exclusion List.
3. Be located in a socio-economically disadvantaged region of Ireland.

Background of Pobal HP Deprivation index*

- ✓ The Pobal HP Deprivation index is Ireland’s most widely used social gradient metric, which scores each Small Area (min. 50 – max. 200 households) in terms of affluence or disadvantage.
- ✓ The index is used by various state agencies and government departments to target resources towards disadvantaged areas.
- ✓ The measurements look at 10 key indicators including: the proportion of skilled professionals, education levels, employment levels, and single-parent households found in an area.
- ✓ The index is colour-coded with a spectrum from red, signifying deprivation, to bright blue, signifying affluence.


















Representation of Dublin according to the Deprivation Index



*Pobal Deprivation Index as at October 2023

Second Party Opinion

ISS-Corporate has issued a positive Second Party Opinion on AIB’s Social Bond Framework

USE OF PROCEEDS (financing/refinancing with regards to)	CONTRIBUTION / OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Access to Education <ul style="list-style-type: none"> Operations, construction, maintenance and renovation of universities and 3rd level education facilities and vocational training centers Loans to “Pure-play” companies in education e.g. training providers, providers of course materials Student housing projects Operations of public primary and secondary schools 	Contribution	 
Access to Healthcare <ul style="list-style-type: none"> Operations, construction, maintenance and renovation of public hospitals, primary care facilities and facilities to treat various physical and cognitive conditions e.g. rehabilitation facilities Loans to “Pure-play” companies in healthcare involved in development of healthcare technology or equipment Loans to “Pure-play” companies in healthcare involved in specialized training centers to upskill operators of specialist equipment and organization for training geared towards healthcare professionals Loans to “Pure-play” companies in healthcare involved in production of medical equipment for care-homes and private customers Operations of residential care facilities for elderly people and people with specific health conditions Loans to “Pure-play” companies in healthcare involved in automation solutions to the healthcare sectors 	Contribution	 
Affordable Housing <ul style="list-style-type: none"> Housing organizations and loans to housing that enable the provision of affordable housing for people with history of rough sleeping or long-term use of emergency accommodation First homes or loans to individuals that enable the purchase of new build primary dwelling homes Finance to local authorities or loans to individuals that enable the purchase of local authority primary dwelling homes Loans under the mortgage to rent scheme 	Contribution	  
SMEs financing <ul style="list-style-type: none"> Loans to SMEs (Female-owned businesses) Loans to SMEs in socioeconomically disadvantaged areas Loans to SMEs affected by socioeconomic crises e.g. War in Ukraine and the resulting energy crisis 	Contribution	 
Support to non-profit organizations <ul style="list-style-type: none"> Socially focused non-profit organizations, including - offering safe shelter to people in need Socially focused non-profit organizations, including - redistribution from the food industry to enable access of safe, nutritious, and sufficient food to low-income people and homeless people Sports activities for children 	Contribution	 
Affordable Basic Infrastructure <ul style="list-style-type: none"> Clean drinking water, sewers, sanitation for communities that currently have no access, limited access or poor-quality access Walking and cycling infrastructure Broadband and internet access for communities that currently have no access, limited access or poor-quality access 	Contribution	   

Use of Proceeds – Aligned: ✓

The Use of Proceeds description provided by AIB’s Social Bond Framework is **aligned** with the **ICMA Social Bond Principles**. The issuer’s social categories **align** with the **project categories** as proposed by the ICMA Social Bond Principles. The issuer defines exclusion criteria for harmful projects categories. The issuer defined which investments or project portfolios may be refinanced.

Process for Project Evaluation and Selection – Aligned: ✓

The Process for Project Evaluation and Selection description provided by AIB’s Social Bond Instruments is **aligned** with the **ICMA Social Bond Principles**. The **project selection process is defined and structured in a congruous manner**. ESG risks associated with the **project categories are identified and managed through an appropriate process**. Moreover, the projects selected show **alignment with the sustainability strategy**.

Management of Proceeds – Aligned: ✓

The Management of Proceeds proposed by AIB’s Social Bond Instruments is **aligned with the ICMA Social Bond Principles**. The net proceeds collected will be fully allocated to eligible social loans, with no exceptions. The **net proceeds are tracked in an appropriate manner** and attested in a formal internal process. The net proceeds are managed on an aggregated basis for multiple Social bonds (portfolio approach). Moreover, the Issuer discloses the temporary investments of Social Bond Instruments for unallocated proceeds.

Reporting – Aligned: ✓

The allocation and impact reporting proposed by AIB’s Social Bond Instruments is **aligned** with the **ICMA Social Bond Principles**. The **Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency**. The reporting will be publicly available on the Issuer’s website. AIB explains the level of expected reporting and type of information that will be reported. Moreover, the Issuer commits to report annually, until the bond matures/until the proceeds have been fully allocated.

Management of Proceeds at YE 2023

Social bond loan portfolio as at 31st December 2023:

Social Bond Assets

Total Social Bond Loan Portfolio: €3.17 Billion

ICMA SBP Eligible Loan Category	Number of Eligible Loans	Amount (€)
Access to Education	20	407,690,850
Social and Affordable Housing	163	760,320,019
Access to Healthcare	155	1,370,963,407
SMEs financing in deprived areas	13,545	620,218,010
Affordable Basic Infrastructure	3	11,227,421
Total	13,886	3,170,419,706



AIB intends to be fully allocated at issuance for new social bonds, as well as having an over-collateralised social portfolio



Aggregated portfolio approach used to manage proceeds



Additional eligible social projects are added to the eligible social loan portfolio to the extent required



Any assets that become ineligible are removed and replenished where necessary



The allocation of assets that are eligible for both Social and Green project Portfolio's will be considered in terms of their impactfulness and the requirements of each framework

Social Bond Liabilities

Total Outstanding Social Bonds: €1.75 Billion

Instrument (ISIN)	Settlement	Maturity	Amount (€)
XS2464405229	04/04/2022	04/04/2028	1,000,000,000
XS2578472339	23/01/2023	23/07/2029	750,000,000
Total			1,750,000,000

