

Second-Party Opinion

AIB Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the AIB Green Bond Framework is credible and impactful and aligned with the four core components of the Green Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, Clean Transportation, and Circular Economy and Waste Management – are aligned with those recognized by the Green Bond Principles 2021. Sustainalytics considers that the provision of financing in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7, 9, 11 and 12.



PROJECT EVALUATION AND SELECTION AIB's ESG Bond Working Group will be responsible for overseeing the process of evaluating and selecting eligible green loans according to the criteria set in the Framework. AIB utilizes internal environmental and social risk management processes to address environmental and social impacts associated with all projects financed. Sustainalytics considers the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS AIB's Treasury will oversee the management and allocation of proceeds using a portfolio approach and allocate the proceeds from the green bonds to the Eligible Green Loan Portfolio. Proceeds will be tracked using an internal tracking system. Pending allocation, AIB will hold proceeds or invest in its treasury liquidity portfolio in cash or other short term and liquid instruments. AIB intends to allocate the proceeds within 24 months of issuance. Sustainalytics considers this to be in line with market practice.



REPORTING AIB commits to report on the allocation and impact of proceeds on an annual basis on its website, until full allocation or maturity. Allocation reporting will include the size of the Eligible Green Loan Portfolio per category, the total amount allocated, the number of eligible green loans and the balance of unallocated proceeds. AIB's impact report, where feasible, will include portfolio-level indicators per category, with qualitative and quantitative impact metrics. Sustainalytics views AIB's reporting process as aligned with market practice.

Alignment with the EU Taxonomy

Sustainalytics has assessed the AIB Green Bond Framework for alignment with the EU Taxonomy's criteria for Substantial Contribution (SC) to its environmental objectives, Do No Significant Harm (DNSH) and Minimum Safeguards (MS). For more details, please see Section 1 and Appendix 1.

Evaluation Date	September 03, 2024 ¹
Issuer Location	Dublin, Ireland

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¹ This document updates the Second-Party Opinion originally published in August 2023.

Introduction

AIB Group plc (“AIB” or the “Bank”) and its subsidiaries form a financial services group that serves retail, business and corporate customers through its operating entity Allied Irish Banks Plc. The Bank predominantly operates in Ireland and the UK, and is headquartered in Dublin, Ireland. As of 2024, AIB operates in four core segments of (retail banking, capital markets, AIB UK and Climate Capital) in Great Britain and Northern Ireland.² Since 2023, AIB had 10,551 employees and 3.02 million active customers.³

AIB has developed the AIB Green Bond Framework dated September 2024 (the “Framework”) under which it intends to issue green bond instruments, including covered bonds,⁴ senior bonds (preferred and non-preferred), subordinated bonds, medium-term notes and commercial paper. AIB intends to use the proceeds to finance and refinance, in whole or in part, existing and future eligible green loans linked to projects which are expected to provide a positive environmental impact. The Framework defines eligibility criteria in four areas:

1. Green Buildings
2. Renewable Energy
3. Clean Transportation
4. Circular Economy and Waste Management

AIB engaged Sustainalytics to review the AIB Green Bond Framework and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).⁵ The Framework has been published in a separate document.⁶

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁷ opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds;
- Alignment of the use of proceeds criteria with the SC criteria, DNSH criteria and alignment with the Minimum Safeguards of the EU Taxonomy;
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.16, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of AIB’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. AIB representatives have confirmed (1) they understand it is the sole responsibility of AIB to ensure that the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

² AIB, “Annual Financial Report”, (2023), at: <https://aib.ie/content/dam/frontdoor/investorrelations/docs/resultscentre/annualreport/2023/Allied-Irish-Banks-p.l.c.-2023-Annual-Financial-Report.pdf>

³ AIB, “Sustainability Report 2023”, at: <https://aib.ie/content/dam/frontdoor/sustainability/AIB-sustainability-report-2023.pdf>

⁴ AIB has communicated to Sustainalytics that it will be issuing secured green standard bonds under the Framework, whose proceeds will be fully allocated to assets eligible under the Framework. AIB has further communicated to Sustainalytics that there will be no double counting of eligible projects under the secured green standard bond and any other outstanding sustainable financing instruments.

⁵ The Green Bond Principles are administered by the International Capital Market Association (ICMA) and are available at: https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf

⁶ The AIB Green Bond Framework is available on AIB’s website at: <https://aib.ie/investorrelations/debt-investor/green-bonds>

⁷ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and AIB.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. Upon twenty-four (24) months following the evaluation date set stated herein, AIB is encouraged to update the Framework, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that AIB has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the AIB Green Bond Framework

Sustainalytics is of the opinion that the AIB Green Bond Framework is credible and impactful, and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of AIB's Green Bond Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Renewable Energy, Clean Transportation and Circular Economy and Waste Management – are aligned with those recognized by the GBP. Sustainalytics is of the opinion that eligible green loans in these categories will provide meaningful environmental contributions and will support the transition towards a low-carbon economy in the European Economic Area (EEA), UK, US and Canada.
 - AIB intends to finance or refinance general purpose loans allocated to entities that derive 90% or more of their revenue from activities that comply with the eligibility criteria in the Framework. Sustainalytics believes that project and activity-based lending generally results in more direct environmental benefits and enhances compliance with the criteria in the Framework, however, financing pure play companies through green bond proceeds is a commonly accepted approach that is likely to generate positive impacts.
 - Under the Green Buildings category, AIB may finance or refinance the acquisition, ownership and construction of new or existing residential and commercial buildings that meet at least one of the following criteria:
 - Buildings in Ireland built before 2021 that belong in the top 15% low carbon buildings in the local context.
 - Buildings in Ireland built in 2021 and after that have a primary energy demand (PED) at least 10% lower than the local nearly zero-energy building (NZEB) standard.
 - Buildings in the UK that: i) have obtained an energy performance certificate (EPC) rated A or B; or ii) belong in the top 15% low carbon buildings in the local context.
 - Buildings in Ireland, the UK and the EEA⁸ that have achieved one or more of the following green building certifications: i) BREEAM (Excellent or higher);⁹ ii) LEED (Gold or higher);¹⁰ and iii) DGNB (minimum Gold).¹¹

⁸ AIB has communicated to Sustainalytics that it may include EEA-based buildings where the buildings meet the eligible certification levels.

⁹ BREEAM: <https://bregroup.com/products/breeam/>

¹⁰ LEED: <https://www.usgbc.org/leed>

¹¹ DGNB: <https://www.dgnb.de/en/certification/buildings/>

- Renovation of buildings where: i) the renovation leads to a reduction in PED of at least 30% over the initial performance;¹² or ii) the renovation complies with the applicable requirements for major renovations.
 - AIB has confirmed to Sustainalytics that only expenditures related to the renovations will be financed and not the whole asset value of the building. If the building, however, meets the NZEB criteria, is in the top 15% or achieves an eligible level of the above certifications as a result of the renovations, AIB has communicated that it will finance the renovation and the asset value of the building.
 - Regarding major renovations, Sustainalytics notes that projects will comply with the cost-optimal minimum energy performance requirements for major renovations in accordance with the Directive 2010/31/EU.¹³ Sustainalytics further notes that the EU Taxonomy¹⁴ requires meeting the relevant cost-optimal minimum energy performance requirements implementing the EPBD, which vary among EU Member States. Sustainalytics therefore encourages AIB to report on the actual improvement on PED or energy savings achieved in comparison with the existing building stock in the area or region.
- Sustainalytics considers the investments under this category to be aligned with market practice.
- Under the Renewable Energy category, AIB may finance or refinance equipment, development, manufacturing, construction, operation, distribution, maintenance, installation and repair of renewable energy generation, energy storage and energy transmission infrastructure. Sustainalytics notes the following:
 - Energy generation includes: i) solar energy, including photovoltaic and concentrated solar power (CSP); ii) onshore and offshore wind energy; iii) geothermal energy; and iv) small-scale hydropower facilities with a capacity smaller than 25 MW.
 - AIB has confirmed to Sustainalytics that for CSP, the total portion of fossil fuel backup generation would be less than 15%.
 - Geothermal facilities will have life cycle emissions below 100 gCO₂e/kWh.
 - Small-scale hydropower generation facilities will meet at least one of the following criteria: i) are run-of-river without an artificial reservoir; ii) have a power density greater than 5W/m²; or iii) have life cycle GHG emissions intensity lower than 100 gCO₂e/kWh. To ensure that no significant environmental and social risks, negative impacts or controversies have been identified, AIB has confirmed to Sustainalytics that it is an adoptee of Equator Principles, under which the Bank will conduct specific ESG risk assessment and do-no-significant-harm checks in the lending process for each project; in addition, projects in the EEA and UK are required by law to obtain an environmental impact assessment.
 - Sustainalytics notes that AIB has defined an emissions intensity threshold at or below 100 gCO₂e/kWh (following the EU Taxonomy criteria for the activity "Electricity generation from hydropower"). However, considering the longevity of hydropower assets, newly constructed facilities effectively lock in energy generation for a very extended period, therefore, Sustainalytics encourages AIB to favour projects with emissions intensities below 50 gCO₂e/kWh (following the Climate Bonds Standard criteria for hydropower).
 - Energy storage facilities include pumped hydropower storage, compressed air, flywheels, synchronous condensers and batteries.
 - For pumped hydropower storage projects, to ensure that no significant environmental and social risks, negative impacts or controversies have been identified, AIB has confirmed to Sustainalytics that AIB is an adoptee of the

¹² The initial PED and the estimated improvement are based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method and validated through an EPC. The 30% improvement results from an actual reduction in PED (where the reductions in net PED through renewable energy sources are not considered) and can be achieved through a succession of measures within a maximum of three years.

¹³ EUR Lex, "Directive 2010/31/EU of the European Parliament and of the Council", at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:153:0013:0035:en:PDF>

¹⁴ European Commission, "Annex to the Commission Delegated Regulation Supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council", at: https://eur-lex.europa.eu/resource.html?uri=cellar:d84ec73c-c773-11eb-a925-01aa75ed71a1.0021.02/DOC_2&format=PDF

- Equator Principles, under which the Bank will conduct specific ESG risk assessment and do-no-significant-harm checks in the lending process for each project; in addition, projects in the EEA and UK are required by law to obtain an environmental impact assessment.
- AIB has communicated to Sustainalytics that: i) batteries and storage facilities using pumped hydropower will be directly connected to renewables; ii) other energy storage assets within the EEA will meet the criteria outlined below for electricity systems; and iii) all energy storage projects in the US are connected to renewables.
 - Energy transmission and distribution infrastructure and equipment and direct connections and expansion of existing direct connections of renewable energy sources that meet the following criteria:
 - Electricity systems that: i) are part of the interconnected European system; ii) have an emissions intensity higher than 67% of newly enabled generation capacity not exceeding 100 gCO₂e/kWh; or iii) have an average system grid emission factor that does not exceed 100 gCO₂e/kWh. Sustainalytics considers the expansion and maintenance of resilient electricity grids broadly to be supportive of positive environmental outcomes and recognizes AIB's intent to finance systems that largely align with the EU Taxonomy. Nevertheless, it has become a common practice in the market to finance infrastructure employed predominantly to transmit or enable the use of renewable energy. AIB has communicated to Sustainalytics that all electricity grids in the UK and EEA comply with the criteria outlined in the EU Taxonomy¹⁵ and are on a decarbonization pathway.
 - For infrastructure dedicated to a direct connection or expansion of existing connections, AIB does not intend to finance: i) connections between a substation or network and a power production plant that has a GHG emissions intensity higher than 100 gCO₂e/kWh, measured on a life cycle basis; and ii) the installation of metering infrastructure that does not meet the requirements of smart metering systems outlined in Directive (EU) 2019/944 of the European Commission.¹⁶
 - Sustainalytics considers investments under this category to be aligned with market practice.
 - Under the Clean Transportation category, AIB may finance or refinance low-carbon vehicles, rail transport and support infrastructure. Sustainalytics notes the following:
 - Low-carbon vehicles include electric, hydrogen as well as passenger, freight, light-duty and heavy-duty vehicles with zero direct (tailpipe) CO₂ emissions.
 - Rail transport includes passenger and freight transport using railway rolling stock on mainline networks and short-line freight railroads that meet one of the following criteria: i) trains and passenger coaches and wagons with zero direct (tailpipe) CO₂ emissions; or ii) trains and passenger coaches and wagons with zero direct (tailpipe) CO₂ emissions when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bi-mode).
 - For bi-mode trains and passenger coaches and wagons, Sustainalytics considers trains with a carbon intensity below 25 gCO₂/tkm for freight and 50 gCO₂/pkm for passenger rail to drive positive environmental outcomes and encourages AIB to report on the carbon emissions intensity of the financed bi-mode vehicles. Sustainalytics considers the criteria to be aligned with the EU Taxonomy Climate Delegated Act (Annex I).

¹⁵ AIB has communicated to Sustainalytics that all projects in the EEA and UK comply with the EU Taxonomy, with a majority complying with the criteria outlined under Activity 4.9, criteria 1(b), which states that more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO₂e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period. Sustainalytics notes that transmission and distribution infrastructure may still be installed in some jurisdictions that have a high carbon intensity, such as Poland, and others, which are not yet low-carbon. European Commission, "Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02021R2139-20240101>

¹⁶ European Commission, "Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (recast) (Text with EEA relevance.)", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32019L0944>

- Supporting infrastructure include EV charging and hydrogen fuelling stations for vehicles with zero direct (tailpipe) CO₂ emissions. AIB has confirmed to Sustainalytics that parking facilities are excluded from financing under the Framework.
- AIB has confirmed to Sustainalytics that the financing of transportation and storage of fossil fuels and fossil fuel-blended alternative fuel will not take place under the Framework.
- Sustainalytics considers the investments under this category to be aligned with market practice.
- Under the Circular Economy and Waste Management category, AIB may finance or refinance collection and transport of non-hazardous and hazardous waste, and sorting and material recovery from non-hazardous waste. Sustainalytics notes the following:
 - Collection and transport of non-hazardous and hazardous waste will be limited to collection of source-segregated waste that is intended for reuse and recycling operations. AIB may also finance collection vehicles that are compliant with EURO V standards. Sustainalytics notes that the Bank's criteria is aligned with the EU Taxonomy Climate Delegated Act, but the EURO VI standards do not require vehicles to comply with CO₂ emissions thresholds.¹⁷ Sustainalytics further notes that the emissions intensity of heavy-duty vehicles can reach up to 100 gCO₂e/tkm,¹⁸ under 100% payload ratio assumption, which is significantly above the 25 gCO₂e/tkm threshold. Sustainalytics therefore encourages AIB to report on the emissions intensity of the waste collection vehicles financed.
 - For the collection and transport of hazardous waste, AIB has confirmed to Sustainalytics that it will finance activities that comply with The Waste Framework Directive 2008/98/EC¹⁹ that support separate collection and transport of hazardous waste and prevent the leakage of hazardous substances.
 - Sorting and material recovery of non-hazardous waste includes at least 50% of processed waste to be converted to secondary raw materials using a mechanical transformation process. AIB has confirmed to Sustainalytics that waste-to-energy facilities and production of refused derived fuel will be excluded under this category.
 - Sustainalytics considers the investments under this category to be aligned with market practice.
- Sustainalytics notes that AIB has implemented a Sustainability Exclusion List²⁰ across its wholesale businesses units. This means these business units will no longer provide new term lending and corporate finance advisory services to entities that are deemed to engage in a defined list of excluded activities that excluded activities might cause irreversible environmental or social harm to the communities and areas where the Bank operates.
- Project Evaluation and Selection:
 - The Framework and its use of proceeds eligibility criteria were established by the AIB ESG Bond Working Group, a cross functional working group of relevant business areas within AIB, which will manage any future updates to the Framework, including the expansion of its eligible use of proceeds categories, along with monitoring the Eligible Green Loan Portfolio and publishing the allocation and impact reports of the Bank. AIB's Group Sustainability Committee, which includes executive committee members and senior officials from multiple departments, will be ultimately responsible for the implementation of AIB's sustainability strategy. Correspondingly, the GSC will support the Sustainable Business Advisory Committee (SBAC), which consists of non-executive directors and members of the executive committee. The SBAC reports directly to the AIB board of directors.
 - Eligible green loans will be evaluated by AIB's ESG Bond Working Group based on compliance with the eligibility criteria under the Framework's use of proceeds and may rely on analyses provided by external advisors, in addition to AIB's own assessment, when necessary.

¹⁷ Sustainalytics notes that the EURO VI standards do not establish CO₂ emissions limits, but it does set thresholds for CO, THC, NMHC, CH₄, NO_x, NH₃ and particulate pollutants mass. European Commission, "Regulation (EC) No 595/2009", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32009R0595>

¹⁸ International Panel on Climate Change, "Climate Change 2022", at: ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_Full_Report.pdf

¹⁹ European Parliament and Council, "Directive 2008/98/EC on waste and repealing certain Directives" (2008), at: eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32008L0098

²⁰ AIB, "Excluded Activities", at: <https://aib.ie/corporate/sector-expertise/excluded-activities>

- AIB has in place internal environmental and social risk management processes to address environmental and social impacts associated with all projects financed. For additional details, refer to Section 2.
- Based on the established process for project evaluation and selection, and the presence of a risk management system, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - AIB's Treasury will oversee the management and allocation of net proceeds, selected in accordance with the eligibility criteria set out in the Framework. Proceeds will be tracked using an internal tracking system.
 - Sustainalytics notes AIB is using a portfolio approach for allocation of the bonds' proceeds to eligible assets. AIB has confirmed to Sustainalytics that it will ensure continuous allocation so that, in case the underlying eligible loans in the pool are removed for any reason, the pool is replenished to keep the value of outstanding eligible loans equal to or greater than the net proceeds, which Sustainalytics considers to be good practice.
 - AIB intends to allocate the net proceeds within 24 months of each issuance. Pending allocation, proceeds may be held in the Bank's liquidity portfolio in cash or other liquid assets. In addition, AIB has established a Socially Responsible Investment pocket with the aim of investing in environmentally and socially impactful assets in the temporary allocation period.
 - Based on the above, Sustainalytics considers AIB's management of proceeds to be in line with market practice.
- Reporting:
 - AIB commits to publish an allocation and impact report annually on its website, at least until full allocation or maturity.
 - The Bank's allocation reporting will include the size of the Eligible Green Loan Portfolio per category, the total amount allocated, the number of eligible green loans, the balance of unallocated proceeds, the share of financing vs refinancing, the geographical distribution of allocations per country and the sectoral distribution of assets per country.
 - Impact reporting will, where feasible, include portfolio-level impact indicators provided per eligible category, such as energy savings per unit floor areas, installed renewable energy capacity, and avoided emissions, as well as qualitative descriptions of the projects.
 - Based on the commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the AIB Green Bond Framework aligns with the four core components of the GBP.

Alignment with the EU Taxonomy

Sustainalytics has assessed each of the Framework's eligible use of proceeds criteria against the relevant criteria in the EU Taxonomy. For SC and DNSH, please see Table 1. For Minimum Safeguards, please see below.

Table 1 provides an overview of the alignment of AIB's Framework with the applicable SC criteria and DNSH criteria of the EU Taxonomy.

