

REPORTING

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GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

This section of the report details how we have progressed in our adherence to the GRI sustainability standards. These standards are designed to be used by organisations to report on their impact on the economy, the environment and society.

Reporting is divided into two parts, the first of which is a General Disclosures section (GRI 102) which provides an organisational context, and an overview of the management approach (GRI 103). Reporting organisations can then select from the set of topic-specific GRI Standards (GRI 200 – economic, GRI 300 – environmental or GRI 400 – social) for reporting on its material topics, which are identified through the materiality assessment exercise conducted with its key stakeholders. Our responses on this are set out in the second part of the GRI Content Index.

OUR TOP MATERIAL TOPICS IN THE MOST RECENT EXERCISE WERE:

CLIMATE ACTION

1. Ensure a climate resilient and responsive business model
2. Products and services to address environmental and social issues

ECONOMIC & SOCIAL INCLUSION

3. Usability of services and accessibility of products
4. Enable customers to make better informed financial decisions
5. Innovation and co-creation
6. Financial inclusion and literacy

FUTURE-PROOF BANK

7. Customer experience
8. Digitalisation and interconnectivity
9. Cyber security and business system resilience
10. Protect our customers' data and privacy
11. Corporate governance and accountability
12. Ethics and integrity
13. Comply with laws, codes and regulations
14. Talent attraction and retention

GRI REPORTING PRINCIPLES

In each disclosure of Management Approach, we set out where the impacts occur for a material topic, and our involvement with those impacts. In all instances in preparing our Sustainability Report, we have striven to adhere to the GRI Reporting Principles, within the limitations and scope of the information currently available:

Stakeholder Inclusiveness

Our stakeholder groups are listed on p.18. In Q4 2019, we consulted with our internal and external stakeholders to identify and rank the most material concerns facing AIB using the GRI recommended approach of identification, prioritisation and validation;

Sustainability Context

Our Sustainable Communities Strategy on p.13, 'An Introduction from our Chief Executive Officer, Colin Hunt' on p.8-9 and 'A message from the Chair of our Sustainable Business Advisory Committee (SBAC), Helen Normoyle' on p.10, provide an explanation of what sustainability means for AIB;

Materiality

In the materiality exercise we conducted in 2019 we engaged with c. 800 stakeholders to identify those issues that were of most concern to them. Our master list of issues was prepared

with independent advice and based on international best practice among peer banks, see p.19;

Completeness

The topics covered in the report reflect the organisation's economic, environmental and/or social impacts. We have considered the results of stakeholder engagement processes, together with broad-based societal expectations that are not identified as material directly through stakeholder engagement processes. Despite the challenges of COVID-19, we still see climate change as the most important issue of all time, hence we reported on our response to Climate Action in this report.

GRI: CORE OPTION

Our GRI disclosures have been prepared in accordance with the Core option of the Standards Guidelines and have been independently assessed by Deloitte in accordance with the ISAE 3000 (Revised) Standard.

The report covers the period January to December 2020, unless otherwise stated, and references material already published for that period such as the AIB Group plc 2020 Annual Finance report and the 2020 Carbon Disclosure Project (CDP) response, the latter addressing data for 2019.

GRI GENERAL DISCLOSURES

| REFERENCE | DISCLOSURE | RESPONSE/LOCATION OF MORE INFORMATION |
|---|--|---|
| A. ORGANISATIONAL PROFILE | | |
| 102-1 | Name of the organisation | AIB Group plc |
| 102-2 | Activities, brands, products and services | See 'AIB at a glance', on p.7 |
| 102-3 | Location of the organisation's headquarters | AIB Group plc, 10 Molesworth Street, Dublin 2, Ireland |
| 102-4 | Location of operations | See 'AIB at a glance' – 'Operations' on p.7 |
| 102-5 | Ownership and legal form | See 'AIB at a glance' – 'Ownership', on p.7 |
| 102-6 | Markets served | See 'AIB at a glance' – 'Customer-facing segments' and 'Location of operations' on p.7 |
| 102-7 | Scale of the organisation | See 'AIB at a glance' – 'Scale of organisation' – on p.7 |
| 102-8 | Information on employees and other workers | See 'Employees' on p.98-99 and 'Talent attraction and retention' on p.83 |
| 102-9 | Supply chain | See 'Suppliers' on p.80. Source: Company information |
| 102-10 | Significant changes to the organisation and its supply chain | See 'An introduction from our Chief Executive Officer, Colin Hunt' on p.8-9 and 'Suppliers' on p.80 |
| 102-11 | Precautionary principle or approach | See 'Ensure a climate resilient and responsive business model' – 'Our approach' on p.26 |
| 102-12 | External initiatives | See 'External initiatives' on p.100 |
| 102-13 | Memberships of Associations | See 'Memberships of associations' on p.100 |
| B. STRATEGY | | |
| 102-14 | Statement from senior decision maker | See 'An introduction from our Chief Executive Officer, Colin Hunt' on p.8-9 |
| C. ETHICS AND INTEGRITY | | |
| 102-16 | Values, principles, standards and norms of behaviour | See 'Culture programme' and 'Ethics and integrity' on p.76-80 |
| 102-17 | Mechanisms for advice and concerns about ethics | See 'Ethics and integrity' on p.77-78 |
| D. GOVERNANCE | | |
| 102-18 | Governance structure | See 'Our Corporate governance structure' on p.15-16. For more information, including details of our Board of Directors and Executive Committee, see also 'Governance in AIB' in our Annual Financial Report 2020. |
| General disclosures 102-15 and 102-19 to 102-39 are not required under the Global Reporting Initiative (GRI): Core option | | |