Social Bond Portfolio & Impacts FY2023

AIB Eligible Social Loan Portfolio FY23

	#	€	%
Access to Education	20	408m	13%
Access to Healthcare	155	1,371m	43%
Social & Affordable Housing	163	760m	24%
SME Financing	13,545	620m	20%
Affordable Basic Infrastructure	3	11m	<1%
Total	14,061	3,170m	100%

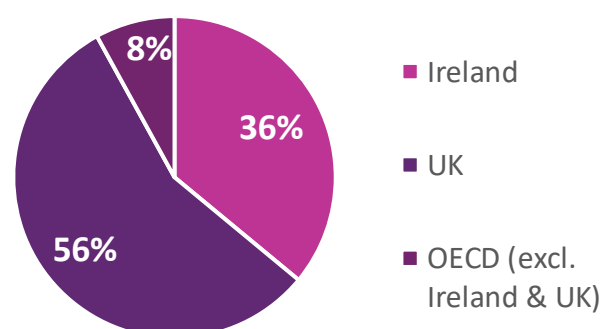
Pre-issuance Allocation & Impact Reports available here: <https://aib.ie/investorrelations/debt-investor/social-bond-framework>

Alignment with the UN Sustainable Development Goals:

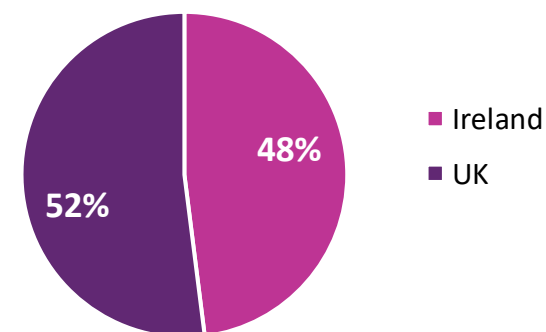


SBP Category	Sub-Category	Target Group(s)	Number of Eligible Loans	Amount	Share of Total Portfolio	Eligibility for Social Bonds	Estimates of Social Indicators				SDG Addressed
Access to essential services	Healthcare	General public, Individuals with specific physical and/or mental conditions, including cognitive deficit(s), Elderly people, Individuals in need of rehabilitation services	155	1,370,963,407	43%	100%	1,936,414 people using care services and in hospitals in Ireland & UK ⁷	3.9m patients in hospitals in OECD countries, excluding Ireland & UK ⁷			3.8 4.1 4.3 4.4 9.1
	Education	Students, including low-income students, Adults benefiting from vocational training	20	40,769, 850	13%	100%	6,910 students in student accommodation in Ireland & UK ⁷	216,200 students attending universities in OECD countries ⁷	of which 25,400 students receiving medical/health training ⁷		
Affordable housing	Social and Affordable Housing	(Housing Organisations) Individuals meeting the relevant social and affordable housing requirements in Ireland and the UK	162	731,910,083	23%	100%	22,851 people in social homes in Ireland & UK ⁸				1.4 9.1 10.3
		(First Home Scheme) Individuals meeting the relevant affordable housing requirements in Ireland	1	28,409,936	1%	100%	1,123 people in homes via the First Home Scheme				
Employment generation	SME financing	SMEs in socioeconomically disadvantaged areas in Ireland ¹³	13,545	620,218,010	20%	100%	5,848 jobs created/enabled in disadvantaged areas ⁹	1,543 total contribution to Irish Gross Output ¹⁰ (EURm)	613 total contribution to Irish GVA ¹¹ (EURm)	647 total contribution to Irish GDP ¹² (EURm)	1.4 8.3 10.1
Affordable basic infrastructure	Fibre broadband	Populations with limited or no access to the relevant infrastructure	3	11,227,421	<1%	100%	3 projects				1.4
Total			13,886	3,170,419,706	100%	100%					

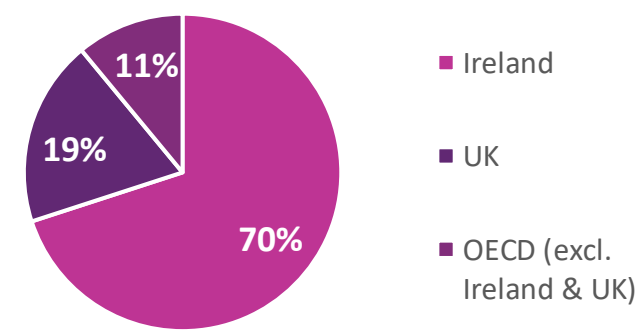
Access to Education



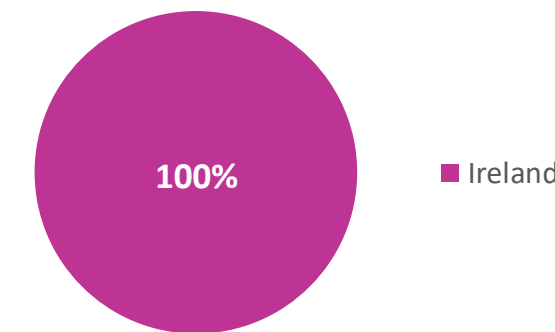
Social and Affordable Housing



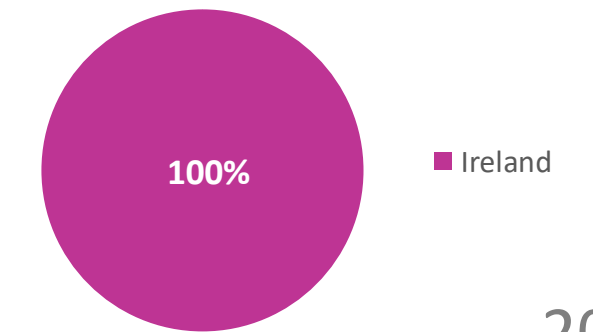
Access to Healthcare



SME Financing in Deprived Areas



Affordable Basic Infrastructure



*Impact may only relate to total beneficiaries enabled and may not be proportional for projects partly financed by AIB. For full details on the computation of impacts, including limitations, please refer to Cambridge Econometrics's impact report [Social Bonds Supporting Documents \(aib.ie\)](#)