Table 1: Summary of Alignment of Framework Criteria with the EU Taxonomy²¹

EU Taxonomy Activities corresponding to Framework Criterion	Alignment with Technical Screening Criteria		Alignment per EU Environmental Objective					
	SC	DNSH	Mitigation	Adaptation	Water	Circular Economy	Pollution	Eco-systems
2.3. Collection and transport of non-hazardous and hazardous waste	■	■	-	■	■		■	-
2.7. Sorting and material recovery of non-hazardous waste	■	■		■	■		-	■
3.1 Manufacture of renewable energy technologies	■	□		■	□	□	□	■
4.1 Electricity generation using solar photovoltaic technology	■	□		■	-	□	-	■
4.10. Storage of electricity	■	□		■	■	□	-	■
4.2 Electricity generation using concentrated solar power (CSP) technology	■	□		■	□	□	-	■
4.3 Electricity generation from wind power	■	□		■	□	■	-	□
4.5 Electricity Generation from hydropower	■	■		■	■	-	-	■
4.6 Electricity Generation from geothermal energy	□	□		■	□	-	□	■
4.9 Transmission and distribution of electricity	■	□		■	-	□	-	■
5.5. Collection and transport of non-hazardous waste in source segregated fractions	■	■		■	-	■	-	-
5.9. Material recovery from non-hazardous waste	■	■		■	-	-	-	■
6.1 Passenger interurban rail transport	■	■		■	-	■	■	-
6.14. Infrastructure for rail transport	■	■		■	■	■	■	■
6.15. Infrastructure enabling low-carbon road transport and public transport	■	■		■	-	■	■	■
6.2 Freight rail transport	■	■		■	-	■	■	-

²¹ Sustainalytics' assessment for alignment is based on the location of the projects. For further details, including the alignment per region, refer to the activity-specific assessments provided in Appendix 2 and 3.

6.3 Urban and suburban transport, road passenger transport	■	□		■	-	■	□	-
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	■	□		■	-	■	□	-
6.6 Freight transport services by road	■	□		■	-	■	□	-
7.1 Construction of new buildings	□	□		■	□	□	□	□
7.2 Renovation of existing buildings	■	□		■	□	□	□	-
7.7 Acquisition and ownership of buildings	□	■		■	-	-	-	-

Legend	
Aligned	■
Partially aligned	□
Not aligned	☒
Not applicable	-
Not assessed	*
Grey shading indicates the primary EU Environmental Objective	

Alignment with the EU Taxonomy's Minimum Safeguards

The EU Taxonomy recommends that companies have policies aligned with international and regional guidelines and regulations pertaining to human rights, labour rights, and combating bribery and corruption. Specifically, activities should be carried out in alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Additionally, companies should be in compliance with the International Labour Organisation's (ILO) declaration on Fundamental Rights and Principles at Work.

Based on a consideration of the policies and management systems applicable to Framework criteria, as well as the regulatory context in which financing will occur, Sustainalytics is of the opinion that the EU Taxonomy's Minimum Safeguards requirements will be met.

Human Rights and Labour Rights

AIB has implemented the following policies and procedures on human rights and labour rights:

- AIB has a Human Rights Commitment in alignment with the United Nations Guiding Principles on Business and Human Rights.²² The Commitment addresses issues such as child labour, forced labour, discrimination, slavery and harassment, and embraces the right to association, right to privacy and fair pay, among others. AIB's Human Rights Commitment applies to the Bank's employees, its customers, suppliers and the communities the Bank operates in.²³ The Bank's Commitment operates with its Code of Conduct²⁴ and Responsible Supplier Code²⁵, and is aligned with the European Convention on Human Rights²⁶ and EU Charter of Fundamental Rights²⁷ for AIB's business in Ireland.²⁸

²² AIB, "Human Rights Commitment", (2023), at: <https://aib.ie/content/dam/frontdoor/personal/sustainability/aib-human-rights-commitment-28-02-23.pdf>

²³ Ibid.

²⁴ AIB, "AIB Code of Conduct", at: <https://aib.ie/content/dam/aib/personal/docs/sustainability/code-of-conduct.pdf>

²⁵ AIB, "Responsible Supplier Code", (2020), at: <https://aib.ie/content/dam/aib/personal/docs/supplier/aib-responsible-supplier-code.pdf>

²⁶ Council of Europe, "The European Convention on Human Rights", at: <https://www.coe.int/en/web/human-rights-convention#>

²⁷ European Commission, "EU Charter of Fundamental Rights", at: https://commission.europa.eu/aid-development-cooperation-fundamental-rights/your-rights-eu/eu-charter-fundamental-rights_en

²⁸ AIB, "Sustainability Report 2023", at: <https://aib.ie/content/dam/frontdoor/sustainability/AIB-sustainability-report-2023.pdf>

- AIB operates mainly in the Republic of Ireland and the United Kingdom and upholds all Fundamental Conventions of the ILO's Standards Organization.²⁹ AIB has also set forth minimum standards in relation to human rights, health safety and welfare, supply chain, diversity and inclusion for suppliers³⁰ in its Responsible Supplier Code, which requires suppliers to implement and enforce systems and controls to ensure modern slavery and human rights abuses do not take place in their businesses and supply chains.³¹ AIB's Statement on Modern Slavery³² establishes steps to prevent slavery and human trafficking in AIB's business and supply chain in accordance with the UK Modern Slavery Act 2015.³³
- AIB commits to undertaking due diligence for all its projects, including the identification of impacts, dialogue with stakeholders, compensation for any adverse impacts and strengthening capacity through training.³⁴ Moreover, the Bank has communicated that it applies an ESG questionnaire (ESGQ) to assess borrowers in moderate to high-risk sectors where new money applications exceed EUR 1 million. As part of the ESGQ, the Bank assesses a borrower's compliance with minimum safeguards criteria, such as those combatting modern slavery and upholding human rights.³⁵ Additionally, AIB collects information about potential human rights impact from its retail banking, corporate lending and procurement as part of its human rights due diligence process.³⁶ Furthermore, as a part of its responsible lending and investment, AIB has developed a list of Excluded Activities, including activities listed under the UN Universal Declaration of Human Rights³⁷ that adversely impact human rights.³⁸
- AIB has a process in place for employees and suppliers to report their concerns on wrongdoing or suspected wrongdoing, ensuring confidentiality and protection through the Bank's Speak Up Policy for whistleblowing and its corresponding processes such as a confidential internal telephone line and an external digital portal. AIB also has a grievance process in place.³⁹
- AIB's Responsible Supplier Code requires suppliers to: i) comply with applicable national and international laws such as the International Bill of Human Rights⁴⁰ and the International Labour Organization conventions;^{41, 42} ii) commit to providing employees with safe, secure and healthy working conditions; and iii) comply with all relevant health and safety laws and regulations applicable to their location. Suppliers are expected to have a well-documented and compliant health and safety policy and are expected to identify and inform the Bank of any incidents in a timely manner.⁴³
- AIB also works towards embedding diversity and inclusion (D&I) practices across the Bank by providing up-to-date D&I training to all staff and expecting its suppliers to treat all employees equally and fairly, including no discrimination in hiring, compensation, access to training, promotion, termination or retirement.⁴⁴ AIB has communicated to Sustainability that it has obtained accreditation by the Investors in Diversity⁴⁵ through which the Bank is required to demonstrate fulfilment across five pillars related to D&I performance, including how the Bank influences D&I performance among its external organizations, such as suppliers, partners and community groups that AIB interacts with. AIB also seeks to prevent any form of harassment or bullying through reporting mechanisms.⁴⁶

Based on the work of its research services, Sustainability evaluated the performance of AIB in the areas of human rights and labour rights and has not detected involvement in any relevant controversies that would suggest that the above policies are not being implemented effectively. Sustainability is of the opinion that

²⁹ ILO, "Conventions", at: <https://normlex.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12000:0::NO::>

³⁰ The term "supplier" as used in AIB's Responsible Supplier Code refers to suppliers, vendors, contractors, consultants, agents and other providers of goods and services that do or seek to do business with AIB Group.

³¹ AIB, "Responsible Supplier Code", (2020), at: <https://aib.ie/content/dam/aib/personal/docs/supplier/aib-responsible-supplier-code.pdf>

³² AIB, "Statement on Modern Slavery", (2024), at: <https://aib.ie/content/dam/aib/group/Docs/modern-slavery-statement-2024.pdf>

³³ UK Government, "Modern Slavery Act 2015", at: <https://www.legislation.gov.uk/ukpga/2015/30/contents>

³⁴ AIB, "Human Rights Commitment", (2023), at: <https://aib.ie/content/dam/frontdoor/personal/sustainability/aib-human-rights-commitment-28-02-23.pdf>

³⁵ AIB, "Sustainability Report 2023", at: <https://aib.ie/content/dam/frontdoor/sustainability/AIB-sustainability-report-2023.pdf>

³⁶ Ibid.

³⁷ UN, "Universal Declaration of Human Rights", at: <https://www.un.org/en/about-us/universal-declaration-of-human-rights>

³⁸ AIB, "AIB Group Excluded Activities List", at: <https://aib.ie/corporate/excluded-activities>

³⁹ AIB, "Sustainability Report 2023", at: <https://aib.ie/content/dam/frontdoor/sustainability/AIB-sustainability-report-2023.pdf>

⁴⁰ UN, "International Bill of Human Rights", at: <https://www.ohchr.org/en/what-are-human-rights/international-bill-human-rights>

⁴¹ ILO, "ILO Conventions", at: <https://www.ilo.org/resource/ilo-conventions>

⁴² AIB, "Sustainability Report 2023", at: <https://aib.ie/content/dam/frontdoor/sustainability/AIB-sustainability-report-2023.pdf>

⁴³ AIB, "Responsible Supplier Code", (2020), at: <https://aib.ie/content/dam/aib/personal/docs/supplier/aib-responsible-supplier-code.pdf>

⁴⁴ Ibid.

⁴⁵ Investors in Diversity: <https://irishcentrefordiversity.ie/investors-in-diversity-gold/>

⁴⁶ AIB, "AIB Code of Conduct", at: <https://aib.ie/content/dam/aib/personal/docs/sustainability/code-of-conduct.pdf>

these measures provide appropriate safeguards on human and labour rights in relation to the activities of the Framework.

Anti-bribery and anti-corruption

AIB has implemented the following anti-bribery and anti-corruption policies and procedures:

- To manage risks associated to corruption, AIB has implemented two policies: i) the Financial Crime Statement, which covers bribery and corruption; and ii) the Conflicts of Interests (Col) Statement, which governs the giving and receiving of gifts, benefits and entertainment.^{47, 48} AIB has established the Anti-Bribery and Corruption (ABC) programme under its Financial Crime Statement as well, which applies to all employees, contractors and suppliers operating with AIB. The Financial Crime policy forms part of the AIB Code of Conduct and complies with the anti-bribery and anti-corruption laws and regulations in all the jurisdictions in which the Bank operates.^{49, 50} In line with ABC and Col policies, all of AIB's operations across the group are assessed for risks related to corruption and conflicts of interest.⁵¹
- The Col policy provides the standards for the Bank on recognizing and preventing potential conflicts of interest, including how to manage conflicts of interest where they cannot be avoided. To monitor and govern compliance with the Col Policy, the Bank uses the three lines of defence model which involves guidance from the appointed Col Business Coordinator, Risk Function, Group Internal Audit and escalation of concerns to Col team.^{52, 53} Through the Responsible Supplier Code, AIB expects its suppliers to have their own bribery and corruption policies adherent to local laws.⁵⁴
- Under the Col policy, gifts, benefits and hospitality given or received in excess of EUR 50 (including cumulative gifts received or given to or from one donor) are subject to prior approval from the employee's People Leader and are recorded on a central register.⁵⁵ All business areas are responsible for completing a monthly risk assessment of all registered activities to demonstrate they are complying with the policy and to identify potential or perceived conflicts. The Bank's Board Audit Committee oversees compliance with the Group Code of Conduct and Conflicts of Interests policies by way of an annual update. New employees and suppliers are required to complete the anti-bribery and anti-corruption training within one month of joining AIB and all employees are required to complete it annually.^{56, 57}
- As part of its redesigned ESGQ, the Bank has confirmed to Sustainalytics that it will assess borrower compliance with minimum safeguards criteria, such as those relating to anti-bribery and anti-corruption.

Based on the work of its research services, Sustainalytics evaluated the performance of AIB in the areas of anti-bribery and anti-corruption and has not detected involvement in any relevant controversies that would suggest that the above policies are not being implemented effectively. Sustainalytics is of the opinion that these measures provide appropriate safeguards on anti-bribery and anti-corruption in relation to the activities of the Framework.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that AIB's policies, guidelines and commitments are sufficient to demonstrate that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

⁴⁷ AIB, "Financial Crime Statement", (2023), at: <https://aib.ie/content/dam/frontdoor/personal/sustainability/financial-crime-statement.pdf>

⁴⁸ AIB, "AIB" Conflicts of Interests', (2019), at: https://aib.ie/content/dam/frontdoor/personal/sustainability/Conflicts_of_Interest_Policy.pdf

⁴⁹ The Criminal Justice (Corruption Offences) Act 2018 in Ireland, the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act.

⁵⁰ AIB, "Financial Crime Statement", (2023), at: <https://aib.ie/content/dam/frontdoor/personal/sustainability/financial-crime-statement.pdf>

⁵¹ AIB, "Sustainability Report 2023", at: <https://aib.ie/content/dam/frontdoor/sustainability/AIB-sustainability-report-2023.pdf>

⁵² AIB, "AIB" Conflicts of Interests', (2019), at: https://aib.ie/content/dam/frontdoor/personal/sustainability/Conflicts_of_Interest_Policy.pdf

⁵³ AIB, "AIB Code of Conduct", at: <https://aib.ie/content/dam/aib/personal/docs/sustainability/code-of-conduct.pdf>

⁵⁴ AIB, "Responsible Supplier Code", (2020), at: <https://aib.ie/content/dam/aib/personal/docs/supplier/aib-responsible-supplier-code.pdf>

⁵⁵ AIB, "Sustainability Report 2023", at: <https://aib.ie/content/dam/frontdoor/sustainability/AIB-sustainability-report-2023.pdf>

⁵⁶ Ibid.

⁵⁷ AIB, "Annual Financial Report", (2023), at: <https://aib.ie/content/dam/frontdoor/investorrelations/docs/resultscentre/annualreport/2023/AIB-Group-plc-AFR-Dec-2023.pdf>

Section 2: Sustainability Strategy of AIB

Contribution of the Framework to AIB's sustainability strategy

AIB includes ESG considerations into its business operations, including its lending and investment activities. AIB conducted a double materiality assessment in 2023, which assessed its ESG impact and financial materiality, and identified the following environmentally material topics: i) responsible lending and investment; and ii) climate change adaptation.⁵⁸

As part of its climate and environment strategy, AIB established a EUR 10 billion Climate Action Fund in 2019 that has facilitated EUR 11.6 billion in "green lending" since 2019.⁵⁹ In 2023, the Bank set a target to increase the Climate Action Fund to EUR 30 billion by 2030.⁶⁰ The Bank also has a target for 70% of new lending to be green or transition labelled by 2030, and financed emissions across its lending portfolio to be net zero by 2040, and by 2050 including agriculture.⁶¹ With regard to its products and services to address environmental issues, the Bank provides financing for energy efficient homes through its green mortgage products, with 45% of all mortgage drawdowns in 2023 qualifying under green mortgages.⁶² AIB has also set intensity-based emissions reduction targets validated by the SBTi for 75% of its loan book.⁶³ The targets include 58% and 67% GHG emissions reduction linked to residential mortgages and commercial real estate portfolio, respectively, by 2030. For its electricity generation portfolio, the Bank is committed to maintaining the existing emissions intensity level of 21 gCO_{2e}/kWh of its portfolio through 2030 and accelerate its investments in renewable electricity generation projects.⁶⁴

In 2020, AIB published a Socially Responsible Investment Bond Framework to fund domestic and international projects aimed at "global sustainability", "carbon emissions reduction" and "social improvement".⁶⁵ As of 2023, a total of EUR 4 billion were issued under the Bank's Green Bond Programme.⁶⁶ AIB's green financing reached EUR 3.7 billion in 2023, with 30% of all new lending being classified as green.⁶⁷ In 2023, AIB raised EUR 750 million for its fifth green bond, whose proceeds have been allocated to a loan portfolio of eligible projects including green buildings (55%), renewable energy (44%) and clean transportation (1%).⁶⁸ The Bank has further communicated that it raised another EUR 650 million for its sixth green bond in 2024.

Sustainalytics is of the opinion that the AIB Green Bond Framework is aligned with the Bank's overall sustainability strategy and initiatives and will further the Bank's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that proceeds from the green bond instruments issued under the Framework will be allocated to eligible projects that are anticipated to have positive environmental impacts. However, Sustainalytics is also aware that such eligible projects could lead to certain negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects could involve land use and biodiversity issues, emissions, effluents and waste generated in construction, occupational health and safety (OHS), and community relations. Furthermore, by offering lending and financial services, all banks face risks associated with controversial companies and projects they may finance, as well as the possibility of financing activities that have negative social or environmental impacts.

Sustainalytics is of the opinion that AIB is able to manage or mitigate potential risks through implementation of the following:

- To manage environmental risks, such as land use and biodiversity issues, and emissions, effluents and waste generated in construction, the Bank has established an environmental management system in accordance with ISO 14001,⁶⁹ focusing on environmental protection and pollution.⁷⁰ AIB's Environmental Policy requires the assessment and monitoring of environmental risks and requires

⁵⁸ AIB, "Sustainability Report 2023", at: <https://aib.ie/content/dam/frontdoor/sustainability/AIB-sustainability-report-2023.pdf>

⁵⁹ AIB has communicated to Sustainalytics that this figure is as of December 31, 2023.

⁶⁰ AIB, "Sustainability Report 2023", at: <https://aib.ie/content/dam/frontdoor/sustainability/AIB-sustainability-report-2023.pdf>

⁶¹ Ibid.

⁶² Ibid.

⁶³ AIB has communicated to Sustainalytics that the 75% refers to a single point in time. Given portfolio growth, this is circa 75%.

⁶⁴ AIB, "Sustainability Report 2023", at: <https://aib.ie/content/dam/frontdoor/sustainability/AIB-sustainability-report-2023.pdf>

⁶⁵ The framework was updated as of March 2022 and can be accessed at: <https://aib.ie/content/dam/frontdoor/personal/sustainability/aib-sri-framework.pdf>

⁶⁶ AIB, "Sustainability Report 2023", at: <https://aib.ie/content/dam/frontdoor/sustainability/AIB-sustainability-report-2023.pdf>

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ ISO 14001: <https://www.iso.org/iso-14001-environmental-management.html>

⁷⁰ AIB, "AIB Environmental Policy", (2022), at: https://aib.ie/content/dam/frontdoor/personal/sustainability/Environmental_Policy.pdf

the Bank to comply with local environmental laws and regulations where it operates.⁷¹ As part of lending assessments and decisions for long-term infrastructure, industrial projects and public services, assets that might have significant effects on the environment by virtue of their size, nature or location must undergo an environmental impact assessment, which is submitted to authorities when applying for project development.⁷²

- To manage OHS risks, AIB's Health and Safety Policy adheres to the requirements of all national and European health and safety legislation, guidance and codes of practice. The Bank identifies workplace hazards and implements protective and preventive measures through a corresponding risk assessment process and has emergency response procedures in place to minimize the impact of incidents on employees. This policy is reviewed at least every two years to remain relevant and appropriate.⁷³ Additionally, AIB has communicated to Sustainalytics that the Bank's ESGQ contain questions related to the OHS risks of borrowers.
- Regarding risks associated with community relations, AIB has established a stakeholder management and engagement process overseen by its Executive Committee. Through this process, AIB identifies the material issues that are important to its stakeholders, including the community and general public, via surveys and interviews.⁷⁴ Additionally, AIB has established an environmental management system that assesses and monitors stakeholders' expectations with regard to environmental risks to manage the impact of its businesses.⁷⁵
- To address the risk of lending activities involving controversial companies or projects, AIB has launched a list of excluded lending activities for which it will not provide term finance or corporate finance advisory services, as the listed activities can cause irreversible environmental and social harm to society and communities. The list covers exclusions under energy and climate action, animal welfare, ecosystem protection, amongst other topics.⁷⁶
- AIB has developed a Code of Conduct that applies to all AIB's employees, agency staff and contractors and outlines its compliance with all relevant laws and regulations.⁷⁷ Additionally, AIB requires its suppliers, vendors, contractors, consultants and agents to meet the requirements for responsible business and sustainability set in the Bank's Responsible Supplier Code.⁷⁸
- AIB has communicated to Sustainalytics that the Bank is a signatory of the Equator Principles, which requires the Bank to comply with the applicable Performance Standards, and the Environmental, Health and Safety Guidelines from International Finance Corporation (IFC).⁷⁹ Additionally, Sustainalytics notes that the majority of financing under the Framework will take place in the UK and Ireland, which are recognized as Designated Countries under the Equator Principles, indicating the presence of robust environmental and social governance legislation systems and institutional capacity to ensure mitigation of common environmental and social risks.⁸⁰ AIB has confirmed that it has policies and procedures designed to ensure compliance of all financed projects with applicable laws and regulations of these countries, including those related to environmental protection and remediation requirements for land use and biodiversity, waste management, emissions, OHS standards, and community relations as part of its due diligence and underwriting process at the lending stage.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that AIB has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

⁷¹ Ibid.

