

# ECONOMIC & SOCIAL INCLUSION

We recognise the pivotal role that access to finance plays as an enabler in everyday life for all our customers. We're continuously investing in financial education and learning both directly and in partnership with specialists with a clear focus on innovation, collaboration and engagement for our employees and our customers.

**THIS CHAPTER COVERS  
OUR RESPONSE TO  
THE FOLLOWING  
MATERIAL TOPICS:**

→ USABILITY OF SERVICES AND  
ACCESSIBILITY OF PRODUCTS

→ ENABLE CUSTOMERS TO  
MAKE BETTER INFORMED  
DECISIONS

→ INNOVATION  
AND CO-CREATION

→ FINANCIAL INCLUSION  
AND LITERACY

# OUR PROGRESS IN 2020

## MATERIAL TOPICS

### USABILITY OF SERVICES AND ACCESSIBILITY OF PRODUCTS

**99.5%**  
OF BRANCHES OPEN DURING  
**COVID 19**

END-TO-END  
**DIGITAL MORTGAGE JOURNEY LAUNCHED**

**14,300 HOURS**  
VULNERABLE CUSTOMERS TRAINING

### ENABLE CUSTOMERS TO MAKE BETTER INFORMED DECISIONS

**20,836**  
FINANCIAL PLANNING REVIEWS

**32**  
BREXIT ADVISORS

### INNOVATION AND CO-CREATION

**€300M** SOCIAL HOUSING FUND

**€2.4M** COVID RESEARCH GRANT TO TRINITY

**6,000** TONNES OF FOOD REDISTRIBUTED VIA FOODCLOUD

**80** BUSINESSES RECEIVED SUSTAINABILITY TRAINING

### FINANCIAL INCLUSION AND LITERACY

**100** SCHOOLS PARTICIPATED IN **BUILD A BANK**

**17,000** BASIC BANK ACCOUNTS OPENED



We pledge to **DO MORE.**

AIB Sustainability

# USABILITY OF SERVICES AND ACCESSIBILITY OF PRODUCTS

## OUR APPROACH

**The delivery of a positive customer experience is the cornerstone of a sustainable business. It ranks highly for all our stakeholders.**

We have a customer first approach, we are engaging, listening and responding to our customers, and working with them to ensure they get the best products, services how, where and when they need it. AIB's involvement with the impact of usability of services & accessibility of products and customer experience is cause, and the key impacted stakeholders are customers.

In AIB our main products and services offerings are mortgages, personal, SME and corporate lending, payment services, credit card services and deposits. Where we provide non-core banking products, for example general insurance, we typically partner with market leaders.

It is important to our stakeholders that our products and services are relevant, simple, easy to use and accessible where, when and how they need them.

The first step in ensuring a positive customer experience is for our products and services to be useable and accessible. It is therefore critical in the design of our products/services that product owners clearly identify the customers' needs, take into consideration the needs of customers who are deemed to be vulnerable, and incorporate their feedback and input into the design. Under our customer first approach, our ethos is that both

new and existing customers are treated in a fair and transparent manner.

Our approach for managing and mitigating risks relating to the development of new products, propositions and substantial changes to existing ones, as well the solutions we use to help customers in difficulty, is set out in our Product and Propositions Risk Policy.

It is a key requirement of our policy that our customers' needs are considered throughout the development and management of products. Our policy applies to retail and non-retail customers. Through our Vulnerable Customer programme (see p.58) our partnerships with Age NI, Dementia Friends & Alzheimer's Society enable us to get their views on our products and communications.

A Product Risk Assessment is completed at key stages of the Product Lifecycle. Products are allocated a risk rating and reviewed on a periodic basis matched to its rating. These ratings are recorded on the Group Risk Management system. Our Group Product & Propositions Committee is responsible for reviewing and approving new products and propositions including customer solutions and substantial changes to existing products; and to provide oversight of the Group's Product portfolio to ensure it remains fit for purpose for customers. This committee is a sub-committee of the Group Conduct Committee.

## ACCESSIBILITY FOR ALL CUSTOMERS

We strive to make our products & services accessible to all our customers. Everyone can access our banking services through the post office network on the island of Ireland & through a community bank for rural locations in Ireland. Information is contained in our **Ways to Bank Brochure**. We promote the use of mobile phone banking to increase access to banking services for all customers.

People aged 16-65 years, who live in the Republic of Ireland, have an EEA Passport, and do not hold any accounts with AIB can now open a personal current account (including complete all identification and address verification) with AIB using their mobile phone. For customers with sight difficulties, our Mobile Banking App supports accessibility usage for Android/iOS users and AIB Phone Banking is available for those who prefer to bank over the phone. Bank statements can be ordered in Braille/large print, and on our website, we have tried to make the text scalable where possible. Our ATMs have an adapted keypad that has a raised pip on the number 5 button and universal raised icons. Our Internet and Mobile banking channels are helpful for customers with hearing difficulties. Accessibility information for our branches is published online:

[www.aib.ie/help-and-guidance/need-extra-help](http://www.aib.ie/help-and-guidance/need-extra-help)  
[www.aib.ie/branchlocator](http://www.aib.ie/branchlocator)  
[www.aibni.co.uk/ways-to-bank](http://www.aibni.co.uk/ways-to-bank)  
[www.aibgb.co.uk/help-and-guidance](http://www.aibgb.co.uk/help-and-guidance)



## ACCESSING OUR PRODUCTS & SERVICES

We have a network of 324 locations across Ireland and the UK and 1.72m active digital users. We also offer banking services through An Post, with c. 950 locations in Ireland and through The Post Office which has over 11,500 locations in the UK.

We see how society is adapting to COVID-19 and first hand we are seeing how it is changing how our customers conduct their finances. In 2020, we had 1.39m active mobile customers increasing from 1.3m in 2019. Last year we facilitated 2.57m daily user interactions across all our channels.

With the onset of COVID-19 and the associated restrictions which impacted livelihoods and businesses, it was critical to ensure our customers always had access to their accounts, to our banking services and to financial supports when they needed them. We supported our customers by keeping 99.5% of our branches open and accessible in Ireland and in the UK. And as our customers tried to adapt to working and schooling from home during the year, being able to bank online became increasingly important. 77% of personal loans we assessed were submitted online via our internet banking service.

Customers in Ireland can now apply for a mortgage online and when they do we set them up with our My Mortgage app so they can upload the documents we need to assess their application (see p.48). We were also able to support our customers with working capital supports and mortgage payments breaks to help them during the financially challenging times of the crisis.

# USABILITY OF SERVICES AND ACCESSIBILITY OF PRODUCTS

## OUR APPROACH

### BANKING SAFELY DURING COVID-19

As an essential service, 99.5% of all our AIB & EBS branches remained open to our customers across Ireland and UK throughout the pandemic. Our contact centres remained fully operational during this time, with some employees required to work onsite in order to continue providing support to our customers.