Social Bond Case Study – Valley Healthcare



Access to Healthcare – Primary Care Centres

Project Ireland 2040 is the Irish government’s long-term overarching strategy to make Ireland a better country for its citizens. Core to this is Slaintecare – a government-led initiative focussed on ensuring that the population has access to the right care, in the right place and at the right time. Primary Care Centres (PCCs) are at the heart of the Slaintecare agenda. PCCs are designed to provide single-point, local, accessible health and social services to the general public. They act as a “primary” or first point of contact within the Irish Health Service (“HSE”) with centres encompassing facilities spanning from GPs and Public Health Nurses to disability services, social work and child protection services. Both the Irish government and the HSE have communicated their commitment to the PCC expansion strategy to roll out this model of care nationwide.

Valley Healthcare is one of Ireland’s largest PCC providers, having acquired and developed a portfolio of 22 operational centres nationwide (including 13 development projects) since its inception in 2017, with a further PCC nearing completion. The centres are located in key locations across 12 counties.

AIB’s social bond portfolio includes financing to Valley Healthcare to part fund their nationwide PCC expansion under the Access to Healthcare category. The financing is key to AIB’s strategy to continue to support the Irish infrastructure plan with a view to enabling the continued roll out of essential healthcare services.



21

Valley Healthcare DAC

External Review: Independent Limited Assurance

Independent Limited Assurance Report to AIB

AIB engaged Mazars, a leading international audit, tax, advisory and consulting firm, to perform a review to facilitate the provision of a limited assurance report in respect of 'Reported Information' pertaining to the AIB Social Bond Allocation Report (pp. 5-6 of the 2023 AIB Social Bond Report), as provided in AIB's Social Bond Framework, for the year ended 31 December 2023.

Mazars' Responsibilities

Mazars are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the 'Reported Information' for the year ended 31 December 2023 has been prepared, in all material respects, in accordance with Section 6 (Reporting) of AIB's Social Bond Framework
- Forming an independent conclusion, based on the procedures performed and evidence obtained
- Reporting conclusion to AIB

Work Performed

Mazars was required to plan and perform work in order to consider the risk of material misstatement of the 'Reported Information.' In doing so, Mazars:

- Conducted interviews with management and examined relevant documentation to obtain an understanding of the key processes, systems and controls in place over the preparation of the Allocation Report
- Performed selected substantive testing of project files against eligibility criteria
- Performed selected substantive testing of accounting and other relevant records
- Reviewed the extraction of Allocation Report information from the social asset portfolio
- Reviewed the Allocation Report for consistency with relevant bond issuance documentation
- Reviewed listing of assets used in the impact models for consistency with the social asset portfolios

Conclusion

Following completion of their review, Mazars has issued AIB with the assurance report in respect of the 'Reported Information' (herein set out on pages 5 and 6) for the year ended 31 December 2023. The full report can be found at <https://aib.ie/investorrelations/debt-investor/social-bond-framework/impact-and-allocation-reports>

¹Mazars are a leading international audit, tax, advisory and consulting firm. Based in Dublin, Galway and Limerick, Mazars in Ireland is part of an internationally integrated partnership.

Appendix

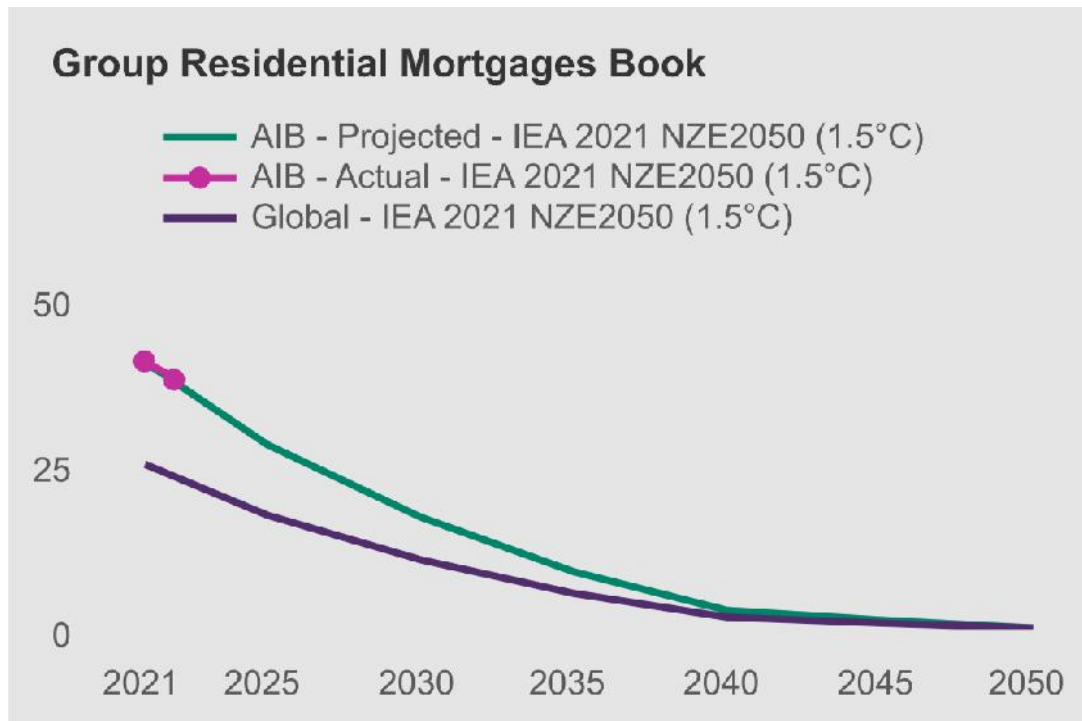


For the future
you're after

Journey to Net Zero: Sector Transition Pathways (1/2)



In 2022, we set financed emissions targets for three sectors using a Sector Decarbonisation Approach (SDA), and a fourth Corporate Portfolio Coverage Target all of which have been validated by SBTi.