⁷² AIB, "Sustainability Report", (2021), at: <https://aib.ie/content/dam/frontdoor/personal/sustainability/sustainability-full-report-2021.pdf>

⁷³ AIB, "AIB Health and Safety Policy", (2022), at: <https://aib.ie/content/dam/frontdoor/personal/sustainability/health-and-safety-policy.pdf>

⁷⁴ AIB, "Sustainability Report 2023", at: <https://aib.ie/content/dam/frontdoor/sustainability/AIB-sustainability-report-2023.pdf>

⁷⁵ AIB, "AIB Environmental Policy", (2022), at: https://aib.ie/content/dam/frontdoor/personal/sustainability/Environmental_Policy.pdf

⁷⁶ AIB, "AIB Group Excluded Activities List", (2021), at: <https://aib.ie/content/dam/frontdoor/personal/sustainability/aib-group-excluded-activities-policy.pdf>

⁷⁷ AIB, "Code of Conduct", at: <https://aib.ie/content/dam/frontdoor/personal/sustainability/code-of-conduct.pdf>

⁷⁸ AIB, "Responsible Supplier Code", (2020), at: <https://aib.ie/content/dam/aib/personal/docs/supplier/aib-responsible-supplier-code.pdf>

⁷⁹ IFC, "Environmental, Health, and Safety Guidelines", at: <https://www.ifc.org/en/insights-reports/2000/general-environmental-health-and-safety-guidelines>

⁸⁰ Equator Principles, "Designated Countries", at: <https://equator-principles.com/designated-countries/>

Contribution of green buildings to climate change mitigation in the UK and Ireland

The UK buildings and product uses sector was responsible for approximately 20% of the country's total GHG emissions in 2023, with the residential sector making up nearly 67% of these emissions.⁸¹ The UK housing stock is one of the oldest in Europe, with 20% of houses built before 1919.⁸² As of 2024, 50% of the homes in the UK have uninsulated walls and 29 million of homes in the UK need retrofitting before 2050 to improve insulation and energy efficiency.⁸³ In addition, a large share of the energy consumed by dwellings in the UK is generated from fossil fuels, with gas boilers being the primary heating source for 78% of homes in 2022.⁸⁴ The UK's Integrated National Energy and Climate Plan sets a target to achieve countrywide net zero emissions by 2050.⁸⁵ In this context, the UK has established intermediate milestones to reduce emissions by 68% by 2030 and 77% by 2035 relative to 1990 levels.⁸⁶ To meet these targets, GHG emissions from existing residential buildings and non-residential buildings will need to be reduced by an estimated 50% and 57%, respectively, by 2035, and all new homes will need to be net zero ready by 2025.^{87,88} In addition, existing buildings will require deep energy retrofits and new developments will have to meet increasingly stringent standards, including strategies to reduce construction impacts and improve operational energy use and energy efficiency.⁸⁹

In Ireland, the residential sector accounted for 9.7% of the country's total GHG emissions in 2023.⁹⁰ Ireland intends to halve all GHG emissions by 2030 and achieve net zero emissions by 2050 through a sectoral decarbonization approach.⁹¹ Ireland has transposed the EU requirements for nearly zero-energy buildings (NZEB) and renovations set out in the Energy Performance of Buildings Directive (EPBD), which has introduced measures to meet the target of having a zero emissions and fully decarbonized building stock in the EU by 2050.^{92, 93} The Government of Ireland has prepared the Climate Action Plan 2023 (CAP23), which defines carbon budgets, sectoral emission ceilings and sets a roadmap for halving emissions by 2030 and reaching net zero by 2050.⁹⁴ Under CAP23, the sectoral ceiling for the built environment has been set at 36 MtCO_{2e} between 2021 and 2025 and 28 MtCO_{2e} between 2026 and 2030.⁹⁵ Additionally, Ireland aims to reduce emissions from the built environment from 8 MtCO_{2e} to 5-6 MtCO_{2e} by 2030.⁹⁶ To meet the required level of emissions reduction, all new dwellings must be designed and constructed to NZEB standard by 2025 and zero emission building (ZEB) standard by 2030, and 120,000 dwellings must be retrofitted to Ireland's Building Energy Rating B2 by 2025 and 500,000 dwellings by 2030.⁹⁷ The Project Ireland 2040 National Development Plan also supports investments in retrofitting homes to contribute to emissions reduction in the built

⁸¹ UK Department for Business, Energy and Industrial Strategy, "2023 UK greenhouse gas emissions, provisional figures", (2024), at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1064923/2021-provisional-emissions-statistics-report.pdf<https://assets.publishing.service.gov.uk/media/6604460f91a320001a82b0fd/uk-greenhouse-gas-emissions-provisional-figures-statistical-release-2023.pdf>

⁸² UK Green Building Council, "Domestic Retrofit", at: <https://ukgbc.org/policy-advocacy/domestic-retrofit/>

⁸³ UK Green Building Council, "Home Retrofit", at: <https://ukgbc.org/our-work/home-retrofit/>

⁸⁴ Statista, "What is the main way you heat your property during the winter?", (2022), at: <https://www.statista.com/statistics/426988/united-kingdom-uk-heating-methods/>

⁸⁵ UK Department for Business, Energy & Industrial Strategy, "The UK's Integrated National Energy and Climate Plan", (2020), at: <https://assets.publishing.service.gov.uk/media/60bdd2d2e90e0743ae8c284e/uk-integrated-national-energy-climate-plan-necp-31-january-2020.pdf>

⁸⁶ UK Government, "PM recommits UK to Net Zero by 2050 and pledges a "fairer" path to achieving target to ease the financial burden on British families", (2023), at: <https://www.gov.uk/government/news/pm-recommits-uk-to-net-zero-by-2050-and-pledges-a-fairer-path-to-achieving-target-to-ease-the-financial-burden-on-british-families>

⁸⁷ UK Green Building Council, "Net Zero Whole Life Carbon Roadmap", (2021), at: <https://ukgbc.s3.eu-west-2.amazonaws.com/wp-content/uploads/2021/11/28194152/UKGBC-Whole-Life-Carbon-Roadmap-A-Pathway-to-Net-Zero.pdf>

⁸⁸ UK Government, "New homes to produce nearly a third less carbon", (2021), at: <https://www.gov.uk/government/news/new-homes-to-produce-nearly-a-third-less-carbon>

⁸⁹ UK Green Building Council, "Net Zero Carbon Buildings: A Framework Definition", (2019), at: <https://www.ukgbc.org/ukgbc-work/net-zero-carbon-buildings-a-framework-definition/>

⁹⁰ EPA Ireland, "Ireland's Provisional Greenhouse Gas Emissions 1990-2023", (2024), at: <https://www.epa.ie/publications/monitoring--assessment/climate-change/air-emissions/EPA-Provisional-GHG-Report-Jul24-v6.pdf>

⁹¹ Government of Ireland, "Climate Action Plan", at: <https://www.gov.ie/en/publication/6223e-climate-action-plan-2021/>

⁹² Sustainable Energy Authority of Ireland, "Nearly Zero Energy Buildings", at: <https://www.seai.ie/business-and-public-sector/standards/nearly-zero-energy-building-standard/>

⁹³ European Commission, "Energy performance of buildings directive", at: https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en

⁹⁴ Government of Ireland, "Climate Action Plan 2023", at: <https://www.gov.ie/en/publication/7bd8c-climate-action-plan-2023/>

⁹⁵ Ibid.

⁹⁶ Government of Ireland, Department of Communications, Climate Action and Environment, "Climate Action Plan 2019", at: <https://assets.gov.ie/10206/d042e174c1654c6ca14f39242fb07d22.pdf>

⁹⁷ Ibid.

environment.⁹⁸ Furthermore, Ireland’s 2020 Long-Term Building Renovation Strategy, launched in 2020, follows up on these plans with the ambition to have 1.5 million buildings retrofitted by 2050.⁹⁹

Sustainalytics considers investments in the decarbonization of commercial and residential buildings in the UK and Ireland as contributing to the GHG reduction targets for the built environment in these countries and their respective national climate plans.

Importance of renewable energy in the EEA

The majority of countries in the EEA are EU member states¹⁰⁰ and the EU energy sector accounts for 75% of the bloc’s total GHG emissions.¹⁰¹ As part of its goal to achieve climate neutrality by 2050, the European Commission has committed to reducing GHG emissions by 55% by 2030 relative to 1990 levels.¹⁰²

In 2023, the European Commission revised the Renewable Energy Directive, setting a new binding renewable energy target of at least 42.5%, with an ambition to reach 45% across the EU by 2030.¹⁰³ The EU adopted the EU solar energy strategy in 2015, aiming to install new solar PV systems with a total capacity of more than 320 GW by 2025 and almost 600 GW by 2030.¹⁰⁴ To further support the European wind power industry, the European Commission released the European Wind Power Action Plan in 2023 which aims to accelerate new wind power projects by improving the sector’s access to finance, among other initiatives.¹⁰⁵ Furthermore, to support EU’s clean energy transition and climate-neutral goal, the EU co-funded the Clean Energy Transition Partnership initiative by pooling national and regional research, development and innovation funding from 30 countries to align their priorities to enable the transition.¹⁰⁶

In this context, Sustainalytics is of the opinion that AIB’s financing for renewable energy projects can be expected to support renewable energy usage and contribute to the achievement of energy targets and emissions goals in the EEA.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the AIB Green Bond Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport

⁹⁸ Government of Ireland, “National Development Plan 2021-2030”, (2021), at: <https://www.gov.ie/pdf/?file=https://assets.gov.ie/200358/a36dd274-736c-4d04-8879-b158e8b95029.pdf#page=null>

⁹⁹ Government of Ireland, “Ireland’s Long-Term Renovation Strategy”, (2021), at: <https://www.gov.ie/en/publication/a4d69-long-term-renovation-strategy/>

¹⁰⁰ Eurostat, “Glossary :European Economic Area (EEA)”, at: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:European_Economic_Area_\(EEA\)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:European_Economic_Area_(EEA))

¹⁰¹ European Council and Council of the European Union, “5 facts about the EU’s goal of climate neutrality”, (2023), at: <https://www.consilium.europa.eu/en/5-facts-eu-climate-neutrality/>

¹⁰² European Commission, “Commission presents recommendation for 2040 emissions reduction target to set the path to climate neutrality in 2050”, (2024), at: https://ec.europa.eu/commission/presscorner/detail/en/ip_24_588

¹⁰³ European Commission, “Renewable Energy Directive”, at: https://energy.ec.europa.eu/topics/renewable-energy/renewable-energy-directive-targets-and-rules/renewable-energy-directive_en

¹⁰⁴ European Commission, “Solar Energy”, at: https://energy.ec.europa.eu/topics/renewable-energy/solar-energy_en

¹⁰⁵ European Commission, “European Wind Power Action Plan”, (2023), at: eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52023DC0669

¹⁰⁶ Clean Energy Transition Partnership, “About the Clean Energy Transition Partnership”, at: <https://cetpartnership.eu/index.php/about>

Circular Economy and Waste Management	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
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Conclusion

AIB has developed the AIB Green Bond Framework under which it will issue green bond instruments, including covered bonds, senior bonds (preferred and non-preferred), subordinated bonds, medium-term notes and commercial papers, and the use of proceeds to finance green buildings, renewable energy, clean transportation, and circular economy and waste management projects. Sustainalytics considers that the eligible projects are expected to have positive environmental impacts.

The AIB Green Bond Framework outlines a process for tracking, allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics considers the Framework to be aligned with the overall sustainability strategy of the Bank and that the use of proceeds will contribute to the advancement of the UN Sustainable Development Goals 7, 9, 11 and 12. Additionally, Sustainalytics is of the opinion that AIB has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Sustainalytics has assessed the Framework for alignment with the EU Taxonomy's criteria for Substantial Contribution (SC) to its environmental objectives, Do No Significant Harm (DNSH) and Minimum Safeguards. For more details, please see Section 1 and Appendix 1.

Based on the above, Sustainalytics is confident that AIB is well positioned to issue green bond instruments, and that the Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021.

Appendices

Appendix 1: Approach to Assessing Alignment with the EU Taxonomy

Sustainalytics has assessed each of the eligible green use of proceeds criteria in the Framework against the criteria for the relevant activity in the EU Taxonomy. This appendix describes Sustainalytics' process and presents the outcome of its assessment of alignment with the Taxonomy's applicable technical screening criteria for substantial contribution (SC) to an environmental objective of the EU Taxonomy and the applicable "do no significant harm" (DNSH) criteria. Sustainalytics' assessment involves two steps:

1. Mapping Framework Criteria to Activities in the EU Taxonomy

The initial step in Sustainalytics' assessment process involves mapping each criterion in the Framework to a relevant and applicable activity in the EU Taxonomy. Note that each Framework criterion may be relevant and applicable to more than one activity in the EU Taxonomy and vice versa. Sustainalytics recognizes that some Framework criteria relate to projects that do not map well to a specific activity in the EU Taxonomy. In such cases, Sustainalytics has mapped to the activity that is most relevant with respect to the primary environmental objective established in the EU Taxonomy.

In some cases, the Framework criteria cannot be mapped to an activity in the EU Taxonomy, as some activities are not yet covered by the EU Taxonomy. In other cases, some categories which are traditionally included in green bonds and loans may not be associated with a specific EU Taxonomy activity. While recognizing that financing projects in these areas may still have environmental benefits, Sustainalytics has not assessed these criteria for alignment.

Table 2 below displays the outcome of Sustainalytics' mapping process for this report.

2. Determining Alignment with EU Taxonomy Criteria

The second step in Sustainalytics' process is to determine the alignment of each criterion with relevant criteria in the EU Taxonomy. Alignment with the SC criteria and the DNSH criteria is usually based on the specific criteria contained in the issuer's Framework, and may in many cases (especially DNSH criteria) also be based on management systems and processes or regulatory compliance. To assess alignment with the EU Taxonomy's Minimum Safeguards Sustainalytics has conducted an assessment of policies, management systems and processes applicable to the use of proceeds criteria, including the regulatory context in the geographical location of activities and projects. (See Section 1, above.)

Sustainalytics' detailed assessment of alignment is provided in Appendix 2.

Table 2: Framework mapping table

Framework Category	Framework Criterion (Eligible Use of Proceeds)	EU Taxonomy Activity	Corresponding NACE Code	Environmental Objective	Refer to Table
Green Buildings	Green commercial and residential buildings	7.1 Construction of new buildings	F41.1, F41.2, F43	Mitigation	Table 3
		7.2 Renovation of existing buildings	F41, F43		Table 4
		7.7 Acquisition and ownership of buildings	L68		Table 5
Renewable Energy	Renewable energy generation	3.1 Manufacture of renewable energy technologies	C25, C27, C28	Mitigation	Table 6
	Photovoltaics (PV), concentrated solar power (CSP) and solar thermal facilities	4.1 Electricity generation using solar photovoltaic technology	D35.11 and F42.22		Table 7
		4.2 Electricity generation using concentrated solar power (CSP) technology	D35.11 and F42.22		Table 8
	Onshore and offshore wind energy generation facilities	4.3 Electricity generation from wind power	D35.11 and F42.22		Table 9

	Hydropower	4.5 Electricity Generation from hydropower	D35.11 and F42.22		Table 10
	Geothermal power plants	4.6 Electricity Generation from geothermal energy	D35.11 and F42.22		Table 11
	Energy transmission infrastructure	4.9 Transmission and distribution of electricity	D35.12 and D35.13		Table 12
	Power storage facilities	4.10. Storage of electricity	No dedicated NACE code		Table 13
Clean Transportation	Electric battery electric, hydrogen or otherwise zero-emission passenger and freight rail transport	6.1 Passenger interurban rail transport	H49.10, N77.39	Mitigation	Table 14
		6.2 Freight rail transport	H49.20 and N77.39		Table 15
	Electric, hydrogen or otherwise zero-emission passenger/freight and/or light/heavy-duty vehicle	6.3 Urban and suburban transport, road passenger transport	H49.31, H49.3.9, N77.39 and N77.11		Table 16
		6.5 Transport by motorbikes, passenger cars and light commercial vehicles	H49.32, H49.39 and N77.11		Table 17
		6.6 Freight transport services by road	H49.4.1, H53.10, H53.20 and N77.12		Table 18
	Infrastructure to support zero emissions vehicles	6.14. Infrastructure for rail transport	C25.99, C27.9, C30.20, F42.12, F42.13, M71.12, M71.20, F43.21, and H52.21		Table 19
		6.15. Infrastructure enabling low-carbon road transport and public transport	F42.11, F42.13, M71.12 and M71.20		Table 20
Circular Economy and Waste Management	Source-segregated collection and transport of	2.3. Collection and transport of non-hazardous and hazardous waste	E38.11, E38.12 and F42.9	Transition to circular economy	Table 21
		2.7. Sorting and material recovery of non-hazardous waste	E38.32 and F42.9		Table 22
		5.5. Collection and transport of non-hazardous waste in source segregated fractions	E38.11	Mitigation	Table 23
		5.9. Material recovery from non-hazardous waste	E38.32 and F42.99		Table 24

Appendix 2: Comprehensive EU Taxonomy Alignment Assessment

The tables below provide a detailed assessment of the alignment of the Framework criteria with the technical screening criteria for substantial contribution to an environmental objective and the DNSH for each relevant EU Taxonomy activity.