GRI GENERAL DISCLOSURES

| REFERENCE | DISCLOSURE | RESPONSE/LOCATION OF MORE INFORMATION |
|----------------------------------|---|---|
| E. STAKEHOLDER ENGAGEMENT | | |
| 102-40 | List of stakeholder groups | See 'Materiality process' on p.19 |
| 102-41 | Collective bargaining agreements | See 'Talent attraction and retention' on p.84 |
| 102-42 | Identifying and selecting stakeholders | See 'Materiality process' on p.19 |
| 102-43 | Approach to stakeholder engagement | See 'Engaging' on p.17-22 |
| 102-44 | The key topics and concerns raised | See 'Engaging' on p.17-22 |
| F. REPORTING METRICS | | |
| 102-45 | Entities included in the organisations consolidated financial statements | A listing of the principal businesses and their locations that are included in the consolidated financial statement is provided in our Annual Financial Report. All entities are covered by the report. |
| 102-46 | Define the report content and topic boundaries | See – GRI Content Index on p.87 |
| 102-47 | List of material topics | See 'Materiality process' on p.19 |
| 102-48 | Restatements of information | None |
| 102-49 | Significant changes from previous reporting periods in the list of material topics and topic boundaries | None |
| 102-50 | Reporting period for the information provided | 01 January – 31 December 2020 |
| 102-51 | Date of the most recent previous report | We pledge to DO MORE. Sustainability Report for the financial year ended 31 December 2019. AIB Group plc. Published 06 March 2020 |
| 102-52 | Reporting cycle | Annual |
| 102-53 | Contact point for questions regarding the report | sarah.m.dempsey@aib.ie caroline.a.tully@aib.ie |
| 102-54 | Reporting in accordance with GRI Standards | This report has been prepared in accordance with GRI Standards: Core option |
| 102-55 | GRI Content Index | The GRI Content Index runs from p.87-90. Relevant page numbers and URLs are provided within the index for individual disclosures. Omissions have been explained where relevant. |
| 102-56 | External assurance | External assurance has been provided by Deloitte on our preparation of the report in accordance with the GRI Standards. i. The Deloitte assurance report can be found on p.101 of this report ii. The external assurer is currently our financial auditors iii. The Board's Sustainable Business Advisory Committee has commissioned an independent assurance process aligned to ISAI 3000 through Deloitte. |

TOPIC SPECIFIC DISCLOSURES

| MATERIAL TOPIC | REFERENCE | DISCLOSURE | MORE INFORMATION |
|---|---------------------|--|---|
| 1. Ensure a climate resilient and responsive business model | 103-1, 103-2, 103-3 | Management approach | See 'Climate action' on p.24-34, and on p.43 |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | See 'Climate action' on p.27-28 |
| 2. Products and services to address environmental and social issues | 103-1, 103-2, 103-3 | Management approach | See 'Our approach' on p.35-43 |
| | FS8 | Monetary value of products and services designated to deliver a specific environmental benefit for each business line broken down by purpose | See 'Products and service to address environmental and social issues' – 'Metrics and targets' on p.42 |
| 3. Usability of services and accessibility of products | 103-1, 103-2, 103-3 | Management approach | See 'Our approach' on p.46-48 |
| | Bespoke | | See 'Daily user interactions' on p.60 and 'Accessibility of our products and services' on p.99 |
| 4. Enable customers to make better informed financial decisions | 103-1, 103-2, 103-3 | Management approach | See 'Our approach' on p.49-50 |
| | 417-2 | Incidents of non-compliance concerning product and service information and labelling | See 'Product and service information' on p.49 |
| 5. Innovation and co-creation | 103-1, 103-2, 103-3 | Management approach | See 'Our approach' on p.51-55 |
| | Bespoke | | See 'Fostering innovation' on p.51 |
| 6. Financial inclusion and literacy | 103-1, 103-2, 103-3 | Management approach | See 'Our approach' on p.56-61 |
| | FS16 | Initiatives to enhance financial literacy by type of beneficiary | See 'Supporting financial literacy' on p.56 |
| 7. Customer experience | 103-1, 103-2, 103-3 | Management approach | See 'Our approach' on p.64-67 |
| | Bespoke | | See 'Net Promoter Score' (NPS) on p.65 and p.99 |
| 8. Digitalisation and interconnectivity | 103-1, 103-2, 103-3 | Management approach | See 'Our approach' on p.68-70 |
| | Bespoke | | See 'Active digital customers' and 'Active on mobile apps' on p.46 and p.99 |
| 9. Cyber security and business system resilience | 103-1, 103-2, 103-3 | Management approach | See 'Our approach' on page p.71-72 |
| | Bespoke | | See 'Awareness & training' on p.71 |
| 10. Protecting our customers' data and privacy | 103-1, 103-2, 103-3 | Management approach | See 'Our approach' on p.73-74 |
| | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | See 'Breaches of privacy & losses of data' on p.73 |
| 11. Corporate governance and accountability | 103-1, 103-2, 103-3 | Management approach | See 'Corporate Governance & Accountability' on p.75 and 'Our Corporate Governance Structure' on p.15-16 |
| | 205-1 | Operations assessed for risks related to corruption | See 'Central register' on p.79 |
| 12. Ethics and integrity | 103-1, 103-2, 103-3 | Management approach | See 'Ethics and integrity' on p.77-80 |
| | 205-2 | Communication and training about anti-bribery & corruption | See 'Awareness & training' on p.79 |
| 13. Comply with laws, codes and regulations | 103-1, 103-2, 103-3 | Management approach | See 'Our approach' on p.81 |
| | 419-1 | Non-compliance with laws and regulations in the socio economic area | See 'Regulatory compliance' on p.81 |
| 14. Talent attraction and retention | 103-1, 103-2, 103-3 | Management approach | See 'Our approach' on p.83-84 |
| | 401-1 | New employee hires and employee turnover | See 'Employees' on p.98 and 'People & culture risk' on p.84 |

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



| DESCRIPTION | DISCLOSURE | LINK TO RELEVANT INFORMATION |
|---|--|---|
| GOVERNANCE | | |
| Our governance around climate-related risks and opportunities | <ul style="list-style-type: none"> a) Board oversight of climate-related risks and opportunities b) Management's role in assessing and managing climate-related risks and opportunities | See 'Climate governance' on p.32 and on p.43 |
| STRATEGY | | |
| The actual and potential impacts of climate-related risks and opportunities on our businesses, strategy, and financial planning where such information is material | <ul style="list-style-type: none"> a) The climate-related risks and opportunities we have identified over the short, medium, and long term. b) The impact of climate-related risks and opportunities on our businesses, strategy, and financial planning c) The resilience of our strategy, taking into consideration different climate-related scenarios, including a 2oC or lower scenario. | See 'Climate strategy' on p.26-30 and on p.43 |
| RISK MANAGEMENT | | |
| How we identify, assesses, and manage climate-related risks | <ul style="list-style-type: none"> a) Our processes for identifying and assessing climate-related risks. b) Our processes for managing climate-related risks. c) How processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management | See 'Climate risk' on p.32-33 and on p.43 |
| METRICS AND TARGETS | | |
| The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material | <ul style="list-style-type: none"> a) The metrics used to assess climate-related risks and opportunities in line with our strategy and risk management processes b) Our Scope 1, 2 and 3 Greenhouse gas (GHG) emissions, and the related risks c) The targets used to manage climate-related risks and opportunities and performance against targets | See 'Metrics and targets' on p.42-43 |

UNEP FI PRB – SELF-ASSESSMENT & REPORTING



The Principles are a framework for ensuring that signatory banks' strategy and practice align with the vision society has set out for its future in the Sustainable Development Goals and the Paris Climate Agreement. They aim to promote a sustainable banking system and helping the banking industry to demonstrate how it makes a positive contribution to society.