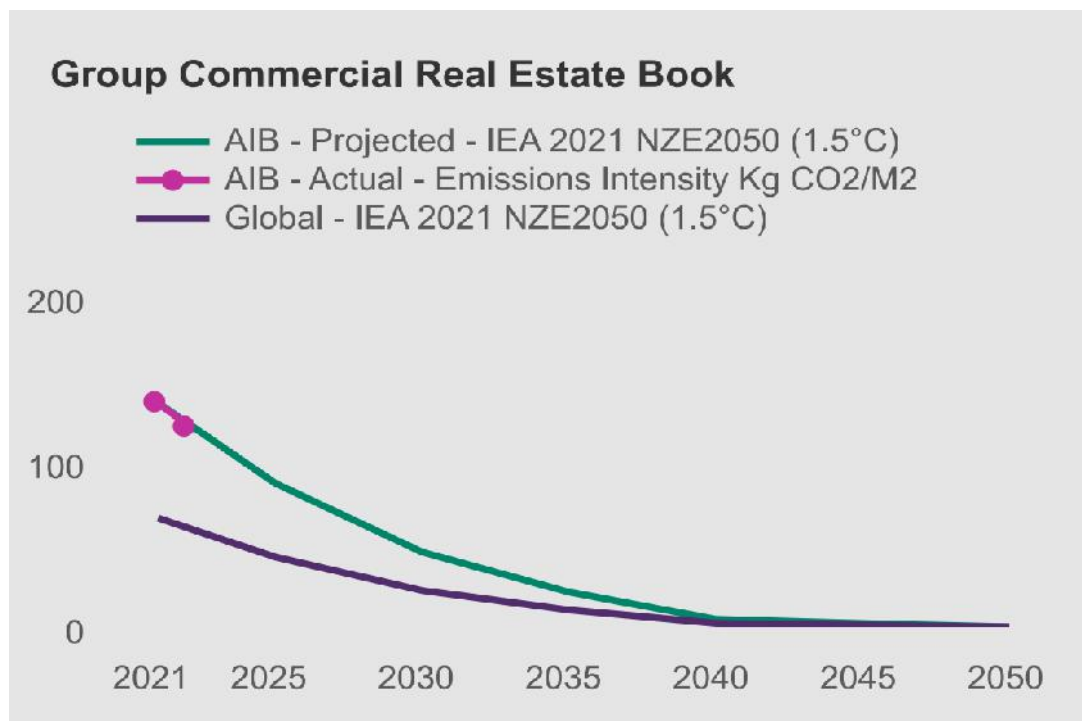


Residential Mortgages

In 2021, we set a baseline emissions intensity/target coverage of 40 kgCO2e/m² and used the International Energy Agency (IEA) 2021 NZE2050 1.5°C SDA Scenario to form the basis for the physical emissions intensity reduction of 58% required by 2030.

Our Residential Mortgages portfolio comprised 50% of total lending at €29.4bn in 2021. In 2022, the portfolio remained at 50% and total lending increased to €30.3bn. Between 2021 and 2022, there has been a 5% reduction in emissions intensity, now standing at 38 kgCO2e/m².

AIB will continue to invest in residential mortgage product and propositions to support the achievement of our targets.



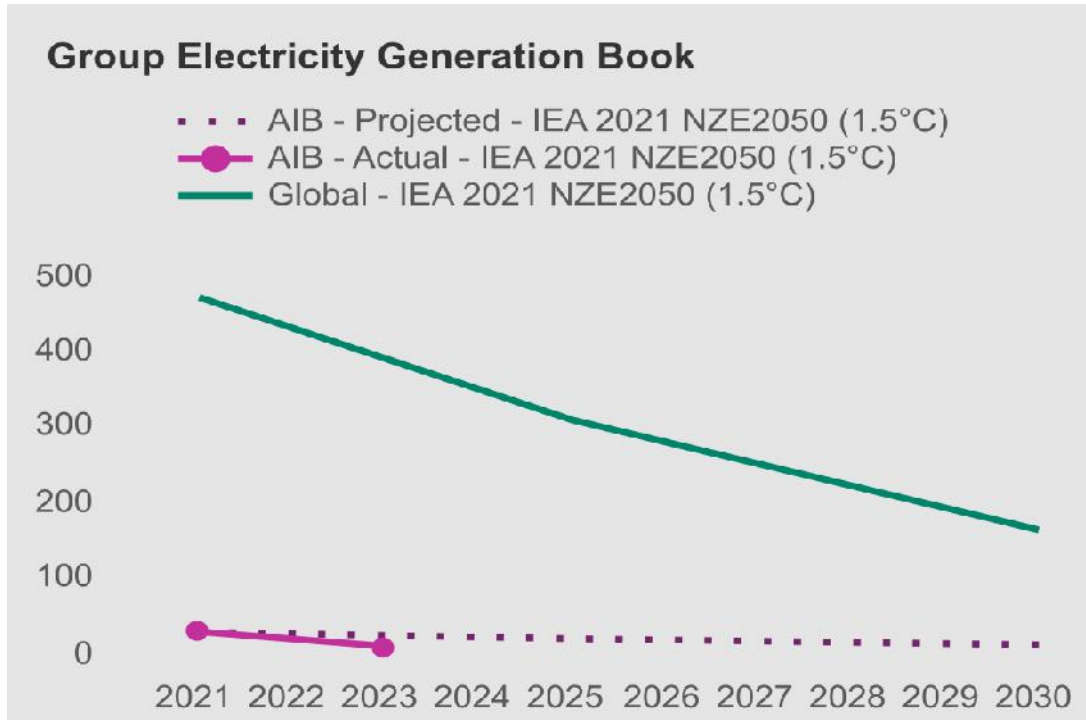
Commercial Real Estate

In 2021, we set a baseline emissions intensity/target coverage of 135 kgCO2e/m² and used the International Energy Agency (IEA) 2021 NZE2050 1.5°C SDA Scenario to form the basis for the physical emissions intensity reduction of 67% required by 2030.