The safety of our customers and employees is paramount; to support this we implemented robust structures and new practices to support a sustained service throughout this challenging time for both customers and employees including:

- Reconfiguring the physical lay-out of branches implementing protective screens
- New protocols to support safe meetings for employees and customers
- Priority hours introduced for vulnerable customers between 10:00am – 11:00am each day
- A new Temporary Agent facility, was introduced, providing those who needed a way to access their accounts, but couldn't get to us a way of safely and securely accessing their accounts through a nominated person
- We worked with our customers to help them maximise their digital banking options, and the self-service options available in branch, resulting in a 20% increase in customers utilising self-service cash and cheque lodgement devices.

### PRODUCT MANAGEMENT & OVERSIGHT

Our Product and Proposition Risk Policy details the considerations to be included in the development of products including the evaluation of customer needs and the clear identification of the target market.

Product owners across the organisation are responsible for:

- identifying and assessing product related risks and ensuring adequately designed controls are in place and operating effectively
- overseeing the end-to-end lifecycle of each product, including monitoring that the product operates as intended and is sold, distributed and fulfilled correctly to the approved target market
- ongoing monitoring of complaints and errors relating to their products and for, where required, conducting appropriate root cause analysis.

Our Risk team provides ongoing oversight and monitoring of the Group's Product Risk profile. The Group Risk Appetite Statement sets out qualitative and quantitative product governance metrics and outlines the level and types of risk we are willing to take in pursuit of our strategic objectives. In 2020, the Conduct Risk qualitative statement was updated to include Product Risk. It is monitored monthly by Regulatory Compliance.

**99.5%**  
BRANCHES  
REMAIN OPEN 

### SME COVID-19 SOLUTIONS

In order to provide short term relief to customers who experienced short term cash flow pressure as a result of COVID-19 impact to their business we introduced SME COVID-19 solutions.

This streamlined COVID-19 Working Capital process for Customers who are experiencing or potentially going to experience a shortfall in working capital due to COVID-19 was introduced in March and covered Overdrafts, Business Credit Lines & Farmer Credit Lines. To improve the experience for customers we implemented a shorter application process.

### SCBI WORKING CAPITAL LOAN SCHEME

In addition to the streamlining of COVID-19 working capital requests we also made significant enhancements to the SBCI COVID-19 working capital loan scheme.

This scheme is a critical Government support measure for SMEs, and we remained committed to introducing workable and robust solutions that achieve the objective of providing the necessary credit, to SMEs that have been so severely impacted by the COVID-19 crisis.

There are loans available from €25,000 up to €1.25m to fund working capital and innovation, change or adaption of the business to mitigate the impact of Brexit or COVID-19.



# USABILITY OF SERVICES AND ACCESSIBILITY OF PRODUCTS

## END-TO-END DIGITAL MORTGAGE

Our Digital Mortgage was launched in Feb 2020 and as Ireland's first fully digital end-to-end mortgage, it has transformed the home mortgage customer journey.

### THE DIGITAL MORTGAGE JOURNEY PROVIDES:

- An advanced mortgage calculator with full suite of products
- First fully end-to-end digital mortgage from application to drawdown in Ireland
- Simple and clear process for customers
- Capability to upload documents directly
- Direct messaging to your advisor
- Progress is more visible along the journey.

My Mortgage also enables staff assisted applications, offering a streamlined process for standard PAYE (pay as you earn) applicants who account for up to 70% of all applications. From there customers can use My Mortgage to upload their documents, track their application progress, and message the Homes Centre of Excellence team members who support them from that point through to getting the keys to their home.

A further enhancement was introduced in November enabling the remaining 30% of customers with more complex cases to use My Mortgage – this includes self-employed, buy-to-let investors, those who wish to move home yet preserve their tracker rate, and applications by more than two persons.

Customers work with their mortgage expert who will guide them through the Approval in Principle process which, given the more complex nature of the application, may not be available at the first meeting. From an employee perspective, one of the benefits is that all application documents are uploaded directly which delivers greater efficiency by removing the need to scan multiple documents.

## COVID-19 RELATED PAYMENT BREAKS

During the uncertainty of the first couple of months of the COVID-19 pandemic, customers understandably sought guidance and support as to how best manage their finances. A key piece of support available to customers were payment breaks for Homes, SME, and Personal customers.

The first phase of the response in March delivered key Payment Break 1 customer solutions (29 in total), resulting in the building or re-design of products to support these solutions. This was enabled through the mapping of end-to-end engagement journeys and the introduction of new digital solutions like eForms on our new 'COVID Hub' and straight through processing on Online and Mobile apps.

In June, in the second phase of the response we introduced Payment Break 2 solutions to support customers coming to the end of their

payment break who still needed support. To improve experience and accessibility, a digital and automated self-serve solution (DocuSign) was introduced.

Throughout 2021, customer supports will remain in place for those on payment breaks and for those who are approaching the end of their payment breaks and will transition back to regular payments or require further assistance.

Over 66k customer payment breaks have been applied to date since March 2020.



**TO LEARN MORE  
CLICK HERE**

For more information on how we can provide support during this time please click here.

**66k**  
CUSTOMER  
PAYMENT  
BREAKS

**NPS**  
SCORE OF  
**+62**

# ENABLE CUSTOMERS TO MAKE BETTER INFORMED FINANCIAL DECISIONS

## OUR APPROACH

**Enabling better informed financial decisions is a material topic for our stakeholders and a key imperative for us. We can help to empower customers to make better informed financial decisions by providing them with clear, transparent, easily understandable, and high-quality products and services. We deliver this through a robust product governance and assurance process, trained financial advisors and a responsible approach to marketing.**

### PRODUCT GOVERNANCE & ASSURANCE

We are aware of the importance of providing suitable products to our customers. Our Product and Proposition Risk Policy sets out our approach for managing and mitigating risks on development of products, propositions, and services, together with substantial changes to existing products. It also applies to the solutions we use to help customers in difficulty. Key requirements are that customers' needs are considered and that all risks, including conduct, are identified and managed appropriately. A Product Risk Assessment is completed at key stages of the product lifecycle, with products being allocated a risk rating, and reviewed periodically matched to its rating. The ratings are recorded on our risk management system.

Work is ongoing to constantly enhance our product assurance processes. This year we saw further progress in work we commenced in 2019 to design and deploy an enhanced product review capability that improves the depth

and quality of assurance being provided across our product set. This has included automating product assurance alerts and key performance indicators for our top ten products which accounts for a significant portion of our product volumes. We will continue to take a risk-based approach to product assurance and governance as we move forward.