AIB was one of 130 founding signatories who committed to implement the six principles. Today over 200 banks have committed to implement them. Since we became a founding signatory of the Principles in 2019, we have confirmed our areas where we can most positively and negatively impact the SDGs using the Impact Assessment Tool. Members of our Sustainability team have participated and led in the UNEP

FI working groups set up to support the implementation of the Principles, and to ensure leadership in implementing them. We are clear on the initial focus areas where we will set targets, and work is underway in defining these with a view to embedding the tracking of these into our business operations in 2021.

| REPORTING AND SELF-ASSESSMENT REQUIREMENTS | HIGH-LEVEL SUMMARY OF BANK'S RESPONSE | REFERENCES/LINKS TO BANK'S FULL RESPONSE/RELEVANT INFORMATION |
|---|---|---|
| <p>PRINCIPLE 1: ALIGNMENT</p> <p>We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p> | | |
| <p>1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p> | <p>AIB is a financial services group operating predominantly in Ireland and the United Kingdom (UK). We provide a range of services to retail, business and corporate customers including loans for personal, home and commercial purposes. Our main products and services are mortgages, personal, SME and corporate lending, payment services, credit card services and deposits.</p> <p>77% of our net loans are to customers in Ireland and 15% to customers in the UK. We have a small, niche operation in the UK market.</p> <p>Retail Banking constitutes 60% of net loans and Corporate lending constitutes 26%.</p> | <p>See 'AIB at a glance', on p.7</p> <p>Refer to supporting information on p.110 and 129, of our AFR 2020 at www.aib.ie/investorrelations/financial-information/results-centre/2020-annual-financial-results</p> |
| <p>1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p> | <p>At the start of 2020, 'Sustainable Communities' was added as a fifth pillar in AIB's 3 year Group Strategy (2020 – 2022). It has been embedded into the heart of our business, and focuses on three aspects – Climate action, Economic and social inclusion and Building a future-proof bank. Our Sustainability Strategy has been set out and evolved over the last five years in our annual sustainability report. We have conducted a materiality exercise with our stakeholders to understand their most material issues and have reported on our progress in helping to address those issues. The primary SDGs we are aligned to are 3 – Good Health & Wellbeing, 4 Quality Education, SDG 5 Gender Equality, 7 Affordable & Clean Energy, 8 Decent Work and Economic Growth, SDG 9 Industry, Innovation & Infrastructure 11 Sustainable Cities and Communities, 13 Climate Action and 17 Partnerships to Achieve the Goals.</p> <p>As we are a small player in the UK market, our greatest impact is in the Irish market. We have identified and reviewed the EU Action Plan: Financing Sustainable inclusive and healthy Growth, as well as key national frameworks and policy documents for Ireland, our main country of operation, including our Programme for Government, Project Ireland 2040 (incorporating our National Development Plan 2018-2027) and our national Climate Action Plan.</p> <p>We have determined that climate change, resource efficiency, inclusive, healthy economies, access to housing and decent employment are the main priorities in Ireland. Based on an initial analysis of our portfolios to assess how we could strategically contribute to Ireland's priority goals and challenges and concluded that climate change and access to housing are the bank's areas of most significant impact.</p> <p>in 2019 we made a commitment that we are pledging to 'Do More'; we want to lead Ireland's transition to become a low-carbon, sustainable economy. We followed that up in 2020 with our Net Zero pledge that AIB will operate as Carbon Neutral across our business operations by 2030. We have also stated our ambition that green and transition lending will account for 70% of new customer lending by 2030 and all customer lending by 2040 – with the exception of agriculture which will fall in line with the Government of Ireland's Climate Action plan. We are currently working on setting Science Based Targets aligned to the Paris Agreement.</p> | <p>See 'Climate action' – section on p.24-43</p> <p>See also 'Economic & social inclusion' – section on p.44-61</p> |

PRINCIPLE 2: IMPACT AND TARGET SETTING

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis:

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

- a) **Scope:** The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.
- b) **Scale of Exposure:** In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.
- c) **Context & Relevance:** Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/ regions in which it operates.
- d) **Scale and intensity/salience of impact:** In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.

(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))

Show that building on this analysis, the bank has

- Identified and disclosed its areas of most significant (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase of positive impacts/reduction of negative impacts.

Scope:

We used the UNEP FI Portfolio Impact Analysis Tool (the "tool") to undertake an impact analysis of our portfolio, based on data as at 31 December 2020. We analysed our activities across our retail, business banking and corporate banking portfolios in Ireland, amounting to c.70% of our total income, which is distributed across our Retail Banking and Corporate & Institutional Business Banking (CIB) segments of our business.

Scale of exposure:

Across the Group, the concentration of credit by industry sector for Loans and Advances to customers is set out in our Annual Financial Report 2020. The strongest concentration of net loans in our Retail segment is in residential mortgage lending (82%) and in our CIB segment it is in non-property business lending (65%) and property lending (31%).

Context & relevance:

A framework for reviewing the most relevant challenges and priorities related to sustainable development in Ireland is in-built in the tool. These are ranked on a scale of 1-4 (low to very high level of need) and contribute directly to the determination of the most significant impact areas.

Using the tool, we determined that our activities are strongly associated with impacts that include climate change, resource efficiency, inclusive, healthy economies, access to housing and decent employment.

Scale & salience/intensity:

- To determine the scale and salience/intensity of climate change, we conducted an assessment of the sectors/industries and technologies that were the primary contributors to it in terms of Greenhouse Gas (GHG) emissions. We determined the intensity of GHG emissions in our portfolio was attributable to agriculture and real estate/energy usage because the emissions attributable to these technologies and industries are more intense in comparison to others in our portfolio.
- While Housing is only covered in the consumer aspect of the Impact analysis, Residential mortgage lending is a core part of our business and makes up 52.41% of our net loans. We have an opportunity to further develop our activity in this field to fill as yet unmet housing and housing-related needs, in particular for first-time home buyers and social and affordable housing.