Our Corporate Real Estate portfolio comprised 10% of total lending at €5.6bn in 2021. In 2022, the portfolio comprised 12% and total lending increased to €7.5bn. Between 2021 and 2022, there has been a 9.6% reduction in emissions intensity, now standing at 122 kgCO2e/m².

We are competitive in the Commercial Real Estate sector in our home market and our focus on sustainability in this sector is a key differentiator. Commercial Real Estate is also an important sector to us because of the social impact of our business. We work with developers and housing schemes and through the provision of finance, we have a positive social impact by increasing the housing supply in Ireland.

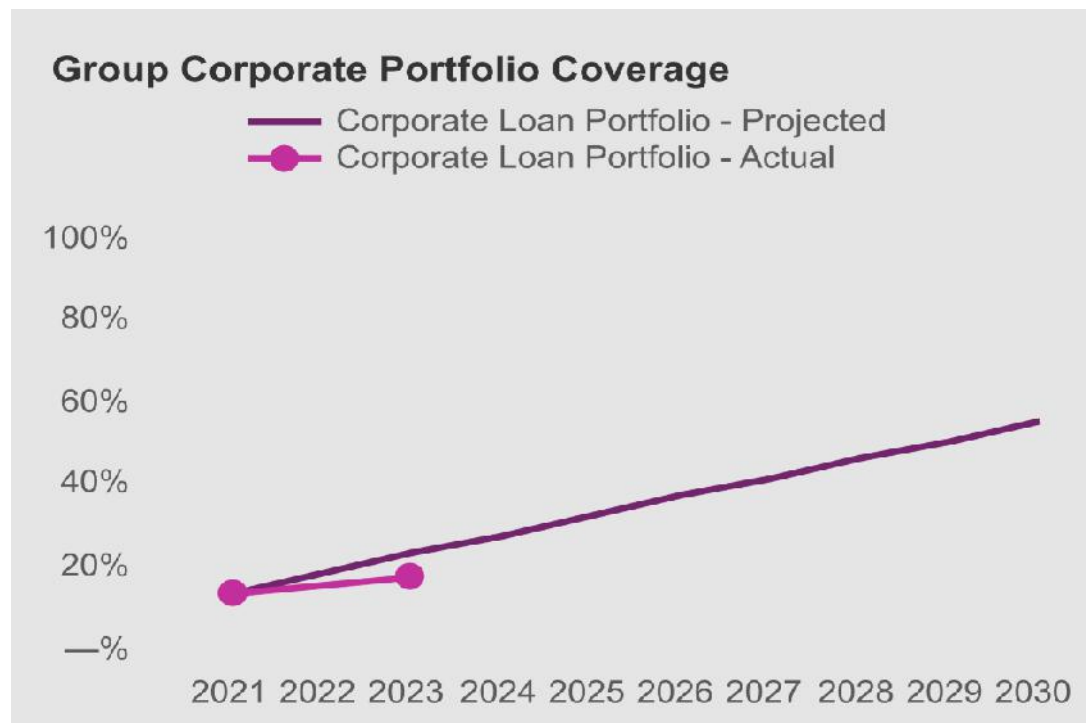
Journey to Net Zero: Sector Transition Pathways (2/2)



Electricity Generation

In 2021, we set a baseline maintenance target of 21 gCO2e/kWh, vs Global 2023 463.7 gCO2e/kWh.

Our Electricity Generation portfolio comprised 3% of total lending at €1.6bn in 2021. In 2023, the portfolio increased to 4% and total lending increased to €2.6bn. AIB's Electricity Generation portfolio has a very low emissions intensity relative to the global average for power, given the high share of renewable energy assets such as offshore wind. As such, our Electricity Generation portfolio is already aligned to International Energy Agency (IEA) Decarbonisation pathways that deliver a 1.5°C outcome. Our commitment is to maintain the existing intensity levels of 21g CO2e/kWh of our Electricity Generation portfolio through 2030 by keeping the portfolio focused on renewable electricity generation projects. We intend to grow AIB's business in renewable energy infrastructure to support the broader transition to net zero.



Corporate Portfolio Coverage

In 2021, we set a target to increase Corporate Portfolio loan volumes covered by emission targets from 12% to 54% by 2030.

Our Corporate Portfolio Coverage comprised 12% of total lending at €6.9bn in 2021. As of 2023, we have increased our Portfolio Coverage to 16% representing an increase of c.4% from 2021. This metric includes corporate counterparties with > 500 Employees in line with the Non-Financial Reporting Directive (NFRD) definition by loan value that have SBTi validated targets.

The proportion of customers with SBTi validated science based targets set is expected to steadily increase in the coming years as new rules around transition plan disclosures come into force. Key sectors will decarbonise in line with the Government's Climate Action Plan 2023 and corporate counterparties with >500 Employees will set their own emissions targets in the medium term.

75%

GREENHOUSE GAS PROTOCOL

PCAF Partnership for Carbon Accounting Finance

SBTi validated targets for Residential, Commercial Real Estate, and Electricity Generation which cover 75% of loan book.

Corporate Portfolio Coverage

54%

Increase loan volume covered by emissions targets from 12% to 54% by 2030*

Residential Mortgages

(58)%

Reduction in emissions intensity required by 2030*

CRE

(67)%

Reduction in emissions intensity required by 2030*

Electricity Generation

Maintain

Journey to Net Zero: Agriculture

In line with the Irish Government's targets, AIB strive to meet net zero for the Agricultural sector by 2050.