Table 3

Framework Activity assessed	Green Buildings	
EU Taxonomy Activity	7.1 Constructions of new buildings	
Corresponding NACE Code	F41.1, F41.2 and activities under F43	
Applicable SC Criteria	Alignment Assessment	
Climate Change Mitigation	<p>Ireland: Built up to and including 31st December 2020, distinguishing between residential and non-residential buildings: Buildings with at least a Building Energy Rating (BER)¹⁰⁷ rating B2 and better or in the top 15% of Irish low carbon buildings.</p> <p>Built from 1st January 2021 onwards: Buildings that have a primary energy demand at least 10% lower than what is required by the Irish nearly zero-energy building (NZEB) regulation.</p> <p>UK – Commercial: Buildings with at least an EPC A or B, or in the top 15% low-carbon buildings in the local context (i.e. England and Wales, Scotland and Northern Ireland)</p> <p>Ireland, UK and EEA - Commercial: Commercial buildings which received at least one or more of the following certifications:</p> <ul style="list-style-type: none"> • BREEAM Excellent or higher • LEED Gold or higher • DGNB Gold or higher <p>Upon acquisition, AIB commits to follow criteria #2 and #3 of the EU Taxonomy. Sustainalytics notes that the criteria for the construction of new buildings align fully with the EU Taxonomy except for UK commercial buildings built from 2021 and buildings certified against third-party schemes, i.e. BREEAM, LEED and DGNB.</p> <p>AIB has confirmed that the majority of buildings financed under this activity are to be located in Ireland.</p>	Partially Aligned

¹⁰⁷ Building Energy Rating (BER). BER certificates were introduced in Ireland in 2007, as the Irish implementation of the Energy Performance of Buildings Directive, with the purpose of making energy performance of a building visible and comparable on a like-for-like basis.

	Sustainalytics notes that in the UK, the criteria for NZEB is currently undefined, hence there is no practical method for verifying compliance with the EU Taxonomy for buildings built after 2021. Regarding the certification schemes, as of August 2024, the EU Taxonomy has not specified the conditions on which the schemes can align with it. Therefore, Sustainalytics considers the criteria to be partially aligned.	
Applicable DNSH Criteria	Alignment Assessment	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25	Aligned
Sustainable Use and Protection of Water and Marine Resources	<p>AIB disclosed compliance with all national regulatory requirements applicable to all loans originated.¹⁰⁸</p> <p><u>UK:</u> As per the maximum fittings consumption optional requirement level under the UK’s Building Regulations 2010, AIB confirmed alignment with all the technical specifications.</p> <p>Sustainalytics notes that the Water Framework Directive (WFD) 2000/60/EC¹⁰⁹ has been retained in UK law following the UK’s exit from the European Union. The Directive 2008/56/EC (“Marine Strategy Framework Directive”) was given legal effect in the UK by the Marine Strategy Regulations 2010 (S.I. No. 1627 of 2010) and has been retained in UK law following the UK’s exit from the European Union.</p> <p><u>Ireland:</u> As per the Technical Guidance Document G- Hygiene, AIB confirmed alignment with all water closets’ requirements for class 2 products in I.S EN 997: 2003 regardless of the type of flushing device employed. Moreover, AIB confirmed compliance with the EU Water Framework Directive (2000/60/EC).¹¹⁰</p> <p><u>EEA:</u> All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have Directive 2000/60/EC transposed into national law.¹¹¹</p> <p>For EEA countries that are not member states of the EU, Directive 2000/60/EC has been incorporated into the EEA Agreement and is in force.¹¹²</p>	Partially Aligned

¹⁰⁸ Although the UK left the EU on 31 January 2020, significant portions of British environmental legislation in force originate from EU law adopted before Brexit.

¹⁰⁹ European Commission, “Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy- National transposition” at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32000L0060>

¹¹⁰ Ibid.

¹¹¹ Ibid.

¹¹² European Free Trade Association, “Factsheet - 32000L0060”, at: <https://www.efta.int/eea-lex/32000L0060>

	<p>All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have Directive 2008/56/EC (“Marine Strategy Framework Directive”) transposed into national law.¹¹³</p> <p>For EEA countries that are not member states of the EU, Directive 2008/56/EC (“Marine Strategy Framework Directive”) has not been incorporated into the EEA.¹¹⁴ AIB has communicated to Sustainalytics that through the EEA agreement however, Norway adheres to a significant portion of EU legislation, including the Water Framework Directive (2000/60/EC), Drinking Water Directive (98/83/EC), Council Directive (91/271/EEC) concerning urban wastewater treatment and Council Directive (91/676/EEC) concerning nitrate pollution from agricultural sources through the Water Framework Directive/Water Regulations.¹¹⁵ Furthermore, AIB has confirmed to Sustainalytics that the other EEA countries that are not member states of the EU are excluded under this category. AIB complies with the criteria set out in Appendix B to the Annex accordingly to avoid impact from construction sites (Refer to the assessment set out in Appendix 3, Table 26).</p> <p>Sustainalytics notes that AIB relies on legislation to meet the DNSH criteria and compliance with the requirements rests with the designers, builders and owners of each building. In addition, Sustainalytics notes that AIB does not fully comply with all criteria established in Appendix E to the Annex. Therefore, Sustainalytics considers this criterion to be partially aligned for the UK, Ireland and EEA countries.</p>	
<p>Transition to a Circular Economy</p>	<p>AIB disclosed compliance with all national regulatory requirements applicable to all loans originated.¹¹⁶</p> <p><u>UK:</u> Directive 2008/98/EC (“Waste Framework”)¹¹⁷ is implemented in the UK by the Waste Regulations 2011, SI 2011/988 Waste (Circular Economy) (Amendment) Regulations 2020, SI 2020/904.</p> <p>The diversion of large percentages of construction demolition and excavation (CD&E) waste from landfill has become standard practice, with CD&E diversion rates now typically exceeding 90% in England.¹¹⁸</p> <p>The UK Government’s collection of planning practice guidance includes a National Design Guide¹¹⁹ which integrates principles of whole life carbon assessment, the circular economy, reducing embodied carbon and waste and maximizing reuse and recycling.</p>	<p>Partially Aligned</p>

¹¹³ Ibid.

¹¹⁴ European Free Trade Association, “Factsheet - 32008L0056”, at: <https://www.efta.int/eea-lex/32008L0056>

¹¹⁵ NVE, “The Water Directive/Water Regulations”, (2023), at: <https://www.nve.no/vann-og-vassdrag/vassdragsforvaltning/vanndirektivet-vannforskriften/>

¹¹⁶ Although the UK left the EU on 31 January 2020, significant portions of British environmental legislation in force originate from EU law adopted before Brexit.

¹¹⁷ European Commission, “Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives – National Transposition”, at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32008L0098>

¹¹⁸ UK Department for Environment Food & Rural Affairs, “UK Statistics on Waste”, (2021), at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1002246/UK_stats_on_waste_statistical_notice_July2021_accessible_FINAL.pdf

¹¹⁹ UK Ministry of Housing, Communities and Local Government, “National Design Guide”, (2021), at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/962113/National_design_guide.pdf

	<p><u>Ireland:</u> Under the Waste Framework Directive (2008/98/EC)¹²⁰ member states must achieve 70% of material recovery of non-hazardous, non-soil and stone C&D waste, by 2020. Ireland achieved 77% material recovery in 2018.¹²¹</p> <p><u>EEA:</u> Measures are aligned with the Waste Framework Directive 2008/98/EC, which is transposed in EU member states and has EEA relevance.^{122,123}</p> <p>Sustainalytics notes that AIB relies on legislation to meet the DNSH criteria and compliance with requirements rests with the designers, builders and owners of each building. In addition, Sustainalytics notes that the Waste Framework Directive covers the first criterion, but building design techniques that support circularity are absent from the current legislation. Therefore, Sustainalytics considers this criterion to be partially aligned for the UK, Ireland and EEA countries.</p>	
<p>Pollution Prevention and Control</p>	<p>Refer to the assessment set out in Appendix 3, Table 27.</p> <p><u>UK:</u></p> <p>For noise, dust and pollutant emissions, the UK Environment Agency has developed guidance for noise and vibration management.¹²⁴ Moreover, the Environment Agency has established guidance on controlling and monitoring emissions for environmental permits.¹²⁵</p> <p>Regulation (EU) 2019/1021 on persistent organic pollutants is implemented in the UK by The Persistent Organic Pollutants Regulations 2007. The UK was one of the original parties to the Convention in 2004 and produced a National Implementation Plan (NIP) for POPs in 2007. The UK provided updates to this plan in 2013 and 2017 to reflect decisions made at the Conferences of the Parties.</p> <p>Regulation (EU) 2017/852 is implemented in the UK by The Control of Mercury (Enforcement) Regulations 2017 (referred to as the Control of Mercury Regulations), which came into force on 1 January 2019 and repealed The Mercury Export and Data (Enforcement) Regulations 2010.</p> <p>Regulation (EC) No 1005/2009 is implemented in the UK by The Ozone-Depleting Substances Regulations 2015. These Regulations came into force on 7 March 2015 and apply to England, Scotland and Wales. They also apply to Northern Ireland, in relation to import and export. They replace and consolidate the Ozone-Depleting Substances (Qualifications) Regulations SI</p>	<p>Partially Aligned</p>

¹²⁰ European Commission, "Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives – National Transposition", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32008L0098>

¹²¹ EPA Ireland, "Construction & Demolition Waste Statistics for Ireland" (2020), at: <https://www.epa.ie/our-services/monitoring-assessment/waste/national-waste-statistics/construction-demolition/>

¹²² According to the EFTA, this Directive has been incorporated into the EEA agreement and is in force. EFTA, "Factsheet - 32008L0098", at: <https://www.efta.int/eea-lex/32008L0098>

¹²³ According to the EFTA, this Directive has been incorporated into the EEA agreement and is in force. EFTA, "Factsheet - 32000L0053", at: <https://www.efta.int/eea-lex/32000L0053>

¹²⁴ UK Environment Agency, "Noise and vibration management: environmental permits", (2021), at: <https://www.gov.uk/government/publications/noise-and-vibration-management-environmental-permits>

¹²⁵ UK Environment Agency, "Control and monitor emissions for your environmental permit", (2021), at: <https://www.gov.uk/guidance/control-and-monitor-emissions-for-your-environmental-permit#pollution>

2009/216 and the Environmental Protection (Controls on Ozone-Depleting Substances) Regulations SI 2011/1543.

Directive 2011/65/EU¹²⁶ is implemented in the UK by The Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (Amendment) Regulations 2021.

Regulation (EC) 1907/2006 (the REACH Regulation) is implemented in the UK by UK REACH, which entered into force on 01 January 2021. The EU REACH Regulation was adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals, while enhancing the competitiveness of the EU chemicals industry.

Ireland:

As a member state of the EU, all mentioned regulations in Appendix C can be assumed to be transposed into national regulation.

Sustainalytics considers the criteria for pollution prevention and control as partially aligned in the Irish context, due to the applicable regulations meeting the EU Taxonomy DNSH criteria, except for those related to: i) formaldehyde emissions; ii) brownfield new site construction; and iii) noise, dust and pollutant emissions.

EEA:

Measures are aligned with Regulation (EC) 1907/2006, which is implemented in EU member states and has EEA relevance.^{127, 128}

Regarding contaminated sites, measures are aligned with Directive 2004/35/EC (Environmental Liability Directive). All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have Directive 2004/35/EC transposed into national law.¹²⁹

For EEA countries that are not member states of the EU, Directive 2004/35/EC has been incorporated into the EEA Agreement and is in force.¹³⁰

AIB disclosed that it cannot confirm testing in accordance with CE/EN 16516 or ISO 16000-3:2011 or other equivalent standardized test conditions and determination methods for building components and materials used in the building renovation that may come into contact with occupiers emitting less than 0.001 mg of other categories 1A and 1B carcinogenic volatile organic compounds per m³ of test chamber. Therefore, this activity is considered to be partially aligned.

¹²⁶ European Commission, "Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment", at: <https://eur-lex.europa.eu/legal-content/en/NIM/?uri=CELEX:32011L0065>

¹²⁷ European Commission, "Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02006R1907-20231201>

¹²⁸ European Free Trade Association, "Factsheet - 32006R1907", at: <https://www.efta.int/eea-lex/32006r1907>

¹²⁹ European Commission, "Directive 2004/35/CE of the European Parliament and of the Council of 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage – National Transposition", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32004L0035>

¹³⁰ European Free Trade Association, "Factsheet - 32004L0035", at: <https://www.efta.int/eea-lex/32004l0035>

<p>Protection and Restoration of Biodiversity and Ecosystems</p>	<p>AIB disclosed compliance with all national regulations applicable to all loans originated and application of the following:</p> <p><u>UK</u> Guide to assessing development proposals on agricultural land;¹³¹ the Building Regulations 2010;¹³² protected species and development: advice for local planning authorities.¹³³</p> <p><u>EEA:</u> All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have Directive 2011/92/EU transposed into national law.¹³⁴ AIB has confirmed that equivalent legislation has been implemented in the following countries: i) Italy: Transposed in the amendment for LEGISLATIVE DECREE 16 June 2017, n.104;¹³⁵ ii) Cyprus: Transposed as Law N.127(I)/2018 and The Environmental Impact Assessment of Certain Projects (Amendment) Law (N. 23(I)/2021);^{136,137} iii) Malta: Transposed as the Environment Protection Act (Cap. 549);¹³⁸ and iv) Sweden: Transposed by the Environmental Code (SFS 1998:808) and the Ordinance on Environmental Impact Assessments (SFS 1998:905).¹³⁹ AIB has confirmed to Sustainalytics that there are no projects currently in Romania and Luxembourg.</p> <p>For EEA countries that are not member states of the EU, Directive 2011/92/EU has been incorporated into the EEA Agreement and is in force.¹⁴⁰</p> <p>Sustainalytics notes that AIB complies with the EU Taxonomy DNSH criteria set out in Appendix D to the Annex.¹⁴¹ Sustainalytics acknowledges that primary responsibility for compliance rests beyond AIB's scope but considers the protection and restoration of biodiversity and ecosystems</p>	<p>Partially Aligned</p>

¹³¹ UK Government, "Guide to assessing development proposals on agricultural land", (2021), at: <https://www.gov.uk/government/publications/agricultural-land-assess-proposals-for-development/guide-to-assessing-development-proposals-on-agricultural-land>

¹³² UK Government, "The Buildings Regulations 2010", at: <https://www.legislation.gov.uk/ukxi/2010/2214/contents/made>

¹³³ UK Government, "Protected species and development: advice for local planning authorities", (2022), at: <https://www.gov.uk/guidance/protected-species-how-to-review-planning-applications>

¹³⁴ European Commission, "Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (codification) Text with EEA relevance", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32011L0092>

¹³⁵ Italy Official Gazette, "DECRETO LEGISLATIVO 16 giugno 2017, n. 104", at: <https://www.gazzettaufficiale.it/eli/id/2017/07/06/17G00117/sq>

¹³⁶ Food and Agriculture Organization of the United Nations, "E.E. Παρ. Ι(Ι) - Ν. 127(Ι)/2018", at: <https://faolex.fao.org/docs/pdf/CYP211224.pdf>

¹³⁷ Food and Agriculture Organization of the United Nations, "E.E. Παρ. Ι(Ι) - Ν.23(Ι)/2021", at: <https://faolex.fao.org/docs/pdf/cyp211226.pdf>

¹³⁸ Food and Agriculture Organization of the United Nations, "ENVIRONMENT PROTECTION ACT (Cap. 549)", at: <https://faolex.fao.org/docs/pdf/mlt175523.pdf>

¹³⁹ EU Forum of Judges for the Environment, "EUFJE Conference 2014, Budapest 17/18 October 2014", at: <https://www.eufje.org/images/docConf/bud2014/SE%20bud2014.pdf>

¹⁴⁰ European Free Trade Association, "Factsheet - 32011L0092", at: <https://www.efta.int/eea-lex/32011L0092>

¹⁴¹ Please refer to the assessment set out in Appendix 3, Table 28.

	to be partially aligned for the UK because the Framework does not disclose criteria that match those of the EU Taxonomy Climate Delegated Act. Sustainalytics also acknowledges that AIB relies on legislation to meet the DNSH criteria and compliance with the requirements in the UK and EEA countries rests with the designers, builders and owners of each building. Therefore, this activity is considered to be partially aligned.	
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Table 4

Framework Activity assessed	Green Buildings	
EU Taxonomy Activity	7.2 Renovation of existing buildings	
Corresponding NACE Code	F41 and F43	
<i>Applicable SC Criteria</i>	<i>Alignment Assessment</i>	
Climate Change Mitigation	<p>AIB’s investment for this category relates to the financing of building renovation expenditures where the renovation achieves at least a 30% improvement in energy efficiency, measured in the primary energy demand reduction.</p> <p>Alternatively, the building renovation complies with requirements set in the applicable national and regional building regulations for major renovation, with the energy performance of the building or the renovated part upgraded to meet the minimum energy performance requirements in accordance with Directive 2010/31/EU.</p>	Aligned
<i>Applicable DNSH Criteria</i>	<i>Alignment Assessment</i>	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25.	Aligned
Sustainable Use and Protection of Water and Marine Resources	<p>AIB disclosed compliance with all national regulatory requirements applicable to all loans originated.¹⁴²</p> <p><u>UK:</u> As per the maximum fittings consumption optional requirement level under the UK’s Building Regulations 2010, AIB confirmed alignment with all the technical specifications.</p> <p>As for Appendix B criteria, Sustainalytics notes that the Water Framework Directive (WFD) 2000/60/EC has been retained in the UK law following the UK’s exit from the EU.¹⁴³</p>	Partially Aligned

¹⁴² Although the UK left the EU on 31 January 2020, significant portions of British environmental legislation in force originate from EU law adopted before Brexit.

¹⁴³ European Commission, “Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy - National Transposition” at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32000L0060>

	<p><u>EEA:</u> All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have Directive 2000/60/EC transposed into national law.</p> <p>For EEA countries that are not member states of the EU, the Directive 2000/60/EC has been incorporated into the EEA Agreement and is in force.¹⁴⁴</p> <p>Sustainalytics notes that AIB relies on legislation to meet the DNSH criteria and compliance with the requirements rests with the designers, builders and owners of each building. In addition, Sustainalytics notes that AIB does not fully comply with all criteria established in Appendix E to the Annex.¹⁴⁵ Therefore, Sustainalytics considers this criterion to be partially aligned for the UK, Ireland and EEA countries.</p>	
<p>Transition to a Circular Economy</p>	<p>AIB disclosed compliance with all national regulatory requirements applicable to all loans originated.</p> <p><u>UK:</u> Directive 2008/98/EC (“Waste Framework”)¹⁴⁶ is implemented in the UK by the Waste Regulations 2011, SI 2011/988Waste (Circular Economy) (Amendment) Regulations 2020, SI 2020/904.</p> <p>The diversion of large percentages of construction demolition and excavation (CD&E) waste from landfill has become standard practice, with CD&E diversion rates now typically exceeding 90% in England.¹⁴⁷</p> <p>The UK Government’s collection of planning practice guidance includes a National Design Guide¹⁴⁸ which integrates principles of whole life carbon assessment, the circular economy, reducing embodied carbon and waste, and maximizing reuse and recycling.</p> <p><u>Ireland:</u> Under the Waste Framework Directive (2008/98/EC) member states must achieve 70% of material recovery of non-hazardous, non-soil and stone C&D waste, by 2020. Ireland achieved 77% material recovery in 2018.¹⁴⁹</p> <p><u>EEA:</u></p>	<p>Partially Aligned</p>

¹⁴⁴ European Free Trade Association, “Factsheet - 32000L0060”, at: <https://www.efta.int/eea-lex/32000l0060>

¹⁴⁵ Please refer to the assessment set out in Appendix 3, Table 30.