### EMPLOYEE TRAINING – EXPERT ADVICE

One of the key risks addressed by the policy is Conduct Risk relating to products. Our policy requires that employees involved in the development, distribution and fulfilment of products are trained appropriately. Minimum competency requirements are in place to ensure customers get the required level of service from employees who provide advice and information on retail financial products for and on behalf of regulated firms. Our customer-facing employees involved in the distribution of products must have and maintain relevant qualifications to comply with Minimum Competency Code requirements specific to the products they distribute. For example, our mortgage advisors must hold a Qualified Financial Advisor (QFA) qualification or Accredited Product Adviser (Loans) qualification. Employees maintain their qualifications through Continuous Professional Development. Management monitor that employees maintain the appropriate qualifications for their role.

We have a wide range of sector specialists in place, providing expert knowledge and insights. Our 32 Brexit advisors have been providing ongoing support to our customers in preparation for Brexit and will continue to do so as Brexit implications are worked through. We also

have 11 Agriculture advisors with strong sectoral knowledge, who provide support on the credit assessment of farming enterprises through objective financial and technical analysis (see p.52).

### RESPONSIBLE MARKETING

In marketing our products and services, aligned with our Conduct Risk Framework we place our customers at the centre of our communications. When advertising or selling our products, we disclose all relevant information to our customers, including charges. Our product advertising carries warnings to alert our customers of any potential negative consequences of changes to their loan agreement – for example, if they do not keep up their repayments their account will go into arrears and this may affect their credit rating and their ability to access credit in the future.

We complete a Know Your Customer process and when we recommend products, we also complete a product suitability assessment to ensure that we have fully understood our customers' needs. We provide customers with information which is both accessible and transparent to support and enable them in making informed decisions. Professional advice is only provided to customers by suitability qualified employees. Our customer language programme empowers our employees to keep our communications simple, clear and transparent, striving to ensure our customers better understand the information relevant to their financial decisions. We seek and record customers contact preferences, and do not part-take in cold calling.

### PRODUCT AND SERVICE INFORMATION

In 2020, 28 error issues were notified to the regulator, the Central Bank of Ireland, under the reporting obligations of the Consumer Protection Code 2012. No errors recorded in 2020 resulted in a regulatory warning or fine/penalty to date. No errors were notified in the UK or USA. We adhere to voluntary codes on advertising standards in Ireland (ASAI) and the UK (ASA) as well as broadcasting and market research codes and have not identified any non-compliance with them in 2020. Individual employee breaches of the Code of Conduct are managed through a strict disciplinary process where sanctions up to and including dismissal are applied. Details of the volume of non-compliance with our internal staff Code of Conduct are presented to the Board Audit Committee each year, but not published externally.



# ENABLE CUSTOMERS TO MAKE BETTER INFORMED FINANCIAL DECISIONS

## BREXIT

If 2020 provided any good news, it finally came in the form of a Formal Trade Agreement agreed between the EU and UK. We had numerous workgroups right across the bank who prepared us to support our customers fully if the Brexit negotiation process did not deliver. This followed nearly three years of Brexit readiness preparations both internally and with our customers.

## 3 YEARS OF BREXIT READINESS PREPARATIONS

Some of the products and services, that we have in place to continually support our customers include:

- **32 Brexit Advisors** and dedicated **Brexit helpline** has been in place to help customers with any Brexit related queries they may have
- **A Brexit Hub** at [www.aib.ie/Brexit](http://www.aib.ie/Brexit) provides detail on all of the supports we offer on Finance, Cashflow, Customs, and Treasury services. The site also provides guidance on key steps needed to secure a Comprehensive Guarantee where the SME customer trades with/through the UK
- A full suite of lending and **cash flow supports** including the Brexit Working Capital and Loan Schemes alongside our wider working capital, long term funding and foreign exchange supports available

- Our Foreign Exchange team can provide **bespoke solutions** for our business customers to mitigate foreign exchange risk, providing them with revenue protection and greater cost certainty
- **AIB Market Talk**, hosted by AIB Treasury, held a series of podcasts through 2020, providing business customers with all the latest on Brexit discussions, with many including examples on how customers across various sectors were getting 'Brexit Ready'. [www.aib.ie/fxcentre/podcasts](http://www.aib.ie/fxcentre/podcasts)
- **Our Brexit Ready Check** – provided customers with a risk assessment of the potential impact of Brexit on their business in less than five minutes, covering six core areas – Sector Overview, Direct Trade, Indirect Exposure, Currency Exchange, Supply Chain and People. A tailored report for the individual SME business customer was also provided, offering practical advice on all the impacted areas highlighted from their responses.



In addition to the above we also hosted external insight events including 'Get Brexit Ready with AIB' virtual event featuring Minister Simon Coveney (Minister for Foreign Affairs & Trade) and ongoing internal training seminars for our employees.



**CLICK HERE TO LISTEN TO THE PODCASTS**

**AIB Market Talk** is hosted by AIB Treasury.



# INNOVATION AND CO-CREATION

## OUR APPROACH

Our stakeholders have told us that it is important to them that we provide the best products and services for customers by embracing future trends through continuous investments in new revenue models, dynamic and proactive approach towards collaborations and investment in new businesses.

Along with supporting innovation in our own business, we also have a role to play in providing finance for innovative enterprises. We do this by directly providing banking facilities or loans, and we also help by providing support to initiatives that foster and support new enterprises and/or new innovation in existing businesses. We engage with our customers during the development process to ensure our products are services are meeting their needs.

Each of our agreed partnerships is fully aligned with our strategy and has specific metrics/KPIs that must be met across the relevant and individual objectives of the agreement: commercial, training, brand awareness, community engagement, etc. Each of these are measured in accordance with their respective agreements, on a case-by-case basis.

### SUSTAINABILITY-LINKED LOANS

AIB supported the first Sustainability-linked loan (SLL) in the Irish market in January 2019. SLLs are currently available to customers of our Corporate, Institutional & Business Banking (CIB) segment. While SLLs are used for general corporate purposes, they are commonly aligned in the market with the sustainability-linked loan principles and enable lenders to incentivise the sustainability performance of the customer as well as support positive changes in environmental and/or social matters.

Typically, SLLs incentivise our customers to achieve their own ambitious, predetermined sustainability performance targets, by linking the interest rate of the SLL to the customer achieving agreed sustainability targets/objectives set out at the start of the loan agreement. Performance against those



CEO Colin Hunt joined Minister for Further and Higher Education, Research, Innovation and Science Simon Harris for a visit to the AIB COVID-19 Research Hub in Trinity College Dublin.

targets/objectives is monitored through business as usual portfolio management activities, in line with the contractual information and reporting conditions of each SLL.