Through our analysis, we concluded that the most relevant challenges and priorities in Ireland from the impacts identified above are climate change and access to housing, due to the scale of exposures in sectors that are key contributors to these areas of impact.

We are working to develop sustainable finance options for our customers, and will work with them to provide finance to support viable low/Net Zero carbon transition opportunities. For housing, Ireland's Programme for Government has prioritised the increased supply of public, social, and affordable homes, committing to increase the social housing stock by more than 50,000 over the next five years. We see AIB as having a fundamental role in providing the finance to support this.

Refer to supporting info on p.66, 70 and 110 of our AFR 2020 at www.aib.ie/investorrelations/financial-information/results-centre/2020-annual-financial-results

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

We have undertaken our impact analysis and identified the significant impacts that are associated with our retail, business banking and corporate banking portfolios. The next step in our process will be to assess whether any other areas of our business need to be included in the future iterations of our analysis, and to evolve the analysis as the Impact Tool matures.

| REPORTING AND SELF-ASSESSMENT REQUIREMENTS | HIGH-LEVEL SUMMARY OF BANK'S RESPONSE | REFERENCES/LINKS TO BANK'S FULL RESPONSE/RELEVANT INFORMATION |
|---|---|---|
| <p>2.2 Target Setting</p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p> | <p>Our first target will be in relation to climate change. We have recently launched our Net Zero long-term ambitions and commitments, and we are working to set Science Based Targets aligned to our Net Zero ambitions. Based on the outcomes of our impact analysis, we will be considering how we will align our Net Zero with the requirements for target setting for the PRB.</p> <p>We anticipate that our second target will be in relation to access to housing, which we will consider in more detail in the coming 12 months. While we already have a target in place in relation to social housing to fund €300m in the next two years, we want to review how this target might need to evolve.</p> | <p>See 'Climate Strategy' on p.26-30, 'Looking ahead' on p.43 and 'Metrics and targets' on p.42</p> |
| <p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting. We are currently in the process of setting our targets, which we will publish in our next report.</p> | | |
| <p>2.3 Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p> | <p>We will report further on plans for target implementation and monitoring in our 2021 Sustainability Report.</p> | <p>See 'Looking ahead' on p.43 and 'Metrics and targets' on p.42</p> |
| <p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring. We are currently in the process of setting our targets and will report on our plans for implementation and monitoring in our next report.</p> | | |
| <p>2.4 Progress on Implementing Targets</p> <p>For each target separately show that your bank has implemented the actions it had previously defined to meet the set target OR explain why actions could not be implemented/needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p> | <p>We will report further on our progress on implementing targets in our 2021 Sustainability Report.</p> | <p>See 'Looking ahead' on p.43 and 'Metrics and targets' on p.42</p> |
| <p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets We are currently setting our targets and will report on our progress on implementation and monitoring in our next report.</p> | | |

| REPORTING AND SELF-ASSESSMENT REQUIREMENTS | HIGH-LEVEL SUMMARY OF BANK'S RESPONSE | REFERENCES/LINKS TO BANK'S FULL RESPONSE/RELEVANT INFORMATION |
|---|---|---|
| <p>PRINCIPLE 3: CLIENTS AND CUSTOMERS</p> <p>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p> | | |
| <p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p> | <p>Our values and behaviours are how we will deliver on our purpose – to back our customers to achieve their dreams and ambitions. They are underpinned by our Code of Conduct, which sets out a common framework on the standard of conduct that supports our values. It explains what we expect of each other and what others expect of us in our day to day decisions, including managing our business responsibly, treating customers fairly and being accountable for what we do and how we do it.</p> <p>We have a Customer First strategy and, due to the size of our Retail Banking segment, we have a keen focus on employees engaging fairly and compliantly with our customers. In Oct, our Regulatory Compliance team launched a training programme 'the Compliant Customer Engagement course' to ensure employees are trained on of the key principles that will enable them to engage with customers in a fair and compliant way.</p> <p>We have a well-established vulnerable customer programme that aims to support customers in vulnerable circumstances, and it is built on the experience of employees who support customers every day and we have delivered over 14,300 hours of vulnerable customer e-learning to our people.</p> <p>AIB holds an annual sustainability conference to share thought leadership and create a call to action among our stakeholders, including our customers. We also sponsor in Climate Finance Week Ireland and key representatives of our senior management chair and participate in its weeklong series of events on Sustainable Finance topics. This year there were over 5,100 attendees virtually throughout the week. AIB sponsors the Dublin Chamber Sustainability Academy which is focussed on training SMEs to understand the transition required for their business and provides guidance and support.</p> | <p>See 'Ethics and integrity' on p.77</p> <p>See 'Supporting vulnerable customers' on p.58</p> |
| <p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/ implemented, products and services developed, and, where possible, the impacts achieved.</p> | <p>In 2019 we launched a five year Climate Action Fund, committing €1bn each year to support our customers to transition to a low carbon economy. We are continuously working to expand our sustainable finance options for our customers. We launched our Green Mortgage in late 2019, in early 2019 we launched our first sustainability-linked loan and in August we introduced our 0% finance electric vehicle proposition. In September we issued our first Green Bond. In 2020, new Green Lending was €1.46bn which represented 16% of all new lending. In 2020, €0.35bn was drawdown in new Green Mortgages. We have just launched a Green Consumer Loan targeted to help customers to retrofit their homes to achieve a higher energy efficiency rating.</p> <p>We are looking at ways in which we can support our customers in understanding the steps that they can take to transition to a lower carbon footprint. This includes developing partnerships to create seamless journeys in helping the customers undertake the energy efficiency steps required.</p> <p>In July we launched our Excluded Activities list to the Corporate, Institutional & Business Banking (CIB) Wholesale part of our business in July 2020. The Excluded Activities are those which we believe cause irreversible environmental and/or social harm to society and our communities. While CIB does not have any material exposures to the Excluded Activities, it will no longer provide term and/or advisory services to customers who are deemed to engage in Excluded Activities. This list is incorporated into our Know Your Customer due diligence process in CIB. The impact of embedding this at the origination stage means we are ensuring a more sustainable loan book into the future. The Excluded Activities list was recently incorporated into our Group Credit Risk Policy, and which has expanded the excluded activities list further across the Group.</p> <p>With technological innovation one of the key enablers to overcome the sustainability challenge, we partner with key industry stakeholders to support this important agenda. Current innovation-led partnerships we support include NovaUCD (including AgTech), Teagasc, Ludgate and PorterShed.</p> | <p>See 'Engaging' on p.17-22</p> <p>See 'Climate action' section on p.24-43</p> <p>And see also www.aib.ie/corporate/sector-expertise/excluded-activities</p> <p>See 'Innovation and co-creation' section on p.51 and p.54</p> |