¹⁴⁶ European Commission, “Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives - National transposition” at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32008L0098>

¹⁴⁷ UK Department for Environment Food & Rural Affairs, “UK Statistics on Waste”, (2021), at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1002246/UK_stats_on_waste_statistical_notice_July2021_accessible_FINAL.pdf

¹⁴⁸ UK Ministry of Housing, Communities and Local Government, “National Design Guide”, (2021), at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/962113/National_design_guide.pdf

¹⁴⁹ EPA Ireland, “Construction & Demolition Waste Statistics for Ireland” (2020), at: <https://www.epa.ie/our-services/monitoring--assessment/waste/national-waste-statistics/construction--demolition/>

	<p>Measures are aligned with the Waste Framework Directive 2008/98/EC, which is transposed in EU member states and has EEA relevance.^{150,151}</p> <p>Sustainalytics notes that AIB relies on legislation to meet the DNSH criteria and compliance with requirements rests with the designers, builders and owners of each building. In addition, Sustainalytics notes that the Waste Framework Directive covers the first criterion, but building design techniques that support circularity are absent from the current legislation. Therefore, Sustainalytics considers this criterion to be partially aligned for the UK, Ireland and EEA countries.</p>	
<p>Pollution Prevention and Control</p>	<p><u>UK:</u></p> <p>For noise, dust and pollutant emissions, the UK Environment Agency has developed guidance for noise and vibration management.¹⁵² Moreover, the UK Environment Agency has established guidance on controlling and monitoring emissions for environmental permit.¹⁵³</p> <p>Regulation (EU) 2019/1021 on persistent organic pollutants is implemented in the UK by the Persistent Organic Pollutants Regulations 2007. The UK was one of the original parties to the Convention in 2004 and produced a National Implementation Plan (NIP) for POPs in 2007. The UK provided updates to this plan in 2013 and 2017 to reflect decisions made at the Conferences of the Parties.</p> <p>Regulation (EU) 2017/852 is implemented in the UK by the Control of Mercury (Enforcement) Regulations 2017 (referred to as the Control of Mercury Regulations) came into force on 1 January 2019 and repealed the Mercury Export and Data (Enforcement) Regulations 2010.</p> <p>Regulation (EC) No 1005/2009 is implemented in the UK by the Ozone-Depleting Substances Regulations 2015. These Regulations came into force on 7 March 2015 and apply to England, Scotland and Wales. They also apply to Northern Ireland, in relation to import and export. They replace and consolidate the Ozone-Depleting Substances (Qualifications) Regulations SI 2009/216 and the Environmental Protection (Controls on Ozone-Depleting Substances) Regulations SI 2011/1543.</p> <p>Directive 2011/65/EU¹⁵⁴ is implemented in the UK by the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (Amendment) Regulations 2021.</p> <p>Regulation (EC) 1907/2006 (the REACH Regulation) is implemented in the UK by UK REACH, which entered into force on 01 January 2021. REACH is a regulation of the EU, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals, while enhancing the competitiveness of the EU chemicals industry.</p>	<p>Partially Aligned</p>

¹⁵⁰ According to the EFTA, this Directive has been incorporated into the EEA agreement and is in force. EFTA, "Factsheet - 32008L0098", at: <https://www.efta.int/eea-lex/32008L0098>

¹⁵¹ According to the EFTA, this Directive has been incorporated into the EEA agreement and is in force. EFTA, "Factsheet - 32000L0053", at: <https://www.efta.int/eea-lex/32000L0053>

¹⁵² UK Environment Agency, "Noise and vibration management: environmental permits", (2021), at: <https://www.gov.uk/government/publications/noise-and-vibration-management-environmental-permits>

¹⁵³ UK Environment Agency, "Control and monitor emissions for your environmental permit", (2021), at: <https://www.gov.uk/guidance/control-and-monitor-emissions-for-your-environmental-permit#pollution>

¹⁵⁴ European Commission, "Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment – National transposition", at: <https://eur-lex.europa.eu/legal-content/en/NIM/?uri=CELEX:32011L0065>

	<p><u>Ireland:</u> As a member state of the EU, all mentioned regulations with respect to the Pollution Prevention and Control criteria in the EU Taxonomy Delegated Act, in Appendix C, can be assumed to be transposed into national regulation.</p> <p>Through this, Sustainalytics considers the criteria for Pollution Prevention and Control in the Irish and UK contexts to meet the EU Taxonomy criteria except for those criteria related to i) formaldehyde emissions and ii) noise, dust, and pollutant emissions, which Sustainalytics does not consider to be adequately addressed by the referenced regulations. As such, this is considered to be partially aligned.</p> <p><u>EEA:</u> Measures are aligned with the Regulation (EC) 1907/2006, which is implemented in EU member states and has EEA relevance.^{155, 156}</p> <p>AIB disclosed that it cannot confirm testing in accordance with CEN/EN 16516 or ISO 16000-3:2011 or other equivalent standardized test conditions and determination methods for building components and materials used in the building renovation that may come into contact with occupiers emitting less than 0.001 mg of other categories 1A and 1B carcinogenic volatile organic compounds per m³ of test chamber. As such, this is considered to be partially aligned.</p>	
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Table 5

Framework Activity assessed	Green Buildings		
EU Taxonomy Activity	7.7 Acquisition and ownership of buildings		
Corresponding NACE Code	L68		
	<i>Applicable SC Criteria</i>	<i>Alignment Assessment</i>	
Climate Change Mitigation	<p><u>Ireland:</u> Built up to and including 31st December 2020, distinguishing between residential and non-residential buildings: Buildings with at least a Building Energy Rating (BER)¹⁵⁷ rated B2 and better or in the top 15% of Irish low-carbon buildings.</p> <p>Built from 1st January 2021 onwards: Buildings that have a primary energy demand at least 10% lower than what is required by the Irish nearly zero-energy building (NZEB) regulation.</p>	Partially Aligned	

¹⁵⁵ European Commission, "Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02006R1907-20231201>

¹⁵⁶ European Free Trade Association, "Factsheet - 32006R1907", at: <https://www.efta.int/eea-lex/32006r1907>

¹⁵⁷ Building Energy Rating (BER). BER certificates were introduced in Ireland in 2007, implementing the Energy Performance in Buildings Directive in Ireland, with the purpose of making energy performance of a building visible and comparable on a like for like basis.

	<p><u>UK:</u> Buildings with at least an EPC A or B, or in the top 15% low-carbon buildings in the local context (i.e. England and Wales, Scotland and Northern Ireland)</p> <p><u>Ireland, UK and EEA - Commercial:</u> Commercial buildings which received at least one or more of the following certifications:</p> <ul style="list-style-type: none"> • BREEAM Excellent or higher • LEED Gold or higher • DGNB Gold or higher <p>AIB has confirmed that large non-residential buildings operate efficiently through energy performance monitoring and assessment.</p> <p>Sustainalytics notes that the criteria for the acquisition and ownership of buildings align fully with the EU Taxonomy except for UK commercial buildings built from 2021 and buildings certified against third-party schemes, i.e. BREEAM, LEED and DGNB.</p> <p>AIB has confirmed that Article 14 (4) and Article 15 (4) of Directive 2010/31/EU or equivalent are implemented in Ireland and in the UK. Therefore, Sustainalytics notes that where the building is a large non-residential building, it is required by law to be efficiently operated through energy performance monitoring and assessment in Ireland by 31 December 2025 and the UK by 1 January 2025.</p> <p>AIB has confirmed that the majority of buildings financed under this activity are to be located in Ireland.</p> <p>Sustainalytics notes that in the UK, the criteria for NZEB is currently undefined, hence there is no practical method for verifying compliance with the EU Taxonomy for buildings built after 2021. Regarding the certification schemes, as of August 2024, the EU Taxonomy has not specified the conditions on which the schemes can align with it. Therefore, Sustainalytics considers the criteria to be partially aligned.</p>	
Applicable DNSH Criteria	Alignment Assessment	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25	Aligned

Table 6

Framework Activity assessed	Renewable Energy	
EU Taxonomy Activity	3.1 Manufacture of renewable energy technologies	
Corresponding NACE Code	C25 C27 C28	
Applicable SC Criteria	Alignment Assessment	

Climate Change Mitigation	The financed activities are manufacturing renewable energy technologies and therefore are eligible by default.	Aligned
Applicable DNSH Criteria	Alignment Assessment	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25	Aligned
Sustainable Use and Protection of Water and Marine Resources	Refer to the assessment set out in Appendix 3, Table 26	Partially Aligned
Transition to a Circular Economy	<p>As part of AIB’s credit assessment due diligence, assets that are likely to have significant effects on the environment by virtue of their size, nature or location are required to undergo an environmental impact assessment (EIA) which is to be submitted to competent authorities when applying for project development.</p> <p>Additionally, AIB abides by all national regulatory requirements applicable in Ireland and the UK, including EU legislation for waste from electrical and electronic equipment (WEEE), namely the EU Waste from Electrical and Electronic Equipment Directive 2012/19/EU (the WEEE Directive),¹⁵⁸ which is built on the waste hierarchy concept. The WEEE Directive aims to reduce the amount of waste electrical and electronic equipment (WEEE) incinerated or sent to landfill sites, placing extended responsibility on producers and suppliers to ensure collection, treatment and recovery of WEEE. The directive covers wastes such as wind turbines (category 6, electrical and electronic tools) and solar panels (category 14).</p> <p><u>UK</u> The WEEE Directive has been retained in UK law following the UK’s exit from the EU.¹⁵⁹</p> <p><u>EEA</u> All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have the Directive transposed into national law.¹⁶⁰</p> <p>For EEA countries that are not member states of the EU, the Directive has been incorporated into the EEA Agreement and is in force.¹⁶¹</p> <p><u>US and Canada</u></p>	Partially Aligned

¹⁵⁸ European Commission, “Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE) (recast) Text with EEA relevance – National transposition”, at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32012L0019>

¹⁵⁹ Ibid.

¹⁶⁰ Ibid.

¹⁶¹ European Free Trade Association, “Factsheet - 32019D2193”, at: <https://www.efta.int/eea-lex/32019d2193>

	<p>AIB is a member of the Equator Principles Financial Institutions (EPFIs). By adopting the Equator Principles, AIB ensures that its financed projects are developed in a socially responsible way accompanied by robust environmental management practices.</p> <p>Environmental and Social Impact Assessment (ESIA) is an integral part of the Equator Principles for projects categories A and B. An ESIA is usually prepared for greenfield developments or large expansions with specifically identified physical elements, aspects and facilities that are likely to generate significant environmental or social impacts. Furthermore, as the Equator Principles are based on IFC’s Environmental and Social Performance Standards, it can be assumed that AIB complies with IFC’s Performance Standard on Resource Efficiency and Pollution Prevention.</p> <p>In addition, AIB gathers and reviews Technical Due Diligence reports on all major projects where it acts as a lender. These will typically address environmental concerns and where necessary would lead to more in-depth environmental reviews, which would also be gathered and reviewed as part of the credit approval process.</p> <p>Sustainalytics considers this activity to be aligned with the applicable criteria for the EEA region (including Ireland) and the UK. Sustainalytics also recognizes AIB’s efforts to ensure that the financing of projects incorporates measures to identify and mitigate environmental risks, as part of the Bank’s EPFI responsibilities however, the adopted measures may not necessarily address all requirements of this criterion in the US and Canada context. Hence, Sustainalytics has assessed this criterion as partially aligned when considering all regions.</p>	
Pollution Prevention and Control	Refer to the assessment set out in Appendix 3, Table 27	Partially Aligned
Protection and Restoration of Biodiversity and Ecosystems	Refer to the assessment set out in Appendix 3, Table 28	Aligned

Table 7

Framework Activity assessed	Renewable Energy	
EU Taxonomy Activity	4.1. Electricity generation using solar photovoltaic technology	
Corresponding NACE Code	D35.11 F42.22	
Applicable SC Criteria	Alignment Assessment	

Climate Change Mitigation	The financed activities are generating electricity using solar PV technology and therefore are eligible by default.	Aligned
<i>Applicable DNSH Criteria</i>	<i>Alignment Assessment</i>	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25	Aligned
Transition to a Circular Economy	<p>As part of AIB’s credit assessment due diligence, assets that are likely to have significant effects on the environment by virtue of their size, nature or location are required to undergo an environmental impact assessment (EIA) which is to be submitted to competent authorities when applying for project development.</p> <p>Additionally, AIB abides by all regulatory requirements applicable in Ireland and the UK, including EU legislation for WEEE, namely the WEEE Directive,¹⁶² which is built on the waste hierarchy concept. The WEEE Directive aims to reduce the amount of WEEE incinerated or sent to landfill sites, placing extended responsibility on producers and suppliers to ensure collection, treatment and recovery of WEEE. The WEEE Directive also sets the basic requirements and obligations for collection and recycling of photovoltaic panels in the EU, including setting minimum collection and recovery targets.</p> <p><u>UK</u> The WEEE Directive has been retained in UK law following the UK’s exit from the EU.¹⁶³</p> <p><u>EEA</u> All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have the Directive transposed into national law.¹⁶⁴ All photovoltaic modules available in the EU can be disposed of, notwithstanding the type of technology used. Most parts of a solar module can be recycled, including glass, semiconductor materials, ferrous and non-ferrous metals.</p> <p>For EEA countries that are not member states of the EU, the Directive has been incorporated into the EEA Agreement and is in force.¹⁶⁵</p> <p><u>US and Canada</u> AIB is a member of the Equator Principles Financial Institutions (EPFIs). By adopting the Equator Principles, AIB is required to ensure that its financed projects are developed in a socially responsible way accompanied by robust environmental management practices.</p>	Partially Aligned

¹⁶² European Commission, “Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE) (recast) Text with EEA relevance – National transposition”, at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32012L0019>

¹⁶³ Ibid.

¹⁶⁴ Ibid.

¹⁶⁵ European Free Trade Association, “Factsheet - 32019D2193”, at: <https://www.efta.int/eea-lex/32019d2193>

	<p>Environmental and Social Impact Assessment (ESIA) is an integral part of the Equator Principles for projects categories A and B. An ESIA is usually prepared for greenfield developments or large expansions with specifically identified physical elements, aspects and facilities that are likely to generate significant environmental or social impacts. Furthermore, as the Equator Principles are based on IFC’s Environmental and Social Performance Standards, it can be assumed that AIB complies with IFC’s Performance Standard on Resource Efficiency and Pollution Prevention.</p> <p>In addition, AIB gathers and reviews Technical Due Diligence reports on all major projects where it acts as a lender. These will typically address environmental concerns and where necessary would lead to more in-depth environmental reviews, which would also be gathered and reviewed as part of the credit approval process.</p> <p>Sustainalytics considers this activity to be aligned with the applicable criteria for the EEA region (including Ireland) and the UK. Sustainalytics also recognizes AIB’s efforts to ensure that the financing of projects incorporates measures to identify and mitigate environmental risks, as part of the Bank’s EPFI responsibilities however, the adopted measures may not necessarily address all requirements of this criterion in the US and Canada context. Hence, Sustainalytics has assessed this criterion as partially aligned when considering all regions.</p>	
Protection and Restoration of Biodiversity and Ecosystems	Refer to the assessment set out in Appendix 3, Table 28	Aligned

Table 8

Framework Activity assessed	Renewable Energy		
EU Taxonomy Activity	4.2. Electricity generation using concentrated solar power (CSP) technology		
Corresponding NACE Code	D35.11 F42.22		
Applicable SC Criteria	Alignment Assessment		
Climate Change Mitigation	The financed activities are generating electricity using solar concentrated solar power (CSP) technology and therefore are eligible by default.	Aligned	
Applicable DNSH Criteria	Alignment Assessment		
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25	Aligned	

Sustainable Use and Protection of Water and Marine Resources	Refer to the assessment set out in Appendix 3, Table 26	Partially Aligned
Transition to a Circular Economy	<p>As part of AIB’s credit assessment due diligence, assets that are likely to have significant effects on the environment by virtue of their size, nature or location are required to undergo an environmental impact assessment (EIA) which is to be submitted to competent authorities when applying for project development.</p> <p>Additionally, AIB abides by all regulatory requirements applicable in Ireland and the UK, including EU legislation for waste from electrical and electronic equipment (WEEE), namely the EU Waste from Electrical and Electronic Equipment Directive 2012/19/EU (the WEEE Directive),¹⁶⁶ which is built on the waste hierarchy concept. The WEEE Directive aims to reduce the amount of WEEE incinerated or sent to landfill sites, placing extended responsibility on producers and suppliers to ensure collection, treatment and recovery of WEEE. The WEEE Directive also sets basic requirements and obligations for collection and recycling of photovoltaic panels in the EU, including setting minimum collection and recovery targets.</p> <p><u>UK</u> The WEEE Directive has been retained in UK law following the UK’s exit from the EU.¹⁶⁷</p> <p><u>EEA</u> All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have the Directive transposed into national law.¹⁶⁸</p> <p>For EEA countries that are not member states of the EU, the directive has been incorporated into the EEA Agreement and is in force.¹⁶⁹</p> <p><u>US and Canada</u> AIB is a member of the Equator Principles Financial Institutions (EPFIs). By adopting the Equator Principles, AIB is required to ensure that its financed projects are developed in a socially responsible way accompanied by robust environmental management practices.</p> <p>Undertaking environmental and social impact assessments (ESIA) is an integral part of the Equator Principles for project categories A and B. An ESIA is usually prepared for greenfield</p>	Partially Aligned

¹⁶⁶ European Commission, “Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE) (recast) Text with EEA relevance – National transposition”, at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32012L0019>

¹⁶⁷ Ibid.

¹⁶⁸ Ibid.

¹⁶⁹ European Free Trade Association, “Factsheet - 32019D2193”, at: <https://www.efta.int/eea-lex/32019d2193>

	<p>developments or large expansions with specifically identified physical elements, aspects and facilities that are likely to generate significant environmental or social impacts. Furthermore, as the Equator Principles are based on the IFC’s Environmental and Social Performance Standards, it can be assumed that AIB complies with the IFC’s Performance Standard on Resource Efficiency and Pollution Prevention.</p> <p>In addition, AIB gathers and reviews technical due diligence reports on all major projects where it acts as a lender. These will typically address environmental concerns and where necessary would lead to more in-depth environmental reviews, which would also be gathered and reviewed as part of the credit approval process.</p> <p>Sustainalytics considers this activity to be aligned with the applicable criteria for the EEA and the UK. Sustainalytics also recognizes AIB’s efforts to ensure that the financing of projects incorporates measures to identify and mitigate environmental risks, as part of the Bank’s EPFI responsibilities. However, the adopted measures may not necessarily address all requirements of this criterion in the US and Canada contexts. Hence, Sustainalytics has assessed this criterion as partially aligned when considering all regions.</p>	
Protection and Restoration of Biodiversity and Ecosystems	Refer to the assessment set out in Appendix 3, Table 28	Aligned

Table 9

Framework Activity assessed	Renewable Energy		
EU Taxonomy Activity	4.3. Electricity generation from wind power		
Corresponding NACE Code	D35.11 F42.22		
Applicable SC Criteria		Alignment Assessment	
Climate Change Mitigation	The financed activities are generating electricity using from wind power and therefore are eligible by default.		Aligned
Applicable DNSH Criteria		Alignment Assessment	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25		Aligned
Sustainable Use and Protection of Water and Marine Resources	<u>UK</u>		Partially Aligned

The Directive 2008/56/EC (“Marine Strategy Framework Directive”) is wide-ranging and sets out 11 descriptors, including “descriptor 11” that requires that the introduction of energy, including underwater noise, is at levels that do not adversely affect the marine environment.¹⁷⁰

The Directive has been retained in UK law following the UK’s exit from the EU.