A focus on Agri Collaboration

Dedicated Agri Advisors

AIB's dedicated Agri advisors engage farmers throughout the year, supporting agricultural shows and related events up and down the country.

In September, AIB held 'Shed Talks' across three days at the Irish National Ploughing Championships, with panels made up of key industry experts, along with representatives from Teagasc, the Department of Agriculture, Food and the Marine, Bord Bia, and Farm Zero C.

AIB & Yield Lab AgTech Start-up Award

In January 2023, the AgTechUCD Innovation centre announced MyGug as the winner of the 'AIB and Yield Lab AgTech Start-up award' for their development of a micro-scale anaerobic digester.

Teagasc

AIB has a long-standing partnership with Teagasc, the state agency providing research, advisory and education in agriculture, horticulture, food and rural development in Ireland.

As well as profiling Teagasc's 'Signpost' programme, AIB also sponsors the 'Grass10' initiative, which focuses on increasing grass utilisation across livestock productions systems, thereby improving economic, social and environmental agricultural sustainability.

AIB sponsored the Teagasc National Dairy Open Day in July 2023 with the theme 'Securing a Sustainable Future'.

For more information see [here](#).



Farm Zero C Project

In July 2023, AIB became the exclusive financial institution partner with the Farm Zero C Project, based in Shinagh, outside Bandon, West Cork.

The Farm Zero C projects brings together a group of research and industry experts in a world-first attempt to create a farm-level, economically viable, climate neutral model for Irish dairy farming.

The interdisciplinary programme of work is targeting soil and grasslands; animal diet and breeding; biodiversity; life cycle analysis; and renewable energy; while ensuring proposed interventions are commercially viable.



Carbery COO, John Holland; Carbery Chairman, Cormac O'Keeffe; Minister for Finance, Michael McGrath; AIB CEO, Colin Hunt

For more information see [here](#).



Informing the Agri Sector

Our specialist Agri team comprises 15 people based around the country, including a Head of Sustainability for Agriculture, Food & Fishing, who was appointed in May 2023.

This team has the experience and understanding to support the sector to develop and thrive sustainably.

Ipsos

In 2023, we partnered with Ipsos, conducting fieldwork with a nationally representative sample of more than 1,000 farmers, to compile the AIB Agri Tracker assessing farmers' outlook for the future – 60% of respondents agreed that improving the environmental sustainability of their farm would have a positive impact on their income.

Agri Matters Audience

25,000

customers and Agri industry personnel receive our biannual Agri Matters ezine with the latest developments and news from Ireland's agriculture sector

Biodiversity: Protecting and Safeguarding Nature

Although at the early stages of the biodiversity journey, the financial sector has a key role to play in providing responsible finance and investment to support nature-positive funding, while reducing financial flows that harm nature.

Our Approach

Protecting and safeguarding nature requires a ‘whole of society’ approach. At AIB, we want to tackle nature, alongside climate, in line with our ESG principles and overall purpose of empowering people to build a sustainable future.

AIB has a deep relationships with customers, suppliers and partners, who face risks to supply chains, operations and markets from continued degradation of ecosystem services. Therefore, as with our net zero strategy, we intend to take a holistic approach to nature and work with current and future partners to achieve our necessary and collective goal.

We will continue to explore existing science and emerging frameworks to identify the most meaningful, comparable and robust strategy to report and measure our environmental impacts, dependencies, and risk management of nature/biodiversity in our lending portfolio.

2021

AIB Group became the first Irish bank to adopt the Equator Principles



2021 - 2022

Key Biodiversity Areas (KBA) analysis of our sites in Ireland, the UK, and the USA.

2023

AIB participated in ‘The Nature of Finance’, Ireland’s first study on nature-related risks and opportunities to the financial sector’.

For more detail on AIB’s approach to compliance with the Equator Principles, see [here](#)

Waste and Resource Management

Reducing single-use plastics

Adopting reusable take-away containers, including coffee cups and food containers, in offices

Digital solutions to reduce printing

In 2023, we printed 47 million fewer pages than in 2019 (our baseline), a 63% reduction

AIB Environmental Policy

We commit to preventing pollution activities and to reducing our environmental impact

Water management programme

Installing water-saving infrastructure to improve the efficiency of our water consumption across selected buildings. In our newer buildings, we established grey water systems to reuse water for landscaping and cleaning external surfaces

Eco-friendly polyester fibre

The material used in our uniforms, from recycled PET bottles

Tersano systems

Installed in our head offices, is a sustainable alternative to traditional cleaning products that contains no toxic chemicals, prevents pollution and reduces plastic waste and supply chain emissions

AIB Group ‘Sustainability in Action’ week

AIB Climate Challenge

Along with a general awareness campaign, teams of colleagues took part in The AIB Climate Challenge, making small changes to reduce their emissions

c. 50,000 small actions taken during the week

AIB staff were challenged to make small changes, such as not eating meat, air drying clothes and buying second-hand, to reduce their carbon footprint. 4,100 activities were logged daily, saving a combined 36,700 kgCO2e over the week.