| REPORTING AND SELF-ASSESSMENT REQUIREMENTS | HIGH-LEVEL SUMMARY OF BANK'S RESPONSE | REFERENCES/LINKS TO BANK'S FULL RESPONSE/RELEVANT INFORMATION |
|--|---------------------------------------|---|
|--|---------------------------------------|---|

PRINCIPLE 4: STAKEHOLDERS
We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

| | | |
|---|---|---|
| <p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p> | <p>In Q4 2019, we completed our most recent materiality exercise, across our 5 stakeholder groups – customers, employees, investors, society and regulator. Through it, we invited them to share with us what they see as the most material topics for AIB. In the stakeholder groups we engaged with in this exercise, we identified that our suppliers were underrepresented. Early in 2020 we set up a Supplier portal to improve transparency in how we operate with them, and in October we launched our Responsible Supplier Code. The Code sets out our expectations for ensuring an inclusive and ethical supply chain and that individuals throughout it work responsibly, sustainably and safely. We engaged over 200 of our largest suppliers in 2020 to launch the code, and share our expectations of them on the wider sustainability agenda and best practices. We will be working further on Supplier engagement in the coming year.</p> <p>In 2020, we reviewed our current partnerships with stakeholders across each of our SDG focus areas to identify areas we wanted to develop further. We also undertook an exercise with the Cambridge Institute for Sustainability Leadership to identify priorities to take the sustainability agenda forward. One theme that emerged was to create an enabling environment at a system level, supporting AIB's and the national climate action goals. With that in mind, in 2021 we engaged in a new initiative with TASC, a think-tank for action on social change, to pilot Just Transition Community Dialogues. These will provide a forum for deliberative, community-led decision making on climate action at local level. It is hoped that this approach will enable communities to identify and develop a strategy to tackle local development needs and priorities while simultaneously addressing the climate crisis and building their understanding of climate breakdown. If successful, these fora could be rolled out at scale to enable the development of transformative policies needed to address climate change. They would enable social approval by delivering tangible local benefits in tandem with climate mitigation or adaptation measures. Our stakeholder engagement is set out on p.21.</p> <p>Other key stakeholder engagements which are important for us for implementing the Principles include our engagements with the Sustainable Finance Forum, run by the Banking & Payments Federation of Ireland, where we engage with industry experts on sustainable finance matters, and our engagements with the UNEP FI working groups where we actively share and learn from our peers in the global banking community. AIB is active in a number of working groups, and is one of 12 banks that make up the Implementation Leads Working Group which supports the implementation of the Principles amongst all 200+ signatory banks globally.</p> | <p>See 'Engaging' on p.17-22</p> <p>See 'External initiatives' and 'Memberships of Associations' on p.100</p> |
|---|---|---|

PRINCIPLE 5: GOVERNANCE & CULTURE
We will implement our commitment to these Principles through effective governance and a culture of responsible banking

| | | |
|---|--|---|
| <p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p> | <p>Within our established governance structure, our Sustainable Business Advisory Committee (SBAC) is responsible for overseeing the implementation of the Principles. SBAC is a Board committee comprised of four Non-Executive Directors (one of whom is the Chair), and our CEO is also a member. Implementation of our Sustainability strategy, including the Principles and periodic reporting on same, is the responsibility of the Sustainability Implementation Group (SIG) which is chaired by our Chief Sustainability Officer. SIG's membership is drawn from the heads of business areas and departments across the bank, including Sustainability, Risk, Treasury, Data & Analytics, Retail, Corporate, Institutional & Business Banking, HR and the UK. SIG reports quarterly on progress to the SBAC. As implementation of the Principles falls within Sustainability Strategy it has oversight from SIG and SBAC. Currently responsibility for overseeing the Bank's two main areas of impacts, making strategic decisions about how to manage them, setting targets, developing and implementing mechanisms and measures to implement and manage them across the bank resides directly within business-as-usual processes and governance fora for the respective business area. We plan to review the Governance fora in 2021 to determine if this will continue to be the optimal way to manage this. Our SMART Targets will be agreed with our Board of Directors and will be incorporated into our Balance Scorecard and monitored quarterly by our Executive Committee and the Board.</p> | <p>See 'Our Corporate Governance Structure' on p.15-16 and 'Climate governance' on p.31</p> |
|---|--|---|