EEA

All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have the Marine Strategy Framework Directive transposed into national law.¹⁷¹ The Marine Strategy Framework Directive was given legal effect in Ireland by the European Communities (Marine Strategy Framework) Regulations 2011 (S.I. No. 249 of 2011).

For EEA countries that are not member states of the EU, the Marine Strategy Framework Directive has not been incorporated into the EEA Agreement.¹⁷² Sustainalytics notes however, that the directive has been integrated in Norway. AIB has communicated that Norway has established marine environmental policies based on an ecosystem approach.¹⁷³ Furthermore, per Norway’s Offshore Energy Act, wind projects are subjected to a project-specific impact assessment, which provides a detailed description and assessment of: i) seabed conditions and the marine environment; ii) birds, fish, habitat types and other forms of natural diversity; iii) the potential impact on ecosystem services; iv) sea, air, land and noise pollution; and v) climate considerations.¹⁷⁴ AIB has communicated to Sustainalytics that no projects are currently being financed in Iceland and Liechtenstein.

US and Canada

As part of AIB’s credit assessment due diligence, assets that are likely to have significant effects on the environment by virtue of their size, nature or location are required to undergo an environmental impact assessment (EIA) which is to be submitted to competent authorities when applying for project development.

The following environmental indicators are assessed as part of the EIA for wind projects:

- On-shore wind: animal or plant life, climate and air, landscape and visual, aviation or army interests, or archaeological and cultural heritage receptors provided that embedded mitigation included in the assessment is adopted.
- Off-shore wind: physical processes, ornithology, airborne noise, benthic ecology, shipping and navigation, aviation and military interests or socioeconomics and tourism.

¹⁷⁰ European Commission, “2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive) (Text with EEA relevance)”, at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32008L0056>

¹⁷¹ Ibid.

¹⁷² European Free Trade Association, “Factsheet - 32008L0056”, at: <https://www.efta.int/eea-lex/32008L0056>

¹⁷³ Norwegian Offshore Directorate, “Offshore wind – Regulations”, at: <https://www.sodir.no/en/facts/offshore-wind/regulations/>

¹⁷⁴ Government of Norway, “Offshore Energy Act”, (2023), at: <https://www.regjeringen.no/en/dokumenter/offshore-energy-act/id2968375/>

	<p>Offshore windfarms which have undergone an EIA also comply with the assessment under Article 6(3) of the Habitats Directive (Directive 92/43/EEC). The guidance covers descriptors relevant to offshore wind energy such as maintaining biodiversity and sea floor integrity. The EIA must address issues of introduction of energy and underwater noise not affecting the local ecosystem. Additionally, standards are required when seeking approval for permits including monitoring underwater noise and effectiveness of control systems.</p> <p>Sustainalytics recognizes AIB’s efforts to ensure that the financing of projects incorporates measures to identify and mitigate environmental risks as part of the Bank’s EPFI responsibilities, however, the adopted measures may not necessarily address all requirements of this criterion in the US and Canada context.</p> <p>Sustainalytics considers this activity to be aligned with the applicable criteria for the UK and the EEA (including Norway). Sustainalytics however notes the limited demonstration to ensure compliance with the Marine Strategy Framework Directive in the US and Canada. Therefore, when considering all regions, Sustainalytics has assessed this activity to be partially aligned.</p>	
<p>Transition to a Circular Economy</p>	<p><u>UK, EEA, US and Canada</u></p> <p>AIB applies rigorous due diligence procedures on all project finance loans covering relevant circularity elements. AIB’s Project Finance Policy, approved by the Group Credit Committee, guides its climate-related lending assessments and decisions for long-term infrastructure, industrial projects, and public services. Within credit assessment due diligence, assets that are likely to have significant effects on the environment by virtue of their size, nature or location are required to undergo an environmental impact assessment (EIA) which is to be submitted to competent authorities when applying for project development. AIB also relies on analyses provided by external parties to support this assessment. The Bank also confirms that it relies on the EU Waste Electrical & Electronic Equipment Directive and the Waste Framework Directive. On this basis, Sustainalytics considers this activity to be aligned with the applicable criteria.</p>	<p>Aligned</p>
<p>Protection and Restoration of Biodiversity and Ecosystems</p>	<p>Refer to the assessment set out in Appendix 3, Table 28</p> <p><u>UK</u></p> <p>The Directive 2008/56/EC (“Marine Strategy Framework Directive”) was given legal effect in the UK by the Marine Strategy Regulations 2010 (S.I. No. 1627 of 2010) and has been retained in UK law following the UK’s exit from the EU.</p> <p>The MSFD Program for Marine protection aims to ensure that projects are planned to achieve environmental targets, such as seas not polluted by contaminants, marine species and habitats unaffected by human activities, sustainable and environmental sound use of resources and seas not impacted by litter, anthropogenic energy and eutrophication.</p> <p><u>EEA</u></p> <p>All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have the Marine Strategy Framework Directive transposed into national</p>	<p>Partially Aligned</p>

	<p>law.¹⁷⁵ The Marine Strategy Framework Directive was given legal effect in Ireland by the European Communities (Marine Strategy Framework) Regulations 2011 (S.I. No. 249 of 2011).</p> <p>For EEA countries that are not member states of the EU, the Marine Strategy Framework Directive has not been incorporated into the EEA Agreement. ¹⁷⁶ Sustainalytics notes, however, that the Directive has been integrated in Norway. AIB has communicated that Norway has established marine environmental policies based on an ecosystem approach.¹⁷⁷ Furthermore, per Norway’s Offshore Energy Act, wind projects are subjected to project-specific impact assessments, which provide a detailed description and assessment of: i) seabed conditions and the marine environment; ii) birds, fish, habitat types and other forms of natural diversity; iii) the potential impact on ecosystem services; iv) sea, air, land and noise pollution; and v) climate considerations.¹⁷⁸ AIB has communicated to Sustainalytics that no projects are currently being financed in Iceland and Liechtenstein.</p> <p><u>US and Canada</u></p> <p>As a signatory to the Equator Principles, AIB is committed to assessing all transactions within the scope of these principles for compliance. An environmental and social impact assessment will be carried out for projects in categories A and B, which is submitted to authorities when applying for project development. This assessment will focus on specific physical elements, aspects and facilities that are anticipated to result in notable environmental or social impacts. Additionally, the financing documentation per project includes covenants requiring adherence to all relevant environmental and social laws, regulations and permits of the host country in all material respects.</p> <p>Sustainalytics recognizes AIB’s efforts to ensure that the financing of projects incorporates measures to identify and mitigate environmental risks as part of the Bank’s EPFI responsibilities. However, the adopted measures may not necessarily address all requirements of this criterion in the US and Canada context.</p> <p>Sustainalytics considers this activity to be aligned with the applicable criteria for the UK and the EEA (including Norway). Sustainalytics however notes the limited demonstration to ensure compliance with the Marine Strategy Framework Directive in the US and Canada. Therefore, when considering all regions, Sustainalytics has assessed this activity to be partially aligned.</p>	
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Table 10

Framework Activity assessed	Renewable Energy
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¹⁷⁵ Ibid.

¹⁷⁶ European Free Trade Association, “Factsheet - 32008L0056”, at: <https://www.efta.int/eea-lex/32008L0056>

¹⁷⁷ Norwegian Offshore Directorate, “Offshore wind – Regulations”, at: <https://www.sodir.no/en/facts/offshore-wind/regulations/>

¹⁷⁸ Government of Norway, “Offshore Energy Act”, (2023), at: <https://www.regjeringen.no/en/dokumenter/offshore-energy-act/id2968375/>

EU Taxonomy Activity	4.5. Electricity generation from hydropower		
Corresponding NACE Code	D35.11 F42.22		
Applicable SC Criteria		Alignment Assessment	
Climate Change Mitigation	<p>AIB will finance small-scale hydropower facilities (less than 25 MW of installed capacity), that meet one of the following criteria:</p> <ul style="list-style-type: none"> the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; the power density of the electricity generation facility is above 5 W/m²; the life cycle GHG emissions from the generation of electricity from hydropower are lower than 100gCO₂e/100 gCO₂e/kWh. The life cycle GHG emissions will be calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018, ISO 14064-1:2018 or the G-res tool. Quantified life cycle GHG emissions will be verified by an independent third party. <p>Based on the commitment of AIB to finance projects in accordance with the criteria above, Sustainalytics has assessed this activity to be aligned with the technical screening criteria under this category.</p>		Aligned
Applicable DNSH Criteria		Alignment Assessment	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25		Aligned
Sustainable Use and Protection of Water and Marine Resources	<p>As part of AIB's credit assessment due diligence, assets that are likely to have significant effects on the environment by virtue of their size, nature or location are required to undergo an environmental impact assessment (EIA) which is to be submitted to competent authorities when applying for project development.</p> <p><u>UK</u></p> <p>The Water Framework Directive 2000/60/EC (WFD)¹⁷⁹ has been retained in UK law following the UK's exit from the EU. The WFD has been implemented by the Water Environment (Water Framework Directive) (England and Wales) Regulations 2017 in England and Wales, the Water Environment (Water Framework Directive) Regulations (Northern Ireland) 2017 in Northern Ireland and the Water Environment and Water Services (Scotland) Act 2003. The WFD requires all member states to protect and improve water quality in all waters so that a good ecological status is achieved by 2015 or, at the latest, by 2027. It applies to rivers, lakes, groundwater and transitional coastal waters. The directive also requires that management plans be prepared on a river basin basis and specifies a structured method for developing these plans.</p>		Aligned

¹⁷⁹ European Commission, "Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy" at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32000L0060>

	<p>Further, as specified in Q57 of Commission Notice 10/23,¹⁸⁰ all hydropower production requires a permit, licence or authorisation aiming at achieving good ecological status or good ecological potential of the affected water body in line with the definitions of the Water Framework Directive.</p> <p><u>EEA</u> All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have the Water Framework Directive transposed into national law.</p> <p>For EEA countries that are not member states of the EU, the Water Framework Directive has been incorporated into the EEA Agreement and is in force.¹⁸¹</p> <p>Further, as specified in Q57 of Commission Notice 10/23,¹⁸² all hydropower production requires a permit, licence or authorisation aiming at achieving good ecological status or good ecological potential of the affected water body in line with the definitions of the Water Framework Directive.</p> <p>Sustainalytics notes that AIB meets criteria 2.1, 2.2 and criteria 3.1 through adherence to the Water Framework Directive. Sustainalytics also notes that criteria 2.3, 3.2, 3.3, 3.4 and 3.5 are fulfilled in the context of authorization or permit setting out the conditions aimed at achieving good status or potential of the affected water body. This is applicable to all projects financed in the EEA and UK.</p> <p>AIB has communicated to Sustainalytics that there are no current or expected projects under this activity in the US and Canada. Based on the above, Sustainalytics considers this criterion to be aligned.</p>	
Protection and Restoration of Biodiversity and Ecosystems	Refer to the assessment set out in Appendix 3, Table 28	Aligned

Table 11

Framework Activity assessed	Renewable Energy
EU Taxonomy Activity	4.6. Electricity generation from geothermal energy
Corresponding NACE Code	D35.11 F42.22

¹⁸⁰ European Commission, "C/2023/267 Commission Notice", at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C_202300267

¹⁸¹ European Free Trade Association, "Factsheet - 32000L0060", at: <https://www.efta.int/eea-lex/32000l0060>

¹⁸² Ibid.

Applicable SC Criteria	Alignment Assessment	
Climate Change Mitigation	<p>AIB will finance geothermal power plants with life cycle emissions below 100 gCO₂e/kWh, where life cycle GHG emissions savings will be calculated using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018 and quantified life cycle GHG emissions will be verified by an independent third party.</p> <p>AIB communicated to Sustainalytics that it will reasonably assume the relevant assets located in the US will also comply with the life cycle emissions threshold (annual GHG emissions intensity of 37 gCO₂/kWh),¹⁸³ AIB is unable to explicitly confirm adherence to the life cycle emissions threshold for these assets, hence Sustainalytics has assessed this facility to be partially aligned. Where AIB can formally confirm the life cycle emissions threshold, such assets will be considered as aligned.</p>	Partially Aligned
Applicable DNSH Criteria	Alignment Assessment	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25	Aligned
Sustainable Use and Protection of Water and Marine Resources	Refer to the assessment set out in Appendix 3, Table 26	Partially Aligned
Pollution Prevention and Control	<p><u>UK</u> Directive 2004/107/EC¹⁸⁴ relating to arsenic, cadmium, mercury, nickel and polycyclic aromatic hydrocarbons and Directive 2008/50/EC¹⁸⁵ on ambient air quality and cleaner air for Europe were given legal effect in the UK by the Air Quality Standards Regulations 2010 (S.I. No. 1001 of 2010) on ambient air quality assessment and management and limit values for air quality.</p> <p>Directives 2004/107/EC and 2008/50/EC have been retained in UK law following the UK's exit from the EU.</p> <p><u>EEA</u> All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have Directives 2004/107/EC and 2008/50/EC transposed into national law. AIB has communicated to Sustainalytics that it currently does not have any projects in Spain.</p>	Partially Aligned

¹⁸³ AIB has communicated to Sustainalytics that the annual GHG emissions expectations from assets financed as well as the US average emissions for geothermal power plants.

¹⁸⁴ European Commission, "Directive 2004/107/EC of the European Parliament and of the Council of 15 December 2004 relating to arsenic, cadmium, mercury, nickel and polycyclic aromatic hydrocarbons in ambient air ", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32004L0107>

¹⁸⁵ European Commission, "Directive 2008/50/EC of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32008L0050>

For EEA countries that are not member states of the EU, Directives 2004/107/EC and 2008/50/EC have been incorporated into the EEA Agreement and are in force.^{186,187}

US and Canada

AIB is a member of the Equator Principles Financial Institutions (EPFIs). By adopting the Equator Principles, AIB is required to ensure that the projects it finances are developed in a socially responsible way accompanied by robust environmental management practices.

Environmental and Social Impact Assessment (ESIA) is an integral part of the Equator Principles for projects in categories A and B. An ESIA is usually prepared for greenfield developments or large expansions with specifically identified physical elements, aspects and facilities that are likely to generate significant environmental or social impacts.

Furthermore, as Equator Principles are based on the IFC's Environmental and Social Performance Standards, it can be assumed that AIB complies with the IFC's Performance Standard on Resource Efficiency and Pollution Prevention.

In addition, AIB gathers and reviews technical due diligence reports on all major projects where it acts as a lender. These will typically address environmental concerns and where necessary would lead to more in-depth environmental reviews, which would also be gathered and reviewed as part of the credit approval process.

For the US specifically, the Bank has communicated that there is currently only one US-based geothermal asset. The Bank does not expect to allocate to additional projects. Furthermore, the US Clean Air Act sets national ambient air quality standards for pollutants considered harmful to public health and the environment. For the financed facility, emission abatement systems are in place.

Sustainalytics considers this activity to be aligned with the applicable criteria for the UK and EEA. Sustainalytics also recognizes AIB's efforts to ensure that the financing of projects incorporates measures to identify and mitigate environmental risks, as part of the Bank's EPFI responsibilities however, the adopted measures may not necessarily address all requirements of this criterion in the US and Canada context. Hence, Sustainalytics has assessed this criterion as partially aligned when considering all regions.

¹⁸⁶ European Free Trade Association, "Factsheet - 32004L0107", at: <https://www.efta.int/eea-lex/32004l0107#anchor-eu>

¹⁸⁷ European Free Trade Association, "Factsheet -32008L0050", at: <https://www.efta.int/eea-lex/32008l0050#anchor-eu>

Protection and Restoration of Biodiversity and Ecosystems	Refer to the assessment set out in Appendix 3, Table 28	Aligned
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Table 12

Framework Activity assessed	Renewable Energy	
EU Taxonomy Activity	4.9. Transmission and distribution of electricity	
Corresponding NACE Code	D35.12 D35.13	
<i>Applicable SC Criteria</i>	<i>Alignment Assessment</i>	
Climate Change Mitigation	<p>AIB has confirmed its intension to finance transmission and distribution infrastructure in an electricity system that complies with at least one of the following criteria:</p> <ul style="list-style-type: none"> the system is the interconnected European system, i.e. the interconnected control areas of EU member States, plus Norway, Switzerland and the United Kingdom, and its subordinated systems; more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO₂e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period; the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO₂e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period. <p>AIB may also finance direct connections or expansion of existing direct connections between a substation (or network) and a renewable energy power production plant, i.e. solar, wind, geothermal or hydropower, that has a GHG emissions intensity below 100 gCO₂e/kWh measured on a life cycle basis.</p> <p>AIB confirmed that investment does not include smart metering infrastructure.</p> <p>Based on the above, Sustainalytics considers this activity to be aligned with the applicable criteria.</p>	Aligned
<i>Applicable DNSH Criteria</i>	<i>Alignment Assessment</i>	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25	Aligned

<p>Transition to a Circular Economy</p>	<p><u>UK</u> Although the UK left the EU on 31 January 2020, significant portions of British environmental legislation in force originate from EU law adopted before Brexit.</p> <p>Since the publication in 2000 of the Waste Strategy for England and Wales, significant changes, largely driven by EU waste laws, have been made to how waste is produced and disposed of in the UK. Building on the gains of the 2000 policy and the subsequent 2007 Waste Strategy for England, the UK Department for Environment, Food & Rural Affairs published in 2013 a new Waste Management Plan for England. Wales, Scotland and Northern Ireland also have equivalent waste strategies.</p> <p>Additionally, AIB abides by all national regulatory requirements applicable in Ireland and the UK, including EU legislation for waste from electrical and electronic equipment (WEEE), namely the EU Waste from Electrical and Electronic Equipment Directive 2012/19/EU (the WEEE Directive), which is built on the waste hierarchy concept. The WEEE Directive aims to reduce the amount of WEEE incinerated or sent to landfill sites, placing extended responsibility on producers and suppliers to ensure collection, treatment and recovery of WEEE.</p> <p>The WEEE Directive has been retained in UK law following the UK’s exit from the EU.</p> <p><u>EEA</u> All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have the directive transposed into national law. The EU has a comprehensive regulatory package on waste management which includes the Waste Framework Directive (2008/98),¹⁸⁸ the Battery and Accumulators Directive (2006/66)¹⁸⁹ and the Landfill Directive (1999/31).¹⁹⁰</p> <p>For EEA countries that are not member states of the EU, the Directive has been incorporated into the EEA Agreement and is in force.</p> <p><u>US and Canada</u> AIB has confirmed that while providing project finance loans, it applies a rigorous due diligence process that includes relevant DNSH criteria.</p> <p>AIB’s Project Finance Policy, approved by its Group Credit Committee, guides its climate-related lending assessments and decisions for long-term infrastructure, industrial projects and public</p>	<p>Partially Aligned</p>
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¹⁸⁸ European Commission, “Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives – National Transposition”, at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32008L0098>

¹⁸⁹ European Commission, “Directive 2006/66/EC of the European Parliament and of the Council of 6 September 2006 on batteries and accumulators and waste batteries and accumulators and repealing Directive 91/157/EEC – National Transposition”, at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32006L0066>

¹⁹⁰ European Commission, “Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste – National Transposition”, at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A31999L0031>