Direct drivers of biodiversity loss and ecosystem change

Invasive species

Changes in land and sea use

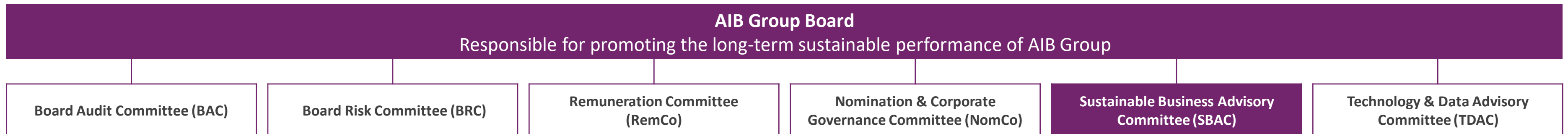
Direct exploitation of natural resources

Pollution

Climate Change

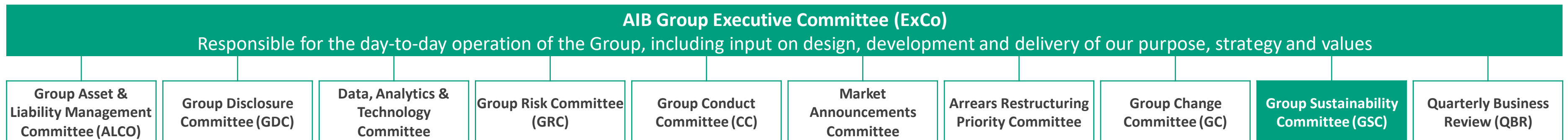
ESG Governance at AIB

Our strong governance structures and frameworks are key to delivering our strategy. AIB’s Board of Directors has established a number of Board and Board Advisory Committees to assist in the discharge of its duties, including in overseeing and challenging the Group’s sustainability strategy and performance.



Sustainable Business Advisory Committee (SBAC)

In fulfilling its advisory role, the SBAC supports the Board in overseeing and challenging the development and execution of the Group’s sustainable business strategy in accordance with the approved Group strategic and financial plan. The Board receives updates regarding the execution of the Group's sustainability strategy, including the quarterly Group Balanced Scorecard, bi-annual sustainability updates and updates on both Green Bond and Social Bond transactions



Group Sustainability Committee (GSC)

Chaired by our our Chief Strategy & Sustainability Officer, the GSC is responsible for the governance, oversight and approval of aspects of the Group’s sustainable business strategy including Environmental, Social and Governance (ESG) activities.

For further detail of our Governance and Responsible Business approach, see our 2023 Detailed Sustainability Report [here](#).

Commitments, Memberships & Partnerships

Key voluntary commitments made by AIB, relevant to our Sustainability Strategy and Reporting:

	Date of Commencement	Stakeholders	Applicable countries	Website
Carbon Disclosures Project (CDP)	2014	All	Group-wide	www.cdp.net/en
Equator Principles	2021	All	Group-wide	www.equatorprinciples.com
Global Reporting Initiative (GRI)	2017	All	Group-wide	www.globalreporting.org
ICMA Principles	2023	All	Group-wide	Principles membership » ICMA (icmagroup.org)
ISO 50001 (energy) and ISO 14001 (environmental) management	2014	All	Group-wide	www.iso.org
National Energy Efficiency Action Plan	2010	All	Group-wide	hwww.gov.ie/ga/foilsuichan/93e2-national-energy-efficiency-action-plan-neeap/
Net Zero Banking Alliance	2021	All	Group-wide	www.unep.org/net-zero-banking
Science Based Targets Initiative	2023	All	Group-wide	www.sciencebasedtargets.org
Task Force on Climate-related Financial Disclosures (TCFD)	2019	All	Group-wide	www.fsb-tcf.org
The Valuable 500	2019	All	Group-wide	www.thevaluable500.com
UN Global Compact	2021	All	Group-wide	www.unglobalcompact.org
United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking	2019	All	Group-wide	www.unep.org/banking/banking-principles

Association	Governance Position	Active	Funding Beyond Membership	Strategic Alignment
30% Club	N	Y	N	Y
Banking & Payments Federation of Ireland (BPFI)	Y	Y	N	Y
Cyber Defense Alliance	Y	Y	N	Y
European Banking Federation (through BPFI)	N	Y	N	Y
Institute of Bankers (IOB)	Y	Y	N	Y
Irish Business and Employment Confederation (IBEC)	N	Y	N	Y
Irish Paper Clearing Company (IPCC)	Y	Y	N	Y
Irish Payments Council (IPC)	Y	Y	N	Y
Open Doors	N	Y	N	Y
UK Finance	N	Y	N	Y
UNEP Finance Initiative	N	Y	N	Y
World Business Council for Sustainable Development (WBCSD)	N	Y	N	Y

AIB also partners with various community organisations on an ongoing basis, including:



Our Policies and Frameworks

Code/Policy/Framework Name	Name of Statement provided publicly	Link to website if publicly available
Anti-Bullying & Harassment Policy		https://aib.ie/sustainability
Code of Conduct		https://aib.ie/suppliers/our-policies-and-procedures
Inclusion & Diversity Code		https://aib.ie/sustainability
Regulatory Accountability Policy		Not Publicly Available
Remuneration Policy		https://aib.ie/sustainability
Speak-up Policy		https://aib.ie/sustainability
AIB Group Energy Policy	AIB Group Energy Policy	https://aib.ie/sustainability
AIB Group Environmental Policy	AIB Group Environmental Policy	https://aib.ie/sustainability
Health & Safety Policy	Health & Safety Policy	https://aib.ie/suppliers/our-policies-and-procedures
AIB Responsible Supplier Code		https://aib.ie/suppliers/our-policies-and-procedures
Modern Slavery Statement	Modern Slavery Statement	https://aib.ie/suppliers/our-policies-and-procedures
Green Bond Framework		https://aib.ie/investorrelations/debt-investor
Social Bond Framework		https://aib.ie/investorrelations/debt-investor
Socially Responsible Investment Bond Framework		https://aib.ie/sustainability
Tax Policy	Tax Principles	https://aib.ie/sustainability
Root Cause Analysis of Complaints & Errors Policy		Not Publicly Available
Sustainable Lending Framework		Not Publicly Available
Environmental, Social & Governance Framework		Not Publicly Available

