

AIB Sustainability Q&A

AIB has updated the pledge to Do More: what are you announcing?

At AIB, sustainability is at the very heart of our business. For us, that means reducing our carbon footprint across our own operations and helping our customers to make the transition to a low-carbon economy. Essentially it means being more aware of the finite nature of our natural resources and doing all we can to reduce our use of things that damage or drain the environment and do more of the things that don't.

That's why we're committing to achieving carbon neutrality across our operations by 2030, meaning we will reduce the greenhouse gas emissions from our own operations to zero by 2030, eliminating carbon rather than offsetting it.

We will work to achieve the same for our customers by 2040. As the majority of our carbon footprint comes from the lending we do to support our customers across the economy and society in areas such as housing, transport, manufacturing and agriculture we also need to support them to transition to a low carbon economy.

This means financing more of the activities that are better for the environment, less of the things that do harm to the environment and supporting our customers to make investments that reduce their own carbon footprint.

In line with the Government Action Plan, our ambition is to be carbon neutral across our Agriculture customer base by 2050.

This builds on our Pledge to 'Do More' to support Ireland's transition to a low carbon economy, supporting our staff, customers and suppliers in the necessary transition.

I. Being Carbon Neutral

What do you mean by carbon neutrality?

Carbon neutrality is achieved when the same amount of carbon dioxide (CO₂) is removed from the atmosphere as is emitted into, thereby achieving a zero or net zero balance, also known as a zero-carbon footprint.

'Carbon Neutral using a Net Zero approach'. What do you mean by this?

That means cutting greenhouse gas emissions to as close to zero as possible - through elimination of carbon rather than offsetting it.

We started this process in 2014 and have already achieved a 40% reduction in our direct emissions since then. We will continue to build on the progress that has been made. You can see our most recent infographic on our progress [here](#). We have also introduced a new Responsible Supplier Code across our 4,000 supplier base which details how we are changing the way we evaluate our supply chain when it comes to competing for business. As part of our future procurement process, we will have a preference for those suppliers that align to our values, can demonstrate sustainable practices and have a commitment to a low carbon strategy.

Why is AIB doing this?

We are committed to leading Ireland's transition to a low carbon economy. Over the last number of years, we have been working to build a more sustainable business. AIB alone is not the solution to climate change, but we are doing everything we can to be a part of it.

We have, over the last 12 months:

- Been accredited with the 'Business Working Responsibly' mark by Business in the Community Ireland
- Green Awards Winner 2020 – Large Green Organisation of the year
- Achieved Carbon Disclosure Project (CDP) Leadership A status for the last 4 years
- Winner of 'Outstanding Achievement in Sustainability' at the Chambers Ireland Annual Sustainable Business Impact awards 2020
- Raised €1 billion in the first Green Bond issuance by an Irish bank
- Established a Socially Responsible Investment (SRI) Bond Framework & related SRI Bond Portfolio (aiming to represent 10% of the Treasury Fixed Income portfolio)
- Become the only Irish bank to be a Founding Signatory of the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking and a supporter of the Task Force for Financial Related Disclosures (TCFD)
- €1.2bn in green lending in 2019.

Are you the first Irish bank to do this?

Yes, AIB is the first Irish bank to commit to becoming carbon neutral across our business operations by 2030. We have already made significant progress on this journey, which we will now accelerate at pace in order to achieve our ambition.

You've also committed to 70% of new lending being green by 2030: what do you mean by this?

A green loan refers to any type of loan exclusively available to finance or refinance new and/or existing eligible green projects. In support of this ambition in green lending, we announced in 2019 the launch of a €5bn climate action fund to support our customers' transition to a low-carbon economy. The same year, we committed €1.2bn of green lending into the marketplace, which based on 2019 results equates to circa 10% of new lending. In fact, for the past 2 years, green lending has been the fastest growing part of our loan book.

To support this ambition for 2030, we have a dedicated Energy, Climate Action and Infrastructure team in place to advise and support customers.

How will customers be impacted?

We already support our customers – personal and corporate – across a number of initiatives in making a move towards becoming carbon neutral in the future, and climate action related lending is now the fastest growing part of our balance sheet.

Specific initiatives include:

- AIB's €5bn Climate Action Fund
- €245million of lending through our Green Mortgage in the last 12 months
- 0% finance package with Nissan Ireland for the Nissan Leaf range of vehicles
- Support for the Agri sector through AIB's Grass 10 programme with Teagasc
- Our €300 million Social Housing Fund to deliver 2,000 sustainable A-rated homes

- Sustainability linked loans with a number of our corporate customers

Who features in the TV ad?

The ad features a young actor and climate campaigner called Anna O'Connor from Cork.

2. Covid

Is it the right time for AIB to make such an announcement about its efforts to reach Carbon Neutrality by 2030 when so many of the bank's customers are struggling day to day with Covid?

At AIB, we have a duty of care for our customers that we work with every day, the communities that we live in, the country we are part of and the planet we inhabit.

Covid 19 has put sustainability closer to the centre of the business agenda by its very exposure of the vulnerabilities of the economies and societies we all live in.

We have a comprehensive programme of supports in place for our customers, all of which can be accessed at <https://aib.ie/covid19>.

3. Brexit

Is AIB's commitment realistic given the fact that Brexit is only weeks away?

We have a full suite of supports available for customers who will be impacted by Brexit, all of which can be accessed at <https://business.aib.ie/my-business-is/brexit-support>. Sustainability remains at the core of our business, and our commitment to being part of the solution to climate change is unwavering.