	<p>services. In its credit assessment due diligence, assets that are likely to have significant effects on the environment by virtue of their size, nature or location must undergo an environmental impact assessment (EIA) which will have to be submitted to competent authorities when applying for project development. AIB may rely on analyses provided by external parties to support this assessment.</p> <p>Based on the above, Sustainalytics views this activity to be aligned with the applicable criteria for the EEA region and the UK. Sustainalytics recognizes AIB's efforts to ensure that the financing of projects incorporates measures to identify and mitigate environmental risks as part of the Bank's EPFI responsibilities. However, the adopted measures may not necessarily address all requirements of this criterion in the US and Canada context. Therefore, Sustainalytics considers this activity to be partially aligned for the US and Canada. When considering all regions, Sustainalytics has assessed this activity to be partially aligned.</p>	
Pollution Prevention and Control	AIB has confirmed that this expenditure excludes overground high voltage lines and hence marked this criterion as Not Applicable.	N/A
Protection and Restoration of Biodiversity and Ecosystems	Refer to the assessment set out in Appendix 3, Table 28	Aligned

Table 13

Framework Activity assessed	Renewable Energy	
EU Taxonomy Activity	4.10. Storage of electricity	
Corresponding NACE Code	No dedicated NACE code	
<i>Applicable SC Criteria</i>	<i>Alignment Assessment</i>	
Climate Change Mitigation	AIB has confirmed that this expenditure includes the construction and operation of electricity storage, including pumped hydropower storage. AIB will also finance battery chemical energy storage and will exclude hydrogen and ammonia as the medium of storage.	Aligned
<i>Applicable DNSH Criteria</i>	<i>Alignment Assessment</i>	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25	Aligned

<p>Sustainable use and protection of water and marine resources</p>	<p>In case of pumped hydropower storage not connected to a river body, refer to the assessment set out in Appendix 3, Table 26. AIB has communicated to Sustainalytics that it will not have pumped hydropower projects in the US and Canada.</p> <p>In case of pumped hydropower storage connected to a river body, please refer to the DNSH criteria and its assessment set out under Sustainable Use and Protection of Water and Marine Resources for EU Taxonomy Activity 4.5.</p> <p>Based on the above, Sustainalytics considers this activity to be aligned overall with the applicable criteria.</p>	<p>Aligned</p>
<p>Transition to a Circular Economy</p>	<p><u>UK</u> Although the UK left the EU on 31 January 2020, significant portions of British environmental legislation in force originate from EU law adopted before Brexit.</p> <p>Since the publication in 2000 of the Waste Strategy for England and Wales, significant changes, largely driven by EU waste laws, have been made to how waste is produced and disposed of in the UK. Building on the gains of the 2000 policy and the subsequent 2007 Waste Strategy for England, the UK Department for Environment, Food & Rural Affairs published in 2013 a new Waste Management Plan for England. Wales, Scotland and Northern Ireland also have equivalent waste strategies.</p> <p>Additionally, AIB abides by all national regulatory requirements applicable in Ireland and the UK, including EU legislation for waste from electrical and electronic equipment (WEEE), namely the EU Waste from Electrical and Electronic Equipment Directive 2012/19/EU (the WEEE Directive), which is built on the waste hierarchy concept. The WEEE directive aims to reduce the amount of WEEE incinerated or sent to landfill sites, placing extended responsibility on producers and suppliers to ensure collection, treatment and recovery of WEEE.</p> <p>The WEEE Directive has been retained in UK law following the UK's exit from the EU.</p> <p><u>EEA</u> All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have the Directive transposed into national law. The EU has a comprehensive regulatory package on waste management, which includes the Waste Framework Directive (2008/98),¹⁹¹ the Battery and Accumulators Directive (2006/66)¹⁹² and the Landfill Directive (1999/31).¹⁹³</p>	<p>Partially Aligned</p>

¹⁹¹ European Commission, "Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives – National Transposition", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32008L0098>

¹⁹² European Commission, "Directive 2006/66/EC of the European Parliament and of the Council of 6 September 2006 on batteries and accumulators and waste batteries and accumulators and repealing Directive 91/157/EEC – National Transposition", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32006L0066>

¹⁹³ European Commission, "Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste – National Transposition", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A31999L0031>

	<p>For EEA countries that are not member states of the EU, the Directive has been incorporated into the EEA Agreement and is in force.</p> <p><u>US and Canada</u> AIB has confirmed that while providing project finance loans, it applies a rigorous due diligence process that includes relevant DNSH criteria.</p> <p>AIB’s Project Finance Policy, approved by its Group Credit Committee, guides its climate-related lending assessments and decisions for long-term infrastructure, industrial projects and public services. In its credit assessment due diligence, assets that are likely to have significant effects on the environment by virtue of their size, nature or location must undergo an environmental impact assessment (EIA) which will have to be submitted to competent authorities when applying for project development. AIB may rely on analyses provided by external parties to support this assessment.</p> <p>Sustainalytics considers this activity to be aligned with the applicable criteria for the UK and the EEA. Sustainalytics also recognizes AIB’s efforts to ensure that the financing of projects incorporates measures to identify and mitigate environmental risks, as part of the Bank’s EPFI responsibilities. However, the adopted measures may not necessarily address all requirements of this criterion in the US and Canada context. Therefore, Sustainalytics considers this activity to be partially aligned for the US and Canada. When considering all regions, Sustainalytics views this activity to be partially aligned with the applicable criteria.</p>	
Protection and Restoration of Biodiversity and Ecosystems	Refer to the assessment set out in Appendix 3, Table 28	Aligned

Table 14

Framework Activity assessed	Clean Transportation		
EU Taxonomy Activity	6.1 Passenger interurban rail transport		
Corresponding NACE Code	H49.10, N77.39		
Applicable SC Criteria	Alignment Assessment		
Climate Change Mitigation	AIB intends to finance and refinance activities complying with criteria (a) and (b).		Aligned
Applicable DNSH Criteria	Alignment Assessment		

Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25	Aligned
Transition to a Circular Economy	<p><u>EEA</u> Measures are aligned with the Waste Framework Directive 2008/98/EC and Directive 2000/53/EC, which are transposed in EU member states and have EEA relevance.^{194,195}</p> <p>In this context, Sustainalytics considers this activity to be aligned with the applicable criteria.</p>	Aligned
Pollution Prevention and Control	<p><u>EEA</u> EU Regulation 2016/1628 can be expected to be implemented in the EEA, as it has EEA relevance.¹⁹⁶ AIB has confirmed to Sustainalytics that projects will only be located in the EEA (including Ireland) and that the UK is excluded. AIB has further confirmed that, as specified in Q81 of European Commission Notice 10/23, engines such as railway locomotives (RLL) and engines for the propulsion of railcars (RLR) with zero CO₂ emissions can be expected to comply with the emissions limits in all EEA member states.^{197,198}</p> <p>In this context, Sustainalytics considers this activity to be aligned with the applicable criteria.</p>	Aligned

Table 15

Framework Activity assessed	Clean Transportation
EU Taxonomy Activity	6.2 Freight rail transport
Corresponding NACE Code	H49.20 and N77.39
<i>Applicable SC Criteria</i>	<i>Alignment Assessment</i>
Climate Change Mitigation	AIB has confirmed to Sustainalytics that it intends to finance activities applicable under both criteria (a) and (b). Furthermore, AIB has confirmed that it will not finance trains and wagons dedicated to the transport of fossil fuels.
<i>Applicable DNSH Criteria</i>	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25

¹⁹⁴ According to the EFTA, this directive has been incorporated into the EEA agreement and is in force. EFTA, "Factsheet - 32008L0098", at: <https://www.efta.int/eea-lex/32008l0098>

¹⁹⁵ According to the EFTA, this directive has been incorporated into the EEA agreement and is in force. EFTA, "Factsheet - 32000L0053", at: <https://www.efta.int/eea-lex/32000l0053>

¹⁹⁶ According to the EFTA, this directive has been incorporated into the EEA agreement and is in force. EFTA, "Factsheet - 32016R1628", at: <https://www.efta.int/eea-lex/32016r1628>

¹⁹⁷ European Commission, "DRAFT COMMISSION NOTICE on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and do no significant harm to other environmental objective", (2022), at: <https://ec.europa.eu/finance/docs/law/221219-draft-commission-notice-eu-taxonomy-climate.pdf>

¹⁹⁸ European Commission, "COMMISSION NOTICE on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and do no significant harm to other environmental objective", at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C_202300267

Transition to a Circular Economy	<p><u>EEA and UK</u> Measures are aligned with the Waste Framework Directive 2008/98/EC and Directive 2000/53/EC, which are transposed in EU member states and have EEA relevance.^{199,200} The Directives were transposed in the UK before it exited the EU.</p> <p>In this context, Sustainalytics considers this activity to be aligned with the applicable criteria.</p>	Aligned
Pollution Prevention and Control	<p><u>EEA</u> EU Regulation 2016/1628 can be expected to be implemented in the EEA, as it has EEA relevance.²⁰¹ AIB has confirmed to Sustainalytics that projects will only be located in the EEA (including Ireland) and that the UK is excluded. AIB has further confirmed that, as specified in Q81 of European Commission Notice 10/23, engines such as railway locomotives (RLL) and engines for the propulsion of railcars (RLR) with zero CO₂ emissions can be expected to comply with the emissions limits in all EEA member states.²⁰²</p> <p>In this context, Sustainalytics considers this activity to be aligned with the applicable criteria.</p>	Aligned

Table 16

Framework Activity assessed	Clean Transportation		
EU Taxonomy Activity	6.3 Urban and suburban transport, road passenger transport		
Corresponding NACE Code	H49.31, H49.3.9, N77.39 and N77.11		
Applicable SC Criteria		Alignment Assessment	
Climate Change Mitigation	AIB has confirmed to Sustainalytics that the activities financed comply with criterion (a).		Aligned
Applicable DNSH Criteria		Alignment Assessment	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25		Aligned
Transition to a Circular Economy	<u>EEA and UK</u>		Aligned

¹⁹⁹ EFTA, “Factsheet - 32008L0098”, at: <https://www.efta.int/eea-lex/32008l0098>

²⁰⁰ EFTA, “Factsheet - 32000L0053”, at: <https://www.efta.int/eea-lex/32000l0053>

²⁰¹ EFTA, “Factsheet - 32016R1628”, at: <https://www.efta.int/eea-lex/32016r1628>

²⁰² European Commission, “DRAFT COMMISSION NOTICE on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and do no significant harm to other environmental objective”, (2022), at: <https://ec.europa.eu/finance/docs/law/221219-draft-commission-notice-eu-taxonomy-climate.pdf>

	<p>Measures are aligned with the Waste Framework Directive 2008/98/EC and Directive 2000/53/EC, which are transposed in EU member states and have EEA relevance.^{203,204} The Directives were transposed in the UK before it exited the EU.</p> <p>Furthermore, Directive 2012/19/EU is transposed in EU member states and has EEA relevance.²⁰⁵ The directive was transposed in the UK before it exited the EU.</p> <p>Based on the above, Sustainalytics considers this activity to be aligned with the applicable criteria.</p>	
Pollution Prevention and Control	<p>AIB has confirmed that tyres do not comply with external rolling noise requirements in the highest populated class and with rolling resistance coefficient in the two highest populated classes as per Regulation (EU) 2020/740.</p> <p><u>EEA and UK</u></p> <p>Where applicable, AIB has confirmed that vehicles will align with Regulation (EC) No. 595/2009, which can be assumed to be transposed into national regulation for EU member states and also has EEA relevance.²⁰⁶ Sustainalytics also notes that the regulation was transposed in the UK before it exited the EU.²⁰⁷</p> <p>Based on the above, Sustainalytics considers this activity to be partially aligned with the applicable criteria.</p>	Partially Aligned

Table 17

Framework Activity assessed	Clean Transportation	
EU Taxonomy Activity	6.5. Transport by motorbikes, passenger cars and light commercial vehicles	
Corresponding NACE Code	H49.32, H49.39 and N77.11	
	Applicable SC Criteria	Alignment Assessment
	Climate Change Mitigation	AIB will finance electric vehicles with zero tail-pipe emissions. Aligned
	Applicable DNSH Criteria	Alignment Assessment
	Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25 Aligned

²⁰³ EFTA, “Factsheet - 32008L0098”, at: <https://www.efta.int/eea-lex/32008l0098>

²⁰⁴ EFTA, “Factsheet - 32000L0053”, at: <https://www.efta.int/eea-lex/32000l0053>

²⁰⁵ EFTA, “Factsheet - 32012L0019”, at: <https://www.efta.int/eea-lex/32012l0019>

²⁰⁶ EFTA, “Factsheet - 32009R0595”, at: <https://www.efta.int/eea-lex/32009r0595>

²⁰⁷ UK Government, National Archives, “Regulation (EC) No 595/2009 of the European Parliament and of the Council”, at: <https://www.legislation.gov.uk/eur/2009/595/contents>

<p>Transition to a Circular Economy</p>	<p>AIB has disclosed that it complies with all national regulatory requirements applicable to all loans originated.</p> <p><u>EEA (Ireland) and UK</u> Measures are in place in accordance with Directive 2000/53/EC (Article 7) and Directive 2005/64/EC (Annex I), which are transposed in the EU member states and have EEA relevance.^{208,209} Directive 2000/53/EC and Directive 2005/64/EC were transposed into UK regulation before Brexit. These Directives include the reusability and recyclability thresholds outlined in the DNSH criteria.</p> <p>Furthermore, Directive 2012/19/EU is transposed in EU member states and has EEA relevance.²¹⁰ The directive was transposed in the UK before it exited the EU through the Waste from Electrical and Electronic Equipment Regulations.²¹¹</p> <p>AIB has confirmed that it currently has projects only in Ireland.</p> <p>Based on the above, Sustainalytics considers this activity to be aligned with the applicable criteria.</p>	<p>Aligned</p>
<p>Pollution Prevention and Control</p>	<p><u>EEA (Ireland) and UK</u> Sustainalytics notes that Regulation (EC) No. 715/2007, which can be assumed to be transposed into national regulation for EU member states, also has EEA relevance.²¹² Even though the UK left the EU on 31 January 2020, a significant portion of British environmental legislation in force originates from EU law. Regulation (EC) No. 715/2007 has been transposed in the UK.</p> <p>Directive 2009/33/EC has been transposed in the EU Member states and has EEA relevance.²¹³</p> <p>AIB has confirmed that tyres do not comply with external rolling noise requirements in the highest populated class and with rolling resistance coefficient in the two highest populated classes as per Regulation (EU) 2020/740.</p> <p>EU Regulation 540/2014 has EEA relevance²¹⁴ and was transposed in the UK under S.I. 2022 No. 1273.²¹⁵ It can be assumed to be transposed into national regulation for EU member states.</p> <p>AIB has confirmed that it currently has projects only in Ireland.</p>	<p>Partially Aligned</p>

²⁰⁸ EFTA, “Factsheet - 32000L0053”, at: <https://www.efta.int/eea-lex/32000l0053>

²⁰⁹ EFTA, “Factsheet - 32005L0064”, at: <https://www.efta.int/eea-lex/32005l0064>

²¹⁰ EFTA, “Factsheet - 32012L0019”, at: <https://www.efta.int/eea-lex/32012l0019>

²¹¹ UK Government, “Regulations: Waste Electrical and Electronic Equipment (WEEE)”, at: <https://www.gov.uk/guidance/regulations-waste-electrical-and-electronic-equipment>

²¹² EFTA, “Factsheet - 32007R0715”, at: <https://www.efta.int/eea-lex/32007r0715>

²¹³ EFTA, “Factsheet - 32009L0033”, at: <https://www.efta.int/eea-lex/32009l0033>

²¹⁴ EFTA, “Factsheet - 32014R0540”, at: <https://www.efta.int/eea-lex/32014r0540>

²¹⁵ UK Government, National Archives, “The Road Vehicles and Non-Road Mobile Machinery (Type-Approval) (Amendment and Transitional Provisions) (EU Exit) Regulations 2022”, <https://www.legislation.gov.uk/uksi/2022/1273/contents/made>

	Based on the above, Sustainalytics considers this activity to be partially aligned with the applicable criteria.	
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Table 18

Framework Activity assessed	Clean Transportation	
EU Taxonomy Activity	6.6 Freight transport services by road	
Corresponding NACE Code	H49.4.1, H53.10, H53.20 and N77.12	
Applicable SC Criteria		Alignment Assessment
Climate Change Mitigation	AIB has confirmed to Sustainalytics that the activities financed comply with criterion (a). Furthermore, AIB has confirmed that it will not finance vehicles dedicated to the transport of fossil fuels.	Aligned
Applicable DNSH Criteria		
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25	Aligned
Transition to a Circular Economy	<p>AIB has disclosed that it complies with all national regulatory requirements applicable to all loans originated.</p> <p><u>EEA and UK</u> Measures are in place in accordance with Directive 2000/53/EC (Article 7) and Directive 2005/64/EC (Annex I), which are transposed in EU member states and have EEA relevance.^{216,217} The directives were transposed into UK legislation before it exited the EU. These directives include the reusability and recyclability thresholds outlined in the DNSH criteria.</p> <p>Measures are also aligned with the Waste Framework Directive 2008/98/EC and Directive 2000/53/EC, which are transposed in EU member states and have EEA relevance.^{218,219} The directives have been transposed in the UK. Furthermore, Directive 2012/19/EU on Waste Electrical and Electronic Equipment is transposed in EU member states and has EEA relevance.²²⁰ The WEEE Directive has also been transposed in the UK before it exited the EU.</p>	Aligned

²¹⁶ EFTA, "Factsheet - 32000L0053", at: <https://www.efta.int/eea-lex/32000l0053>

²¹⁷ EFTA, "Factsheet - 32005L0064", at: <https://www.efta.int/eea-lex/32005l0064>

²¹⁸ EFTA, "Factsheet - 32008L0098", at: <https://www.efta.int/eea-lex/32008l0098>

²¹⁹ EFTA, "Factsheet - 32000L0053", at: <https://www.efta.int/eea-lex/32000l0053>

²²⁰ EFTA, "Factsheet - 32012L0019", at: <https://www.efta.int/eea-lex/32012l0019>

	Based on the above, Sustainalytics considers this activity to be aligned with the applicable criteria.	
Pollution Prevention and Control	<p>AIB has confirmed that tyres do not comply with external rolling noise requirements in the highest populated class and with rolling resistance coefficient in the two highest populated classes as per Regulation (EU) 2020/740.</p> <p><u>EEA and UK</u> Regulation (EC) No. 595/2009 has EEA relevance.²²¹ Sustainalytics also notes that the regulation was transposed in the UK before it exited the EU.²²²</p> <p>EU Regulation 540/2014 has EEA relevance²²³ and was transposed in the UK under S.I. 2022 No. 1273.²²⁴</p> <p>Based on the above, Sustainalytics considers this activity to be partially aligned with the applicable criteria.</p>	Partially Aligned

Table 19

Framework Activity assessed	Clean Transportation		
EU Taxonomy Activity	6.14. Infrastructure for rail transport		
Corresponding NACE Code	C25.99, C27.9, C30.20, F42.12, F42.13, M71.12, M71.20, F43.21, and H52.21		
	Applicable SC Criteria	Alignment Assessment	
Climate Change Mitigation		AIB has confirmed to Sustainalytics it intends to finance activities that meet criteria (a – i, ii and iii), (b) or (c). AIB further confirmed that it does not intend to finance infrastructure dedicated to the transport and storage of fossil fuels.	Aligned
	Applicable DNSH Criteria		
Climate Change Adaptation		Refer to the assessment set out in Appendix 3, Table 25	Aligned
Sustainable Use and Protection of Water and Marine Resources		Refer to the assessment set out in Appendix 3, Table 26. Sustainalytics notes that in the EEA and the UK, AIB is aligned with the applicable DNSH criteria.	Aligned