Code/Policy/Framework Name	Name of Statement provided publicly	Link to website if publicly available
AIB Group Data Protection Policy	Group Data Protection Statement	https://aib.ie/sustainability
Conflicts of Interest Policy	Conflicts of Interest Statement	https://aib.ie/sustainability
ePrivacy Policy		Not Publicly Available
Financial Crime Policy	Financial Crime Statement	https://aib.ie/sustainability
Group Commercial Investment Policy		Not Publicly Available
AIB Group Conduct Risk Framework		Not Publicly Available
Group Credit Risk Policy		Not Publicly Available
Group Forebearance Policy		Not Publicly Available
AIB Group Lobbying Policy		Not Publicly Available
Group Project Finance Policy		Not Publicly Available
Group Residential Development Policy		Not Publicly Available
Group Social Housing Policy		Not Publicly Available
Information Security Policy		Not Publicly Available
People & Culture Risk Framework		Not Publicly Available
Regulatory Compliance Risk Management Framework	Tax Principles	Not Publicly Available
Risk Management Framework		Not Publicly Available
ROI Residential Mortgage Policy (PDH & BTL)		Not Publicly Available

Notes

1. When a policy isn't publicly available but a statement is, the name of the statement is noted.
2. These policies are approved by the relevant governance fora on a regular basis, or when material changes are made, in accordance with the governance pathway.
3. Training requirements for all Policies and Frameworks are covered under the appropriate governance pathway.

Impact Reporting – SME Financing

SMEs Financing

Target Group

- SMEs in socio-economically disadvantaged areas in Ireland

5,848

Estimated number of jobs created/enabled

EUR 1,543m

Estimated total contribution to Irish Gross Output

EUR 613m

Estimated total contribution to Irish GVA

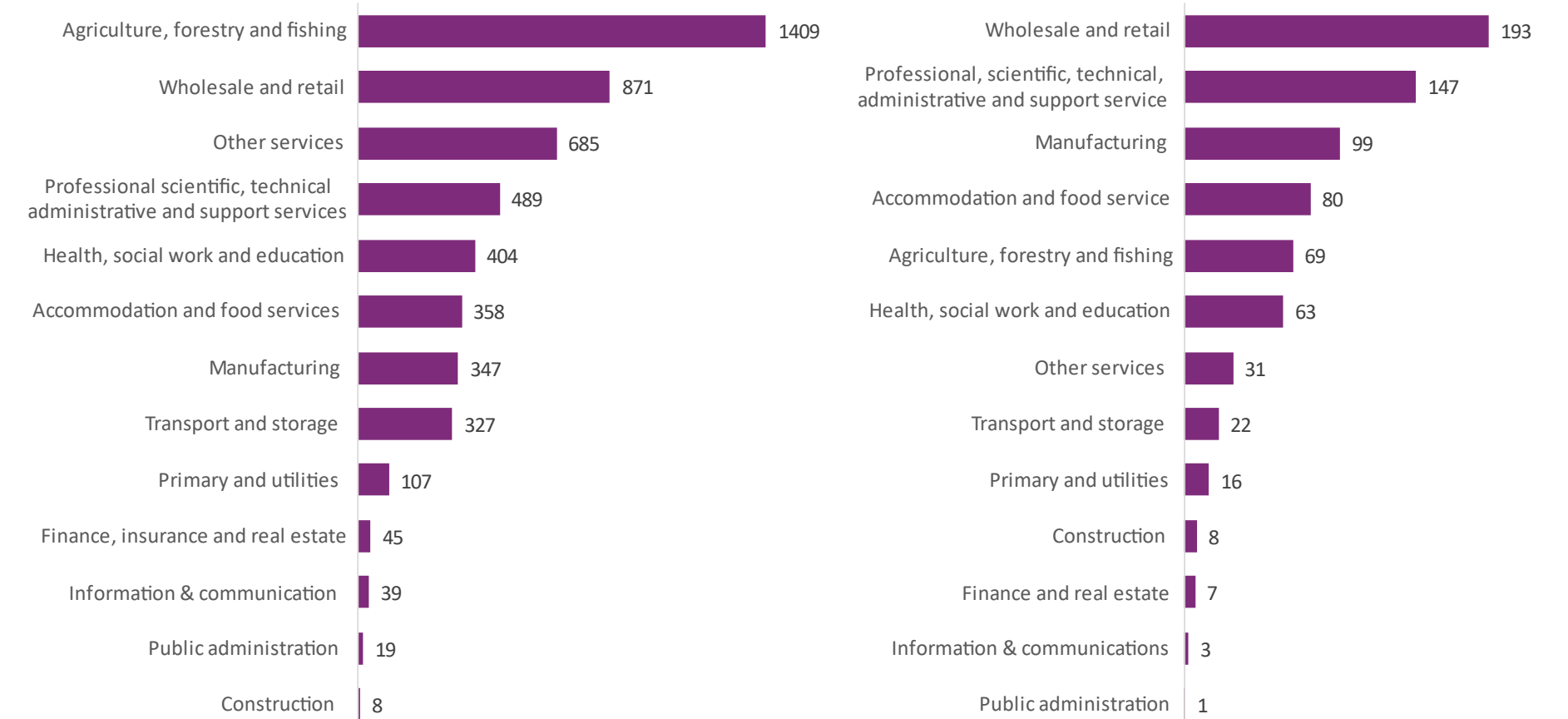
EUR 647m

Estimated total contribution to Irish GDP

Impact of AIB's SME lending by type of loan

	Term Loans	RCFs
Gross output (€m)		
Direct	542.9	77.3
Indirect	379.4	66.6
Induced	415.4	61.6
Total	1,337.7	205.5
GVA (€m)		
Direct	244.5	34.8
Indirect	192.5	33.8
Induced	93.3	13.8
Total	530.3	82.4
GDP (€m)		
Direct	258.1	36.7
Indirect	203.2	35.7
Induced	98.4	14.6
Total	559.8	87.0
Employment (FTEs)		
Direct	2,772	346
Indirect	1,657	293
Induced	681	101
Total	5,109	739

Total jobs impacts of outstanding term loans (left) and RCFs (right) by sector



See the full Cambridge Econometrics Impact Methodology and Results at [Social Bonds Supporting Documents \(aib.ie\)](https://www.aib.ie/social-bonds-supporting-documents)

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