### FOSTERING INNOVATION

We have invested in some exciting initiatives across the country – most recently with innovation hubs The PorterShed and Ludgate and we have a long association with NovaUCD – the hub of innovation related activities at University College Dublin. Recognising technological advancement is one of the key enablers to overcome the sustainability challenge and AIB is one of the main sponsors of the NovaUCD AgTech Connector Innovation Hub (see p.52). In 2020, over 80 businesses took part in the Chambers Ireland Sustainability Academy, which we supported. The programme focused on improving participants' knowledge and understanding of sustainability matters.

### COMMUNITY PARTNERSHIPS

Through our community partnerships, we strive to deliver innovation and co-creation. In our established partnership with FoodCloud we work closely with the team as one of their primary partners to deliver a significant impact in addressing food shortage and food waste issues (see p.53).

We work closely with the team – sharing our expertise as well as our employee volunteering time, helping them to deliver a significant impact in addressing food shortage and food waste issues.

COVID-19 has clearly shown us that to have a healthy economy you must have a healthy society. We all have to do what we can to ensure the communities in which we operate are healthy and well. In April we announced a collaboration with Trinity College Dublin to establish a COVID-19 research hub. As a foundation partner, we committed €2.4m to the hub, which aims to accelerate the college's immunology project to help in tackling the COVID-19 pandemic. Trinity is in the top 1% of research institutions globally, and this project brings together leading expertise from there as well as other national and international collaborators.

It is hoped the outputs of the study will help to develop a better understanding of COVID-19, contribute to solutions to manage it, and ultimately support societal and economic recovery nationally and internationally. We see this initiative as being very much aligned with the objectives of the UN Sustainable Development Goals.

# INNOVATION AND CO-CREATION

## SUSTAINABLE FOOD PRODUCTION



Louise Crowley, Teagasc Young Farmer of the Year 2018.

Ireland is well regarded as a quality, safe and sustainable food producer. We have a long established dedicated Agri Advisor team based across the country who work to support the needs of our farming customers. Our Agri Advisors have strong sectoral knowledge and can provide objective farm financial and technical analysis on individual farm cases as needed.

### COLLABORATION

Collaboration with industry partners is key to finding innovative ways to make farming in Ireland more sustainable. Throughout 2020, we continued our partnership with Teagasc on the Grass10 initiative, profiling best practice and practical insights to improve grassland management via a series of online resources and updates.

We also sponsored the virtual Irish Grassland Association Dairy Summer Tour which took place in July. The event highlighted the importance of maintaining soil fertility, networking and the potential and requirement for increased adoption of sustainability measures on-farm.

Through early 2020, the Agri Advisor team delivered a series of presentations to Agri students attending Limerick IT, Cork IT, Dundalk IT and Carlow IT. Presentations focused on Agri market dynamics, applying for finance, key bank considerations and offered case examples – all key to promoting greater economic sustainability on-farm.

We supported a number of AIB/Macra na Feirme seminars in early 2020, discussing the future challenges and opportunities facing the Agri sector and created a '5 steps to help you make financial decisions' flyer in support of the Tipperary Macra na Feirme 'Making the Moove' initiative. The initiative was profiled on RTE's Ear to the Ground farming programme and addressed mental health concerns and worked to improve wellbeing among Irish farmers.

Although the Agri Sector proved more resilient to the impact of COVID-19 relative to other SME sectors domestically, national interventions taken to curb the geographic reach of COVID-19 resulted in the cancellation of several events.

The Agri team initiated and continued regular and ongoing engagement with key Agri stakeholders relating to the potential impact of COVID-19 on their business and/or their members, also profiling the range of support options available and the benefit of early engagement with the bank where cash flow pressure is experienced or anticipated.

To date, the sector has performed positively with no significant increase in working capital requests. Account performance overall remains strong.

### AGTECH INNOVATION

With technological advancement one of the key enablers to overcome the sustainability challenge, we have partnered with a number of industry stakeholders and are one of the main sponsors of the new NovaUCD AgTech Connector Innovation Hub. Based at UCD Lyons Estate, Co. Kildare, the goal of the AgTech Connector is to bring together the AgTech ecosystem in Ireland. It provides access to on-farm research collaboration opportunities, a location to test and trial their products and services in a real-world environment; along with access to dedicated acceleration programmes and incubation facilities.

# INNOVATION AND CO-CREATION

## AIB TOGETHER

2020 saw the second anniversary of AIB Together, a Group-wide community programme of core partnerships, volunteering, corporate giving, and fundraising.



Mary Whitelaw, Director of Corporate Affairs, Strategy & Sustainability with Iseult Ward CEO of FoodCloud.

In addition to a €2.4m financial investment into core partners FoodCloud and SOAR, this programme offers two days per year for each employee to volunteer for local charities or community organisations, since the programme launched employees have donated over 9,000 hours to a wide range of charities and causes.

In April 2020, we launched an additional AIB Together €1m COVID-19 fund. With our deep community roots, our response to the crisis was swift. Over €700,000 has already gone to the most vulnerable groups adversely affected by the pandemic, including €416,000 raised through employee fundraising and matched by AIB to charity partners Age NI, Age UK, ALONE, FoodCloud, Pieta, and SOAR. €200,000 was provided immediately, distributed to over 600 local charities via our branch network across Ireland and the UK.

We have also supported over 1,000 families in need through SVP and provided hundreds of students with laptops through the Trinity Access Programme Tech2Students initiative.

### FOODCLOUD

FoodCloud is a multi-award-winning social enterprise that enables the redistribution of surplus food from industry to the charity sector. FoodCloud supports local communities across Ireland while also tackling the enormous environmental issue of food waste. AIB has renewed its partnership with FoodCloud for another three years, investing €1.5 million to support the social enterprise's

ambitious 2021–23 strategy. The renewal comes on the back of a successful three-year partnership, during which 6,300 tonnes of surplus food were redistributed – the equivalent of 15.1 million meals and 20,353 tonnes of CO<sub>2</sub>-eq avoided.

FoodCloud has been a key partner of the bank's AIB Together programme since 2018. Over that time the partnership developed a significant volunteer programme with approximately 1,200 AIB employees volunteering at FoodCloud's hubs for a total of 7,524 volunteer hours. This volunteering involved packing food which then went onto charities, as well as skilled volunteering which involved AIB staff supporting FoodCloud in the areas of social media, technology, and finance.

Iseult Ward, CEO of FoodCloud said: "With the support and security of our three-year partnership with AIB, FoodCloud were positioned and ready to respond to the increased demand for food within communities brought about by the pandemic. 75% more food was distributed through our three hubs in 2020 compared to 2019. Having this certainty of support from AIB, meant we were able to take on four new staff in a very short window, which were further supported by AIB volunteers, who have become an integral part of our operations since our partnership began in 2018. AIB's support over the next three years will further increase FoodCloud's capacity to redistribute food, boost the expansion of our technology beyond retail to the wider supply chain, and support collaborations with growers to rescue more food at an agricultural level."