| REPORTING AND SELF-ASSESSMENT REQUIREMENTS | HIGH-LEVEL SUMMARY OF BANK'S RESPONSE | REFERENCES/LINKS TO BANK'S FULL RESPONSE/RELEVANT INFORMATION |
|--|--|--|
| <p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p> | <p>Our approach to responsible and sustainable banking is led by our CEO, who is a passionate advocate and regularly addresses employees on the topic. In late 2019, Sustainability was enshrined in our Group strategy as the fifth pillar 'Sustainable Communities'. Under our 2021 Group Strategy refresh, Culture is one of the core areas of focus, and a key enabler of our sustainability strategy.</p> <p>We have a comprehensive suite of training for employees. In 2020 we developed a new training course for employees about sustainability and it refers to the Principles for Responsible Banking. Roll-out of the training commenced in January 2021. Completion is mandatory for all employees.</p> <p>AIB has received significant support from the Irish State in the context of the financial crisis due to our systemic importance to the Irish financial system. The State holds 71.12% of the issued ordinary shares of AIB Group plc. The relationship between AIB and the State is governed by a Relationship Framework and AIB is precluded from introducing any new bonus or incentive schemes, allowances or other fringe benefits without prior agreement with the State. This, combined with the requirement to operate within an overall cap on individual salaries and allowances of €500k, precludes AIB from aligning the remuneration of key executives and other key employees with the achievement of longer term customer, financial and strategic targets.</p> <p>We are continuing to explore options to further foster a culture of responsible banking among our employees.</p> | <p>See 'Introduction from the CEO' on p.8-9</p> <p>See 'Culture programme' on p.76 and 'Code of Conduct' on p.77</p> <p>See Relationship Framework at www.aib.ie/investorrelations/about-aib/relationship-with-the-irish-state</p> <p>See 'Performance incentives' and 'Climate-related responsibilities' on p.31</p> |
| <p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set</p> <p>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p> | <p>Our Sustainability Implementation Group (SIG) is responsible for developing targets, monitoring progress towards their achievement to ensure we are on track, and identifying and addressing any unexpected negative impacts. Our Sustainable Business Advisory Committee (SBAC) has oversight over target-setting, measures put in place to achieve the targets, and determining remedial action where targets are not on track, or where measures need to be put in place to address unforeseen negative impacts.</p> <p>SBAC reports quarterly to the Board on progress made with achieving our targets, and any remedial action taken to ensure achievement of targets and/or how negative impacts were addressed. We track our progress towards achieving our key Sustainability metrics via our Group Balanced Scorecard which is regularly reviewed and challenged quarterly by our Executive Committee and at scheduled Board meetings.</p> | <p>See 'Our Corporate Governance Structure' on p.15-16, 'Climate governance' on p.31 and 'Climate governance' on p.43</p> |
| <p>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p> <p>We have progressed substantially in fulfilling this requirement. Our well-established Sustainability Implementation Group is in charge of the day to day implementation of the Principles. We will monitor progress quarterly and plan to review our existing governance processes in 2021 to determine the optimal way manage and monitor the implementation of the Principles going forward.</p> | | |
| <p>PRINCIPLE 6: TRANSPARENCY & ACCOUNTABILITY</p> <p>We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p> | | |
| <p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p> <p>Show that your bank has considered existing and emerging international/ regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p> <p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p> | <p>Through the SIG we are working to implement the sustainability strategy enterprise-wide. In relation to the major impacts we identified under our impact analysis 'Climate action' is the area of our strategy that focuses on climate change, and Economic & social inclusion includes access to housing.</p> <p>We are continuously considering good practices aligned with Sustainability objectives. In 2018 we signed up to the Low Carbon Pledge and report annually on our progress. In 2019, we were a founding signatory of the Principles for Responsible Banking and became a Supporter of the Task Force on Climate-related Financial Disclosures (and in this report have begun to make disclosures in line with their recommendations). In 2019 we achieved the Business Working Responsibly (BWR) mark. BWR is the only independently audited standard for Sustainability in Ireland (audited by the National Standards Authority of Ireland). It is based on ISO 26000 the international Social Responsibility standard. We also make a submission to the CDP annually, and have maintained Leadership status for the last 5 years. In our Annual Financial Report, and in line with the Non-Financial Reporting Directive, we report annually on environmental matters, social & employee matters, respect for Human Rights and Bribery & Corruption. There is a significant amount of regulatory activity in the European Union and the UK in relation to the ESG/Sustainability agenda and we will be working over the coming years to incorporate and align with these in due course.</p> <p>Through interactions with some of our stakeholders during 2020, and with the focus on respect for Human Rights in the Non-Financial Reporting Directive, we identified the development of a specific human rights policy commitment, in line with the UN Guiding Principles on Business & Human Rights, as a good practice and launched our first Human Rights Commitment in AIB in February 2021.</p> <p>In February 2021, we committed to the UN Global Compact.</p> | <p>See 'Climate action' section on p.24-43 and 'Economic & social inclusion' section 'Housing' on p.57</p> <p>See also:</p> <p>'Commitments' on p.22 and 'External initiatives' on p.100</p> <p>'Task Force on Climate-related Financial Disclosures' on p.91</p> <p>'Non-Financial Statement' on p.40-42 of our Annual Financial Report 2020</p> <p>See our 'Human Rights Commitment' at www.aib.ie/sustainability</p> |
| <p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking</p> <p>AIB has made good progress over the first 18 months of implementing the Principles. Climate action and Economic & social inclusion are two key areas of focus in our sustainability strategy which will guide our decision-making on lending and investment associated with them. We are continuously working to improve our disclosures on responsible and sustainable banking practices, and to align our business with national/international good practices.</p> | | |

NON-FINANCIAL INFORMATION

| EMPLOYEES | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|--------------|--------------|--------------|--------------|------|
| FTEs BY GENDER @ 31 DECEMBER¹ | | | | | |
| Female | 5,017 (55%) | 5,201 (55%) | 5,403 (55%) | 5,517 (57%) | |
| Male | 4,078 (45%) | 4,229 (45%) | 4,345 (45%) | 4,203 (43%) | |
| Total | 9,095 | 9,429 | 9,831 | 9,720 | |

| PERMANENT & TEMPORARY FTEs BY GENDER @ 31 DECEMBER¹ | | | | | |
|---|--------|-------|-------|-------|-------|
| Permanent | Female | 4,612 | 4,647 | 4,834 | 4,991 |
| | Male | 3,682 | 3,693 | 3,681 | 3,589 |
| Temporary | Female | 405 | 553 | 652 | 526 |
| | Male | 396 | 536 | 664 | 614 |

| PERMANENT & TEMPORARY FTEs BY REGION @ 31 DECEMBER¹ | | | | | |
|---|-----------------------|--------------------|--------------------|--------------------|-------|
| Permanent | Ireland | 7,330 ³ | 7,370 ³ | 7,507 ³ | 7,485 |
| | Northern Ireland (NI) | 473 | 472 | 487 | 545 |
| | Great Britain (GB) | 491 | 498 | 521 | 550 |
| Temporary | Ireland | 779 ³ | 1,056 ³ | 1,279 ³ | 1,124 |
| | Northern Ireland (NI) | 6 | 9 | 4 | 1 |
| | Great Britain (GB) | 16 | 24 | 33 | 15 |

| FULL-TIME & PART-TIME FTEs BY GENDER @ 31 DECEMBER¹ | | | | | |
|---|--------|-------|-------|-------|-------|
| Full-time | Female | 4,453 | 4,573 | 4,802 | 4,918 |
| | Male | 4,054 | 4,209 | 4,320 | 4,186 |
| Part-time | Female | 564 | 628 | 684 | 599 |
| | Male | 23 | 20 | 25 | 17 |

Notes: FTE = Full Time Equivalent.