### SOAR

SOAR has worked with over 41,000 young people since 2012, and its school workshops aim to empower young people to thrive, believe in themselves and fulfil their potential. SOAR delivers early-intervention, preventative, character development wellness workshops for young people aged 12 to 18, from all backgrounds. Over 14,000 teenagers have participated in a SOAR workshop since the start of the AIB Together programme in 2018; AIB's investment has resulted in a 60% increase in young people reached since the start of the partnership. In 2020, we helped with the shift to online platforms and development of longer-term workshops for teenagers across the country.

### 30 YEARS OF GAA

This is AIB's 30th year of partnership with the GAA. We are extremely proud to sponsor the All-Ireland GAA Football and Hurling Club Championships, the All-Ireland Camogie Club Championships and the GAA All-Ireland Senior Football Championships.

### TOTAL COMMUNITY CONTRIBUTIONS

In 2020 AIB provided €14.1m in support of our Group-wide community programme of core partnerships, volunteering, corporate giving, and fundraising. The support is provided in different ways – commercial initiatives, community investment and charitable donations.



# INNOVATION AND CO-CREATION

## INNOVATION HUBS PORTERSHED AND LUDGATE



### PORTERSHED

The Galway City Innovation District trading as 'The PorterShed #backed by AIB' first opened its doors in 2016. It is an incubation centre where young technology start-up companies can mix with, learn from, and share resources with each other and with multi-national ICT companies who are just getting started in Ireland. Since it was opened, PorterShed member companies have raised over €35m in investment funding, created over 700 jobs (contributing over €22m to the local economy) and hosted over 1,040 separate events.

Its impact and influence has extended nationally and its reach has expanded far beyond its base location. In Q4 2020 it was announced as NDRC Regional Partner for the North & West in delivering the next phase of the Irish National Accelerator program and it is one of only two Irish Innovation Hubs to be invited as members of the Global Institute of Innovation Districts. AIB sees this sponsorship as an contributor to supporting social inclusion through balanced regional development.

In 2021, GCID expects to open two new buildings which will result in a threefold increase in capacity to almost 400 desks and AIB in that context, was delighted to extend its sponsorship of the PorterShed to 2026.

"The PorterShed has become a beacon for the west and has been instrumental in developing a critical mass of technology companies in Galway. Currently it is home to 42 businesses with over 150 people using the facility every day and supporting the creation of 720 sustainable jobs in the region. The PorterShed is the first building in the Galway City Innovation District (GCID). 2021 will see the development of two new locations increasing our footprint threefold and providing a springboard to build on our success and deliver on the vision of GCID."

Mary Rodgers Innovation Community Manager,  
The PorterShed.



### THE LUDGATE HUB

The Ludgate Hub opened its doors in Summer 2016. It is located in Skibbereen, West Cork along the picturesque Wild Atlantic Way. The facility provides a state of the art, 10,000 sq foot co working space with super-fast fiber optic broadband connection.

Ludgate's long-term vision is to make West Cork a hotspot for start-ups, SMEs and multinationals allowing them to prosper and thrive at a global level from a rural location. This is only feasible by leveraging both the private and public partnerships which Ludgate has developed and nurtured over the last number of years and with the aid of additional Government funding and support.

In 2019, the Ludgate Hub was successful in obtaining €2m of Enterprise Ireland funding through the Regional Enterprise Development Fund 2017 – 2020 under stream 2 of that scheme. This funding will support our vision in Ludgate, namely "To promote rural and community development and to support vibrant, inclusive and sustainable communities throughout Ireland". The project underpinning this vision is the development of a Ludgate Innovation Centre encompassing the establishment of five key pillars:

- Business Development Unit
- Start Up Academy
- FoodTech/AgriTech Innovation Centre
- Education Innovation Centre and
- A Hub Academy.

# INNOVATION AND CO-CREATION

## DUBLIN CHAMBER SUSTAINABILITY ACADEMY

In February 2020, AIB's Head of Business Banking Market, Catherine Moroney was elected president of the Dublin Chamber. Aligning to our commitment in this area, the theme of Sustainability has been at the heart of this year's Presidency. In parallel with this, the Board of Dublin Chamber introduced Sustainability as a core support for the organisations membership.



Catherine Moroney – President, Dublin Chambers of Commerce.

As part of the activities held in 2020 by Dublin Chamber, we sponsored a Sustainability Academy which over 80 businesses have participated in. The aims of the Academy are to provide meaningful support to members helping them to become more sustainable businesses, with Dublin Chamber developing a reputation as a key supporter and enabler of this objective.

The Sustainability Academy achieves the following:

- Provides an intensive modular Sustainability Training programme
- Supports the Chamber's sustainability lobby
- Supports businesses preparing to transition to new regulatory, finance, and tendering environment which is changing as part of the circular economy agenda.

Participants had the opportunity to attend in depth training workshops on Corporate Sustainability, Carbon Foot printing, Circular Economy, Green Public Procurement, Energy Efficiency Training, and an Introduction to CDP Reporting. These modules were delivered by expert practitioners in the respective topics and enabled the participating businesses to learn new practices that they can apply in their own firms to enhance their Sustainability.

## 1ST CHAIR IN SUSTAINABLE BUSINESS

We have announced a partnership with University College Cork (UCC) which will see us fund a Chair in Sustainable Business, the first of its kind in Ireland.

At a time when consumers, investors and employees expect organisations to put sustainability at the centre of their businesses, the AIB Chair in Sustainable Business will support UCC's vision to enable the next generation of responsible business leaders.

AIB has pledged five years' funding for the Chair, who will coordinate the university's overall approach to sustainable business and undertake innovative research. The position will be based in the Cork University Business School (CUBS), Ireland's largest business school.



John O'Halloran, UCC, pictured with Colin Hunt.

# FINANCIAL INCLUSION AND LITERACY

## OUR APPROACH

Financial inclusion is important as it can help to support improvement in the financial health of all in society. By supporting people from all socio-economic backgrounds with access to tools, products and services, as well as building their financial knowledge and literacy, we can help everyone in wider society to manage and plan their finances effectively.

### BANKING FOR ALL

In 2020, as part of an EU-wide initiative, we opened c. 17k Basic Bank Accounts for unbanked customers, providing a bank account that is lower cost as it is exempt from account maintenance and transaction fees. From February 2021 it is now possible for new customers to open Basic Bank Accounts remotely via our Mobile Banking App. Providing Basic Bank Accounts alone is not enough to improve financial inclusion, customers need access to financial products & services (see p.46-47), and to develop their financial knowledge and skills to be able to use them to manage their finances effectively.

### BACKING CUSTOMERS

When business credit applications meet our credit criteria, we provide finance through our own network. For those cases that we cannot support, and who meet the criteria for micro finance, we refer them to MicroFinance Ireland (MFI) as appropriate.

AIB has been a funding partner of the Social Finance Foundation (SFF) since its inception. Through the Banking & Payments Federation of Ireland, we collaborated with other funding partners to agree to provide a substantial new tranche of low-cost funding to SFF, to support social and micro enterprises for the period 2021-2025.

Our customer language programme continues to improve our communications. It equips our employees to communicate with our customers and each other in clear, easy to use language. In 2020, all new communications went through an editing process for plain English, a customer first approach and a human touch. We

## SUPPORTING FINANCIAL LITERACY

INITIATIVE	BENEFICIARY	GOAL	MAIN ACTIVITIES
AIB Money and Me	Students	Enable students to be confident about managing their money	Providing support and resources for teachers, for class-room based learning
Customer language programme	Employees and customers	Make our customer and our internal communications clearer and easier to understand	Our Head of Customer Language trains colleagues and creates and edits communications in customer language
Build a Bank Challenge	Students	Promoting and improving financial literacy in second level schools	Students open and operate a bank in their school
Love later life	Society and employees	Help older and more vulnerable people improve their digital banking skills and knowledge	Providing support and training
Mobile app training	Customers	Help improve digital banking skills and knowledge	Providing support and training

converted c. 750 pieces of communication into customer language, applying the approach to all communications, including those about COVID-19 payment breaks to our loan and mortgage customers.

### RESPONSIBLE LENDING

Our Credit Risk team develop and maintain policies designed to establish responsible lending practices. Core principles are enshrined in our policy for customers in arrears and the management of distressed credit to ensure that customers are treated fairly, objectively, sympathetically and consistently.

Our Group Credit Risk Framework sets out the principles and governance arrangements for the identification and management of credit risk within the Group. The framework helps us to formulate, communicate and implement our comprehensive credit risk strategy, put in place effective controls, and develop and reinforce a strong credit risk focused culture. It is supported by our Group Credit Risk Policy and a suite of individual Credit Risk Management and Sanctioning Credit Policies by asset and sub-asset class, collectively forming the Credit Risk

Policy Architecture. These policies help us to manage all our lending activities – including personal loans, finance for buyers securing their first home, our development finance for residential and commercial properties and finance to support small, medium and corporate businesses.

### BUILDING AWARENESS OF FRAUD

We are committed to protecting our customers and wider society against the threats associated with fraud. In our Internet Banking Security centre we explain how frauds are conducted, share information on the common types of frauds and show how everyone can keep their own information secure and confidential. We also post alerts on specific current security threats and scams. Research undertaken by AIB found that that four in five people in Ireland have been targeted by fraudsters in 2020, receiving either a text, call or email which was not genuine.

For more tips on protection against fraud, please visit: [www.aib.ie/security-centre](http://www.aib.ie/security-centre).

# FINANCIAL INCLUSION AND LITERACY

## HOUSING

**Housing is a key strategic priority for us as a pillar bank in Ireland, and we understand that we have a key role to play in supporting and increasing the housing supply in Ireland.**

AIB is involved across the housing value chain, from the financing of development land, through to supplying funding for housing construction and financing mortgages. We are a leading provider of finance to the real estate sector and the market leader in the Irish mortgage market.

Our multi-disciplinary team of in-house engineers, surveyors, economists and banking professionals delivers practical and innovative real estate financing solutions for our customers. In 2020, we worked on a number of initiatives to help boost the housing supply in Ireland, not only with real estate and mortgage finance, but through our support for social and affordable housing. We launched our €300m Social Housing Fund to support the provision of 2,000 sustainable A-rated social housing units by 2023. We also published our Housing Market Bulletin in June and December 2020, sharing information on trends in the Irish housing market.

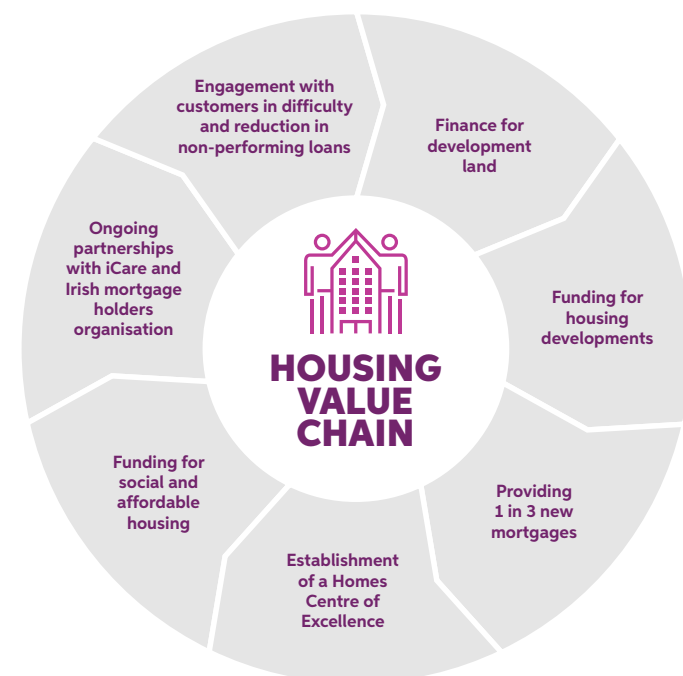
In 2020 in Ireland, we supported customers with new mortgages and introduced some key enhancements for customers, including:

- two interest rate reductions

- an enhanced digital end-to-end mortgage application process
- video mortgage meetings with AIB and EBS home mortgage advisors.

In the UK, we launched one of the first Green Mortgages in the UK market, and the first in Northern Ireland.

For mortgage customers in difficulty, we offer support and a comprehensive range of solutions. COVID-19 resulted in unanticipated financial challenges for many customers.



### WORKING WITH DEBT ADVOCACY GROUPS

We are the largest lender and supporter of Mortgage to Rent in the country and provide funding assistance to the two largest providers of the scheme (iCare and Home for Life). iCare is an Approved Housing Body and registered charity set up in 2016 to help homeowners in financial difficulty remain in their home through the Government's 'Mortgage to Rent' scheme. The scheme allows residents to remain in their home under a long-term lease, facilitates a full write off of the balance of their mortgage and should their circumstances change, allows them the ability to repurchase the property at a later date. The homeowner becomes the tenant and iCare becomes the landlord.

AIB has provided iCare with committed funds of c. €30m over the past two years, with an expectation to increase overall committed funding limits in 2021. This funding has supported the acquisition of over 250 properties and has allowed over 700 individuals who may have otherwise lost their family residence due to mortgage arrears, remain in their family home.