¹ Information is collected on employees through our internal HR systems. There are no significant seasonal variances. Data at 31 December 2020. Excludes 98 FTEs in Payzone. The actual number of FTEs as at 31.12.2020 reported in our AFR was 9,193, which includes Payzone employees. Source: AFR 2020 p.350 and Company information.

² Includes FTEs in our US operations – 2020: 51 (2019: 53, 2018: 58).

³ This is the average number of FTEs in the financial year. It excludes employees on career breaks and other unpaid long-term leaves, as well as Payzone employees in 2019 and 2020. The Average FTEs for 2020 reported in our AFR was 9,356, which includes 95 Payzone employees. Source: AFR 2020 p.350, (AFR 2019 p.364, AFR 2018 p.362 and AFR 2017 p.366) and Company information.

| EMPLOYEES | 2020 | 2019 | 2018 | 2017 | 2016 | |
|--|-------------------------------|--------------|--------------|---------------|---------------|-------|
| AVERAGE NUMBER OF FTEs BY COUNTRY³ | | | | | | |
| Country | Ireland | 8,210 | 8,755 | 8,681 | 8,840 | 8,797 |
| | United Kingdom (i.e. GB & NI) | 997 | 1,026 | 1,066 | 1,244 | 1,376 |
| | United States of America | 54 | 59 | 54 | 53 | 53 |
| Total | 9,261 | 9,840 | 9,801 | 10,137 | 10,226 | |

| TOTAL HIRES | | | | | | |
|---------------------------------|-----------------------|--------------|--------------|--------------|--------------|-------|
| Age | <30 | 312 | 811 | 1,154 | 852 | 1,080 |
| | 30-49 | 73 | 327 | 485 | 331 | 416 |
| | 50+ | 9 | 63 | 44 | 26 | 49 |
| Gender | Female | 172 | 546 | 789 | 549 | 699 |
| | Male | 222 | 655 | 894 | 660 | 846 |
| Region | Ireland | 370 | 1,113 | 1,566 | 1,118 | 1,482 |
| | Northern Ireland (NI) | 9 | 41 | 35 | 39 | 16 |
| | Great Britain (GB) | 15 | 47 | 82 | 52 | 47 |
| Total hires | 394 | 1,201 | 1,683 | 1,209 | 1,545 | |
| Total annual hire rate** | 4.2% | 12.2% | 17.3% | 11.7% | 15.1% | |

**Based on the total number of hires divided by the number of FTE staff at the start of the year

| TOTAL LEAVERS | | | | | | |
|-----------------------------------|-----------------------|--------------|--------------|--------------|--------------|-------|
| Age | <30 | 397 | 663 | 746 | 686 | 680 |
| | 30-49 | 257 | 657 | 584 | 748 | 565 |
| | 50+ | 130 | 320 | 256 | 440 | 142 |
| Gender | Female | 416 | 877 | 826 | 1,082 | 691 |
| | Male | 378 | 763 | 760 | 792 | 696 |
| Region | Ireland | 743 | 1,507 | 1,329 | 1,556 | 1,254 |
| | Northern Ireland (NI) | 19 | 54 | 120 | 221 | 42 |
| | Great Britain (GB) | 32 | 79 | 107 | 97 | 91 |
| Total leavers | 794 | 1,640 | 1,586 | 1,874 | 1,387 | |
| Total annual leaver rate** | 8.4% | 16.7% | 16.3% | 18.1% | 13.8% | |

**Based on the total number of leavers divided by the number of FTE staff at the start of the year. Leavers include voluntary attrition, contract expirations, retirements and voluntary severance.

| | | | | | |
|----------------------------------|-------------|--------------|--------------|--------------|--------------|
| Employee turnover rate*** | 8.6% | 16.7% | 16.2% | 18.5% | 13.6% |
|----------------------------------|-------------|--------------|--------------|--------------|--------------|

***Based on the total number of leavers in the year divided by the average number of FTEs in the year

| DIVERSITY | 2020 | 2019 | BOARD | EXCO | EMPLOYEES | |
|--|------|------|---|------|-----------|-----|
| FEMALE REPRESENTATION @ 31ST DEC | | | AGE PROFILE @ 31ST DEC 2020 | | | |
| Board ⁴ | 56% | 50% | <30 years | 0% | 0% | 16% |
| Executive Committee (ExCo) | 56% | 45% | 30 – 49 years | 0% | 44% | 62% |
| All management ⁵ | 41% | 42% | 50+ years | 100% | 56% | 22% |
| All management in revenue generating functions | 39% | 30% | Female – <30 years | 0% | 0% | 14% |
| Senior management | 34% | 33% | Female – 30 – 49 years | 0% | 40% | 62% |
| Junior management | 44% | 45% | Female – 50+ | 56% | 60% | 24% |
| Non-management | 60% | 60% | Male – <30 years | 0% | 0% | 19% |
| All employees | 55% | 55% | Male – 30 – 49 years | 0% | 50% | 61% |
| | | | Male – 50+ | 44% | 50% | 21% |

| ACCESSIBILITY & CUSTOMER EXPERIENCE | 2020 | 2019 | 2018 | 2017 |
|--|-------|-------|-------|------|
| ACCESSIBILITY OF OUR PRODUCTS & SERVICES | | | | |
| Daily interactions ⁶ | 2.57m | 1.93m | 1.8m | 1.5m |
| Locations across Ireland and the UK ⁷ | 324 | 324 | 324 | 327 |
| NUMBER OF DIGITAL CUSTOMERS & APP USERS⁸ | | | | |
| Active digital customers | 1.72m | 1.4m | 1.38m | 1.4m |
| Active mobile customers | 1.39m | 1.3m | 0.94m | 0.7m |
| CUSTOMER SATISFACTION⁹ | | | | |
| Relationship – Personal NPS | +25 | +34 | +35 | +21 |
| Relationship – SME NPS | +25 | +20 | +24 | +19 |
| Transactional – Homes NPS | +45 | +53 | +50 | - |
| Transactional NPS | +49 | +48 | n/a | n/a |

⁴ Figures for Board include one member of our ExCo for 2020 and two for 2019.

⁵ Includes all members of our ExCo.

⁶ Daily interactions include internet banking logins, branch transactions, ATM interactions, contact centre calls, Kiosk logins and mobile interactions. Mobile interactions include quick balance checks and logins. In previous years, when a customer completed a quick balance check followed by a full login to mobile banking within a short period of time this was counted as one interaction, however in 2020 this is counted as two interactions. Source: Company information.