## CASE STUDY

### TUATH HOUSING

Cooleven, Clondalkin is a turnkey development of 83 'A' rated homes built for Tuath Housing that will house individuals and families on social housing waiting lists. As an Approved Housing Body, Tuath is a registered charity and one of the country's largest providers of social housing homes.

The first tenant (Healthcare worker, Amy Collins) was handed the keys to her new home by the Minister for Housing, Darragh O'Brien T.D. in November 2020.

AIB has established itself as a key funder to the Social Housing sector and is able to structure long term facilities that match the term of the State supported long term leases. Lending is robust with long term leases supporting debt repayments.

Funding provided to Tuath from AIB has now supported the acquisition of close to 230 social housing homes with more to follow in 2021.



Amy Collins receiving the keys to her new home in Cooleven Clondalkin.

# FINANCIAL INCLUSION AND LITERACY

## SUPPORTING VULNERABLE CUSTOMERS

There are those times in life when we are less able to cope with the everyday things. Banking is for everyone and we want to make sure all our customers can look after their money even during more difficult times. Our Vulnerable Customer programme was established to develop supports for customers in vulnerable circumstances.

### THE VULNERABLE CUSTOMER PROGRAMME

The programme is built on the experience of staff who support customers every day and is focused on key areas including **Financial Abuse, Addiction, Dementia, Mental Health, Accessibility and Economic Resilience**. The objective of the programme is to take exceptional care of our customers when they need us most and to foster a culture of inclusion and support in everything that we do.

Most people will experience vulnerability in some form over their lifetime. These are the times when our response can make a significant difference. Our customers may need help to remain independent, support with making their own decisions, assistance to access services or sometimes, our customers just need us to listen, understand and be flexible.

To embed this thinking across the organisation, from product development to customer services, we have introduced a dedicated Vulnerable Customer Support team, Vulnerable Customer Policy, procedures and guidance, external partnerships, a comprehensive training programme and a governance structure. We also introduced a system to record when a customer needs additional support. This means that our customers just need to tell us once and our employees can provide consistent support.

Progress made to date supported a rapid response to the COVID-19 pandemic. A Helpline for Over 65s, delegated cash withdrawal and prioritised in-branch banking hours were added to existing supports.

Using improved systems and procedures our front-line employees were able to provide additional support to over 2,800 customers when they needed it most. In addition, our Vulnerable Customer Support team assisted with over 1,400 of the most complex customer cases.

### VULNERABLE CUSTOMER SUPPORT TEAM

Our Vulnerable Customer Support team was established to assist with the most complex customer cases. The team deals with a wide variety of customer circumstances including financial abuse, dementia and accessibility needs. The Support team has developed links the HSE Safeguarding Committees, SAGE Advocacy and the Gardai. These relationships were particularly important during the pandemic and these groups went out of their way to help us support our customers during this time.

No two cases are the same and the team regularly engages with our legal, fraud and branch teams to find the best solution for our customer. The team understand how difficult situations can be for everyone involved and they do everything they can to look after our customers.

### STAFF TRAINING AND AWARENESS

Our e-learning curriculum is made up of seven modules, covering topics including dementia, mental health, gambling, financial abuse, and bereavement. This is supported with classroom-based training which allows employees work through and discuss issues particularly relevant to their area. This training continued, delivered remotely, throughout the COVID-19 crisis.

We have delivered over 14,300 hours of e-learning to our people with 770 employees receiving bespoke classroom training.

### JUST A MINUTE (JAM) CARD

We have partnered with the NOW Group to become a 'JAM Card Friendly' organisation. The JAM Card allows anyone with a communication barrier to tell others they need 'Just A Minute' discretely and easily. It can be used by people with Asperger's syndrome or autism, those who have a brain injury as well as people who otherwise feel self-conscious about their ability to effectively communicate.

The response of our staff to the initiative has been overwhelming with over 4,800 employees completing the training.



# FINANCIAL INCLUSION AND LITERACY

## YOUTH AND EDUCATION

Youth and education is one of our core sustainable communities focus areas, and we enjoy partnerships with a variety of third-level institutions, including Dublin City University (DCU), University College Dublin (UCD) and Technological University Dublin (TUD).

In Northern Ireland, we support Graduate and Student of the Year awards in both the Ulster University and Queen's University Belfast. We have partnered with Junior Achievement Ireland since its inception in 1996, and over 1,000 of our colleagues have been involved during the past 24 years, benefitting more than 28,000 students in Ireland. Junior Achievement helps children of all ages understand the benefits of staying in education and has worked with more than 3,000 volunteers to facilitate educational opportunities for more than 63,000 students. Despite the premature end to the school year due to the public health situation in 2020, 47,000 students in 549 schools benefited from Junior Achievement Ireland (JAI) programmes last year.

### FUTURE SPARKS FESTIVAL

The AIB Future Sparks Festival is an event designed to expose second-level senior cycle students to the career choices available to them. It brings together Business, Sports, Culture and Lifestyle experts to engage with senior cycle students for a day of immersive discussion on putting the theory of the business curriculum into practice. This year as a result of COVID-19, we converted this into a virtual online educational series distributed via social media channels. The 8-part content series was produced using video conferencing systems, interviews, and conversations

with a great line up of inspiring individuals. The content was designed to reinforce the educational aspects of the senior cycle business curriculum, and to spark inspiration for students about their future careers. Schools also had the added bonus of student activities, work sheets and lessons plans which supported the online series.

This content series had a reach of over 100,000 students with 52.7 million impressions. We were also the first financial brand in Europe to advertise on TikTok, the fastest-growing social media platform within the youth segment.



## 18 YEARS OF BUILD A BANK

## 18,000 STUDENTS HAVE TAKEN PART IN THE PROGRAMME

### BUILD A BANK CHALLENGE

The AIB Build A Bank Challenge is one of the longest running schools programmes for Transition & 5th Year students across Ireland. It is designed to enable students to explore key life skills such as innovation, creativity, teamwork and business management; whilst also encouraging students to fundraise and show their support for either the school or their community. This year, it was successfully

transformed into a web-based experience using video conferencing, with students from St Mary's Secondary School in Mallow, Cork, claiming the title and the €5,000 prize for their school. Since it started in 2002, over 18,000 students have taken part in the programme. In 2020, over 100 schools registered for the programme with 73 schools showcasing their projects virtually to compete for the national title.

# FINANCIAL INCLUSION AND LITERACY

## BECOMING DIGITAL ADVOCATES

Through insights in our data, we could see that in excess of 60% of our mobile app customers were using our branches and contact centre to complete services that were available on the app – primarily due to their lack of awareness that the features existed on the app. We wanted to increase the adoption of our digital channels to allow customers move to a more convenient and sustainable way of banking. We looked at three areas that we felt related to challenges in digital adoption.