⁷ Source: AFR 2020, p.5-6. Also refer to our Detailed Sustainability Report for 2019, 2018 and 2017 respectively.

⁸ Source: AFR 2020, p.5. Also refer to our Detailed Sustainability Report for 2019, 2018 and 2017 respectively.

⁹ Source: AFR 2020, p.3 and Company information. Also refer to our Detailed Sustainability Report for 2019, 2018 and 2017 respectively. Please note: NPS is Net Promoter Score. 2020 and 2019 are aggregated yearly scores, whereas 2018 and 2017 are Q4 scores. Transactional Net Promoter Score (NPS) is an aggregation of 20 Homes, Personal, SME, Digital, Retail, Direct and Day-to-Day Banking journeys.

| CO ₂ EMISSIONS (1 January to 31 December) | 2019 | 2018 | 2017 | 2016 | Baseline 2009 |
|--|----------------------|----------------------|--------|-------------------------|-------------------------|
| LOCATION-BASED CARBON EMISSIONS | | | | | |
| Total tCO ₂ e | 29,269 | 34,831 | 29,525 | 32,788 ^{10,11} | 45,869 ^{10,11} |
| Total Scope 1 | 4,784 | 5,212 | 5,160 | 5,471 | 11,514 |
| Total Scope 2 | 10,025 | 14,316 | 15,663 | 16,557 | 21,272 |
| Total Scope 3 | 14,460 ¹³ | 15,304 ¹² | 8,702 | 10,760 | 13,082 |
| Out of Scope | 16 | - | - | - | - |
| MARKET-BASED CARBON EMISSIONS | | | | | |
| Total tCO ₂ e | 18,233 | 19,204 | 13,911 | 21,575 ^{10,11} | 28,509 ^{10,11} |
| Total Scope 1 | 4,784 | 5,212 | 5,160 | 5,471 | 11,514 |
| Total Scope 2 | 64 | 45 | 49 | 5,344 | 3,912 |
| Total Scope 3 | 13,385 ¹³ | 13,947 ¹² | 8,702 | 10,760 | 13,082 |
| Out of Scope | 16 | - | - | - | - |

Emissions in tonnes of CO₂ (tCO₂e) in line with the GHG Protocol: A Corporate Accounting and Reporting Standard and Defra Voluntary Reporting Guidelines. Emissions are reported one year in arrears.

Scope 1 emissions: include Fuels combustion, AIB's fleet, Fugitive emissions

Scope 2 emissions: include consumption of all purchased electricity

Scope 3 emissions: We have calculated emissions for the following relevant Scope 3 categories: Purchased goods and services, Capital goods, Waste generated in operations, Business Travel, Employee commuting and Fuel-and-energy-related activities. Note that the category of Fuel-and-energy-related activities (WTT and T&D) has been calculated from 2018 onwards. More information on our Scope 3 data can be found in our 2020 CDP report (Section C 6.5).

Out of Scope: CO₂ Emissions from biomass combustion

A third-party verification (ISO 14064-3) was completed for reported emissions. For financial years 2019 and 2018, this was completed by EcoAct Limited, and a copy of their GHG verification statements for 2019 and 2018 GHG emissions is available at www.aib.ie/sustainability. Please note that 2019 Scope 3 market-based emissions are not in the 2019 or 2018 verification statement.

¹⁰ Restated 2016 and 2009 emissions data to improve the accuracy of reporting.

¹¹ Restated all historic years to reflect improved methodology in calculation of all categories of emissions reported.

¹² In 2018, we expanded our Scope 3 reporting boundary to include well-to-tank (WTT) and transport-and-distribution (T&D) emissions from our business activities and this is why our footprint appears to have increased. WTT and T&D emissions are the upstream emissions associated with extracting, refining and transporting fuel/energy to the end-user. WTT and T&D emissions in 2017 footprint were: 5,074 tonnes of CO₂ (market-based), 6,663 tonnes of CO₂ (location-based). Taking these into consideration, our footprint has decreased from 36,188 tonnes of CO₂ to 34,831 tonnes of CO₂ (location-based).

¹³ In 2019, we expanded our Scope 3 reporting boundary further to include hotel stays emissions.

| EXTERNAL INITIATIVES | VOLUNTARY (V)/ MANDATORY (M) | FIRST ADOPTED | APPLIED |
|---|---------------------------------|---|------------|
| Business Working Responsibly Mark –Business in the Community | V | 2019 | Group-wide |
| Carbon Disclosures Project (CDP) | V | 2012 | Group-wide |
| Disclosure of Non-Financial and Diversity Information for Certain Large Undertakings and Groups Regulations 2017 (SJ. 360/2017) | M | Q1 2019, for 2018 AFR | Group-wide |
| Global Reporting Initiative (GRI) | V | 2017, for 2016 Sustainability Report | Group-wide |
| ISO 50001 (energy) and ISO 14001 (environmental) management | V | 2014 | Group-wide |
| Low Carbon Pledge – Business in the Community, Ireland | V | 2018 | Ireland |
| National Energy Efficiency Action Plan | V | 2010 | Ireland |
| Task Force on Climate-related Financial Disclosures (TCFD) | V | 2019 | Group-wide |
| UK Equality Act (Gender Pay) Regulations 2017 | M | 2017 | UK |
| UNEP FI Principles for Responsible Banking | V | 2019 | Group-wide |
| UN Global Compact | V | 2021 | Group-wide |

Source: Company information.

| MEMBERSHIP OF ASSOCIATIONS | POSITION ON THE GOVERNANCE BODY | PARTICIPATES IN PROJECTS/ COMMITTEES | PROVIDES SUBSTANTIVE FUNDING BEYOND MEMBERSHIP DUES | MEMBERSHIP IS STRATEGIC |
|--|---------------------------------------|--|--|----------------------------|
| Banking & Payments Federation of Ireland (BPFI) | Y | Y | N | Y |
| European Banking Federation (through BPFI) | N | Indirectly through BPFI | 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 |
| UK Finance | N | Y | N | Y |
| UNEP Finance Initiative | N | Y | N | Y |
| 30% Club | N | Y | N | Y |
| Open Doors | N | Y | N | Y |
| The Valuable 500 | N | N | N | Y |

Source: Company information.