### EMPLOYEE ADVOCACY

We wanted to upskill our employees on our digital capabilities to give them the knowledge and confidence to also educate our customers.

To do this we developed a suite of ‘how to’ videos for our key servicing journeys on the mobile app. Employees can use these videos as training tools to help them understand our mobile app features increasing confidence to help promote digital options to our customers.

We also developed a suite of data driven prompts which present to employees when engaging with customers. These prompts alert the employee to make the customer aware of the most relevant mobile app service for them based on past behaviours and educating them for future servicing needs.

### CUSTOMER ADVOCACY

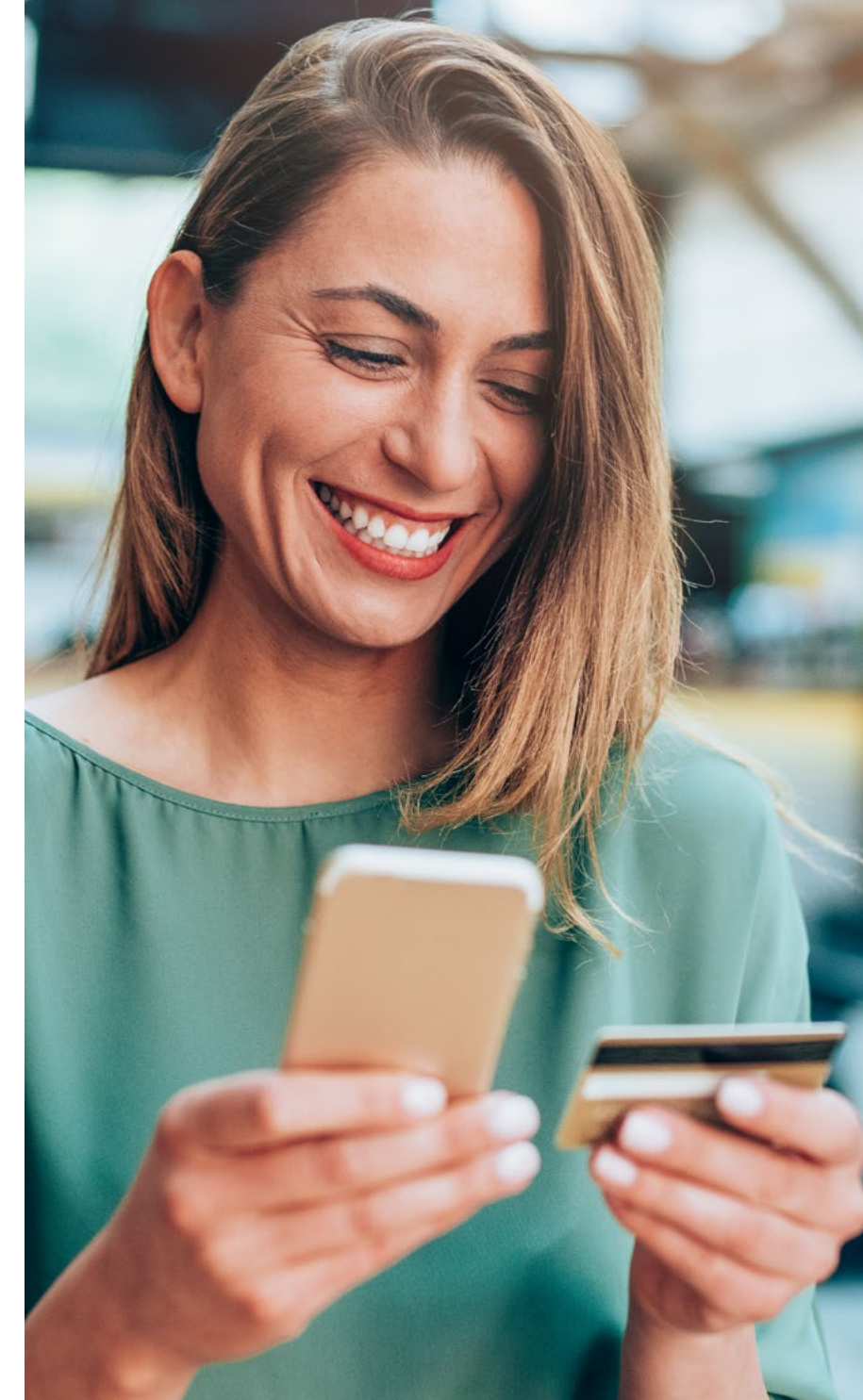
We wanted to increase awareness of existing functionality in the mobile app. This was critically important as a programme is underway to build out new features closing out our digital gaps and its success is dependent on customer’s adoption.

We developed a new data driven in-app banner messaging capability. The data driven insights used for employee prompts can now be used to communicate directly with customers while they were securely logged on in the app.

This capability will be further enhanced in 2021 to have data driven triggered in-app banners to customers if they have used the branch or call centre alerting them to the possible digital alternative.

### MEASUREMENT

A dashboard was created to measure the impact of our advocacy on customer behaviours. This dashboard enables us to track our journeys across all our channels, both staff assisted and digital. We can monitor changes in customer behaviour in line with initiatives from our Digital Advocacy programme to measure its effectiveness and make any changes if necessary.



**DAILY USER INTERACTIONS 2020**



DAILY USER INTERACTIONS  
**2.57M**



ATM INTERACTIONS  
**84k**



MOBILE INTERACTIONS  
**2.3M**



INTERNET BANKING LOGINS  
**115k**



CONTACT CENTRE CALLS  
**23k**



BRANCH TRANSACTIONS  
**39.5k**



KIOSK/TABLET LOGINS  
**10.7k**

# LOOKING FORWARD

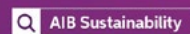
We have made good progress in promoting financial literacy and in enabling our customers to make better informed financial decisions. We have also made progress in providing enhanced supports for vulnerable customers and we will be enhancing these supports in 2021.

We are also focused on ensuring we deliver appropriate products and propositions across key areas such as Homes and SME supports that truly enable financial and social inclusion for all our customers.

We have set targets within these areas by which we can measure our progress and understand how we are responding to issues that matter to our stakeholders.

Due to the magnitude of the climate challenge, we see climate action as an area where increased innovation and co-creation could help make great strides in moving the agenda forward. We have a significant role to play in providing finance to support this, and with our dedicated Climate Action Fund, and supporting sustainable finance options for our customers, we are ready to embrace this opportunity.

We pledge to **DO MORE.**



# OUR TARGETS

2023

€300M

FINANCE FOR SOCIAL HOUSING

2023

500,000

CUSTOMERS SUPPORTED –  
FINANCIAL LITERACY

ONGOING

FOCUS ON

**AIB TOGETHER**

PROGRAMME