²²¹ EFTA, "Factsheet - 32009R0595", at: <https://www.efta.int/eea-lex/32009r0595>

²²² UK Government, National Archives, "Regulation (EC) No 595/2009 of the European Parliament and of the Council", at: <https://www.legislation.gov.uk/eur/2009/595/contents>

²²³ According to the EFTA, this directive has been incorporated into the EEA Agreement and is in force. EFTA, "Factsheet - 32014R0540", at: <https://www.efta.int/eea-lex/32014r0540>

²²⁴ UK Government, National Archives, "The Road Vehicles and Non-Road Mobile Machinery (Type-Approval) (Amendment and Transitional Provisions) (EU Exit) Regulations 2022", at: <https://www.legislation.gov.uk/ukxi/2022/1273/contents/made>

<p>Transition to a Circular Economy</p>	<p><u>EEA and UK</u></p> <p>The Waste Framework Directive 2008/98/EC is transposed in EU member states and has EEA relevance.²²⁵ The Directive has been transposed in the UK before it exited the EU.²²⁶ In line with the directive, AIB has confirmed to Sustainalytics that EU member states must achieve 70% of material recovery of non-hazardous, non-soil and stone construction and demolition waste. Ireland has achieved 77% material recovery in 2018.²²⁷</p> <p>For the manufacturing of constituents, AIB abides by all national regulatory requirements applicable in Ireland and UK including EU legislation for WEEE, namely the EU Waste from Electrical and Electronic Equipment Directive 2012/19/EU (the WEEE Directive),²²⁸ which is built on the waste hierarchy concept. The WEEE Directive aims to reduce the amount of WEEE incinerated or sent to landfill sites. Sustainalytics notes that the directive establishes minimum targets for WEEE recovery, with a minimum of 70% of material to be recovered, and ensures: i) retrieval of secondary raw materials; ii) that repair, upgrading, re-use, disassembly and recycling are considered during the design and production stages; iii) re-use, recycling and other forms of recovery are prioritized to reduce disposal of waste; and iv) information and material identification is provided by producers to facilitate treatment, recovery and recycling.²²⁹ Furthermore, placing extended responsibility on producers and suppliers to ensure collection, treatment and recovery of WEEE. The directive covers wastes such as wind turbines (category 6, electrical and electronic tools) and solar panels (14). Sustainalytics therefore views the directive to enable compliance with the applicable DNSH criteria. category 14).</p> <p><u>UK</u></p> <p>The WEEE Directive has been retained in UK law following the UK's exit from the EU.²³⁰</p> <p><u>EEA</u></p> <p>All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have the Directive transposed into national law.²³¹ For EEA countries that are not member states of the EU, the directive has been incorporated into the EEA Agreement and is in force.²³² AIB has confirmed to Sustainalytics that there are currently no projects in Norway, Iceland and Liechtenstein.</p>	<p>Aligned</p>
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²²⁵ EFTA, "Factsheet - 32008L0098", at: <https://www.efta.int/eea-lex/32008l0098>

²²⁶ UK Government, National Archives, "Directive 2008/98/EC of the European Parliament and of the Council", at: <https://www.legislation.gov.uk/eu-dr/2008/98/contents>

²²⁷ Environmental Protection Agency, "Construction & Demolition Waste Statistics for Ireland", (2020), at: <https://www.epa.ie/our-services/monitoring-assessment/waste/national-waste-statistics/construction-demolition/>

²²⁸ European Commission, "Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE) (recast) Text with EEA relevance – National transposition", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32012L0019>

²²⁹ Ibid.

²³⁰ Ibid.

²³¹ Ibid.

²³² European Free Trade Association, "Factsheet - 32019D2193", at: <https://www.efta.int/eea-lex/32019d2193>

	Based on the above, Sustainalytics considers this activity to be aligned with the applicable criteria.	
Pollution Prevention and Control	<p>Refer to the assessment set out in Appendix 3, Table 27. Sustainalytics notes that in the EEA and the UK, AIB is aligned with the applicable DNSH criteria.</p> <p><u>EEA and UK</u> AIB abides by Directive 2002/49/EC which aims to create a common language for assessment and management of environmental noise. Sustainalytics notes that the directive has been transposed in EU member states and has EEA relevance.²³³ The directive was also transposed into UK regulation before it exited the EU.</p> <p>AIB also complies with Directive 2008/50/EC, which has been transposed in EU member states and has EEA relevance.^{234,235} The Directive has been transposed into UK regulation before it exited the EU. It concerns measures to reduce noise, dust and pollutant emissions.</p> <p>Based on the above, Sustainalytics considers this activity to be aligned with the applicable criteria.</p>	Aligned
Protection and Restoration of Biodiversity and Ecosystems	<p>Refer to the assessment set out in Appendix 3, Table 28</p> <p><u>EEA and UK</u> The Habitats Directive (Directive 92/43/EEC) and Birds Directive (Directive 2009/147/EEC) can be assumed to be transposed into national law for all EU member states. In the UK, the directives have been given legal effect through the Conservation of Habitats and Species Regulations 2017.²³⁶ AIB has confirmed to Sustainalytics that there are currently no projects in Norway, Iceland and Liechtenstein.</p> <p>Based on the above, Sustainalytics considers this activity to be aligned with the applicable criteria.</p>	Aligned

Table 20

Framework Activity assessed	Clean Transportation
EU Taxonomy Activity	6.15. Infrastructure enabling low-carbon road transport and public transport

²³³ EFTA, “Factsheet - 32002L0049”, at: <https://www.efta.int/eea-lex/32002l0049>

²³⁴ EFTA, “Factsheet - 32008L0050”, at: <https://www.efta.int/eea-lex/32008l0050>

²³⁵ Food and Agriculture Organization, “Real Decreto 102/2011, de 28 de enero, relativo a la mejora de la calidad del aire”, at: <https://faolex.fao.org/docs/pdf/spa100278.pdf>

²³⁶ The National Archives – UK Government, “The Conservation of Habitats and Species Regulations 2017”, at: <https://www.legislation.gov.uk/ukSI/2017/1012/contents/made>

Corresponding NACE Code	F42.11, F42.13, M71.12 and M71.20	
<i>Applicable SC Criteria</i>	<i>Alignment Assessment</i>	
Climate Change Mitigation	AIB will finance EV charging stations and hydrogen fuelling stations. AIB has confirmed that infrastructure will not be dedicated to transport or store fossil fuels.	Aligned
<i>Applicable DNSH Criteria</i>		
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25	Aligned
Sustainable Use and Protection of Water and Marine Resources	Refer to the assessment set out in Appendix 3, Table 26. Sustainalytics notes that in the EEA region and the UK, this activity is aligned with the applicable DNSH criteria.	Aligned
Transition to a Circular Economy	<p>AIB has disclosed that it complies with all national regulatory requirements applicable to all loans originated.</p> <p><u>EEA and UK</u> The Waste Framework Directive 2008/98/EC is transposed in EU member states and has EEA relevance.²³⁷ The directive was transposed in the UK before it exited the EU.²³⁸ In line with the Directive, AIB has confirmed to Sustainalytics that EU member states must achieve 70% of material recovery of non-hazardous, non-soil and stone construction and demolition waste. Ireland has achieved 77% material recovery in 2018.²³⁹</p> <p>Based on the above, Sustainalytics considers this activity to be aligned with the applicable criteria.</p>	Aligned
Pollution Prevention and Control	<p><u>EEA and UK</u> AIB abides by Directive 2002/49/EC which aims to create a common language for assessment and management of environmental noise. Sustainalytics notes that the directive has been transposed in EU member states and has EEA relevance.²⁴⁰ The directive was also transposed into UK regulation before it exited the EU.</p> <p>AIB also complies with Directive 2008/50/EC, which has been transposed in EU member states and has EEA relevance.^{241,242} The directive was transposed into UK regulation before it exited the EU. It regards measures to reduce noise, dust and pollutant emissions during construction and maintenance works.</p>	Aligned

²³⁷ EFTA, “Factsheet - 32008L0098”, at: <https://www.efta.int/eea-lex/32008l0098>

²³⁸ UK Government, National Archives, “Directive 2008/98/EC of the European Parliament and of the Council”, at: <https://www.legislation.gov.uk/eudr/2008/98/contents>

²³⁹ EPA Ireland, “Construction & Demolition Waste Statistics for Ireland”, (2020), at: <https://www.epa.ie/our-services/monitoring-assessment/waste/national-waste-statistics/construction-demolition/>

²⁴⁰ EFTA, “Factsheet - 32002L0049”, at: <https://www.efta.int/eea-lex/32002l0049>

²⁴¹ EFTA, “Factsheet - 32008L0050”, at: <https://www.efta.int/eea-lex/32008l0050>

²⁴² Food and Agriculture Organization, “Real Decreto 102/2011, de 28 de enero, relativo a la mejora de la calidad del aire”, at: <https://faolex.fao.org/docs/pdf/spa100278.pdf>

	Based on the above, Sustainalytics considers this activity to be aligned with the applicable criteria.	
Protection and Restoration of Biodiversity and Ecosystems	<p>Refer to the assessment set out in Appendix 3, Table 28</p> <p><u>EEA (Ireland) and UK</u> Ireland has implemented a regulation for invasive species.²⁴³</p> <p>In the UK, AIB has communicated that it follows the UK Government’s guidance on how to stop invasive non-native plants from spreading, which identifies the types of non-native plants, how to treat and dispose of invasive species and plant material.²⁴⁴</p> <p>AIB has confirmed to Sustainalytics that projects are only located in Ireland and the UK.</p> <p>In the context of financing EV charging stations and hydrogen fuelling stations, AIB has confirmed to Sustainalytics that it does not consider wildlife collisions as applicable.</p> <p>Based on the above, Sustainalytics considers this activity to be aligned with the applicable criteria.</p>	Aligned

Table 21

Framework Activity assessed	Circular Economy and Waste Management	
EU Taxonomy Activity	2.3. Collection and transport of non-hazardous and hazardous waste	
Corresponding NACE Code	E38.11, E38.12 and F42.9	
	Applicable SC Criteria	Alignment Assessment
Contributing to a Circular Economy	<p>AIB has confirmed to Sustainalytics that it will comply with the following criteria:</p> <ul style="list-style-type: none"> • All separately collected and transported waste that is segregated at source is intended for preparation for reuse or recycling operations. • Source segregated waste consisting of: i) paper and cardboard; ii) textiles; iii) biowaste; iv) wood; v) glass; vi) waste from electrical and electronic equipment);or vii) any type of hazardous waste is collected separately (i.e. in single fractions) and not commingled with other waste streams. 	Aligned

²⁴³ Invasive Species Ireland, “Latest Ireland Legislation”, (2018), at: <https://invasivespeciesireland.com/legislation/ireland/latest-ireland-legislation/>

²⁴⁴ UK Government, “How to stop invasive non-native plants from spreading”, (2022), at: <https://www.gov.uk/guidance/prevent-the-spread-of-harmful-invasive-and-non-native-plants#dispose-of-plant-material>

	<ul style="list-style-type: none"> • For source segregated non-hazardous waste other than the fractions mentioned above, collection in co-mingled fractions takes place only where it meets one of the conditions laid down in Article 10, paragraph 3, indents (a), (b) or (c) of Directive 2008/98/EC of the European Parliament and of the Council. • Different types of hazardous waste may be placed together in a hazardous waste box, cabinet or similar solution under the condition that each waste type is properly packaged to keep the waste separate in the box or cabinet and that hazardous waste is sorted in waste types after collection from households. • The activity continuously monitors and assesses the quantity and quality of wastes collected based on predefined key performance indicators (KPIs) to comply with all of the following criteria: (a) fulfilling reporting obligations vis-a-vis relevant stakeholders, such as public authorities, extended producer responsibility (EPR) schemes; (b) periodically communicating relevant information to waste producers and the public in general, in cooperation with relevant stakeholders, such as public authorities, EPR schemes; (c) identifying needs for and undertaking corrective action where the KPIs deviate from applicable targets or benchmarks, in cooperation with relevant stakeholders, such as public authorities, EPR schemes, value chain partners. <p>AIB has confirmed to Sustainalytics that it will exclude financing municipal waste streams under this economic activity.</p> <p>Based on the above, Sustainalytics considers this activity to be aligned with the applicable criteria.</p>	
Applicable DNSH Criteria	Alignment Assessment	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25	Aligned
Sustainable Use and Protection of Water and Marine Resources	Refer to the assessment set out in Appendix 3, Table 26. Sustainalytics notes that in the EEA and the UK, AIB is aligned with the applicable DNSH criteria.	Aligned
Pollution Prevention and Control	<p>AIB has confirmed to Sustainalytics that the expenditures financed under this economic activity will use waste collection vehicles that conform to at least EURO V standards and as of the date of the Framework, all the vehicles financed have EURO VI (6) engines.</p> <p><u>EEA and UK</u> AIB abides by the Waste Framework Directive 2008/98/EC,²⁴⁵ which requires the following:</p>	Aligned

²⁴⁵ European Commission, "Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32008L0098>

- Waste in general to be collected separately (Art. 10. 2). Further, specifically for hazardous waste, mixing is banned, either with other categories of hazardous waste or with other waste, substances or materials. Dilution of hazardous substances is also banned (Art. 18).
- To take the necessary action to ensure that the production, collection, and transportation of hazardous waste, as well its storage and treatment, are carried out in conditions providing protection for the environment and human health, including preventing leakage (Art. 17).
- To take the necessary measure to ensure that, in the course of collection, transport and temporary storage, hazardous waste is packaged and labelled in accordance with the international and Community standards in force (Art. 19).
- Establishments and undertakings which collect hazardous waste on a professional basis to keep a chronological record of the quantity, nature, origin and, where relevant, destination, frequency of collection, mode of transport and treatment method (Art. 35).

All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have the Waste Framework Directive 2008/98/EC transposed into national law.

For EEA countries that are not member states of the EU, the Waste Framework Directive 2008/98/EC has been incorporated into the EEA Agreement and is in force.²⁴⁶

Directive 2008/98/EC was retained in UK law following the UK's exit from the EU.

Additionally, Directive 2012/19/EU (EU Waste Electrical & Electronic Equipment Directive) requires separate collection and transport of WEEE in a way which allows optimal conditions for preparing for reuse, recycling and the confinement of hazardous substances (Art. 6), and as a matter of priority, for temperature exchange equipment containing ozone-depleting substances and fluorinated greenhouse gases, fluorescent lamps containing mercury, photovoltaic panels and small equipment (Art. 5).

The EU Waste from Electrical and Electronic Equipment Directive 2012/19/EU was retained in UK law following the UK's exit from the EU.

All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have the Directive transposed into national law.

For EEA countries that are not member states of the EU, the Directive has been incorporated into the EEA Agreement and is in force.

²⁴⁶ European Free Trade Association, "Factsheet - 32008L0098", at: <https://www.efta.int/eea-lex/32008l0098>

	<p>AIB further confirms that a management system is set up by the collection and logistics operator to manage environmental, health and safety risks, which include those accredited by ISO 140001 and ISO 450001.</p> <p>Based on the above, Sustainalytics considers this activity to be aligned with the applicable criteria.</p>	
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Table 22

Framework Activity assessed	Circular Economy and Waste Management		
EU Taxonomy Activity	2.7. Sorting and material recovery of non-hazardous waste		
Corresponding NACE Code	E38.32 F42.9		
	Applicable SC Criteria	Alignment Assessment	
	Contributing to a Circular Economy	<p>AIB has confirmed to Sustainalytics the following:</p> <ul style="list-style-type: none"> • Origin of the feedstock materials is at least among one of the selected sources: <ul style="list-style-type: none"> (a) separately collected and transported waste, including in commingled fractions; (b) non-hazardous waste fractions originating from dismantling and depollution activities from end-of-life products; (c) construction and demolition waste from selective demolition or otherwise segregated at source; (d) non-hazardous waste fractions originating from sorting of mixed waste intended for recycling where the facility meets a defined quality criteria of performance and the waste is coming from areas complying with separate collection obligations laid out in Directive 2008/98/EC. • The activity attains or exceeds existing plant-specific material recovery rates by competent authorities set in applicable waste management plans, permits or contracts or by extended producer responsibility (EPR) schemes. The facility implements internally defined key performance indicators (KPIs) to track performance or attainment of applicable recovery rates. • For materials for which separate collection is mandatory, the activity converts at least 50%, in terms of weight, of the processed separately collected non-hazardous waste into secondary raw materials that are suitable for the substitution of primary raw materials in production processes. • Regarding BAT on waste treatment, AIB has confirmed that this is not applicable for mixed dry recyclable plants, per the European Bureau for Research on Industrial Transformation and Emissions' (EU-BRITE) BAT reference documents lists.²⁴⁷ • The activity converts or allows the conversion of waste into secondary raw materials, including critical raw materials, that are suitable for the substitution of primary raw materials in production processes. 	Aligned

²⁴⁷ European Commission, "BAT reference documents", at: <https://eippcb.jrc.ec.europa.eu/reference>

	Based on the above, Sustainalytics considered this activity to be aligned with the applicable criteria.	
<i>Applicable DNSH Criteria</i>	<i>Alignment Assessment</i>	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25	Aligned
Sustainable Use and Protection of Water and Marine Resources	Refer to the assessment set out in Appendix 3, Table 26. Sustainalytics notes that in the EEA and the UK, this activity is aligned with the applicable DNSH criteria.	Aligned
Pollution Prevention and Control	AIB has confirmed to Sustainalytics that there are no activities being financed, as of the date of the Framework, that are applicable to BAT techniques and that they exclude wash/processing activities for recycling. Therefore, Sustainalytics marked this criterion as Not Applicable.	N/A
Protection and Restoration of Biodiversity and Ecosystems	Refer to the assessment set out in Appendix 3, Table 28	Aligned

Table 23

Framework Activity assessed	Circular Economy and Waste Management	
EU Taxonomy Activity	5.5. Collection and transport of non-hazardous waste in source segregated fractions	
Corresponding NACE Code	E38.11	
<i>Applicable SC Criteria</i>	<i>Alignment Assessment</i>	
Climate Change Mitigation	AIB has confirmed to Sustainalytics that the expenditures financed under this category will be limited to collection and transportation of separately collected waste that is segregated at source and is intended for preparation for reuse and recycling operations.	Aligned
<i>Applicable DNSH Criteria</i>	<i>Alignment Assessment</i>	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25	Aligned

Transition to a Circular Economy	<p><u>EEA and UK</u></p> <p>AIB abides by the Waste Framework Directive 2008/98/EC,²⁴⁸ which requires waste, once collected, not be mixed with other waste or other materials with different properties (Art. 10. 2).</p> <p>All the countries where AIB will finance expenditures under this economic activity which are also member states of the EU have the Waste Framework Directive 2008/98/EC transposed into national law. For EEA countries that are not member states of the EU, the Waste Framework Directive 2008/98/EC has been incorporated into the EEA Agreement and is in force.²⁴⁹</p> <p>Directive 2008/98/EC was retained in UK law following the UK's exit from the EU.</p> <p>Based on the above, Sustainalytics considers this activity to be aligned with the applicable criteria.</p>	Aligned
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Table 24

Framework Activity assessed	Circular Economy and Waste Management		
EU Taxonomy Activity	5.9. Material recovery from non-hazardous waste		
Corresponding NACE Code	E38.32 F42.99		
Applicable SC Criteria	Alignment Assessment		
Climate Change Mitigation	AIB has confirmed to Sustainalytics that the activity converts at least 50% (in terms of weight) of the processed separately collected non-hazardous waste into secondary raw materials which are suitable for the substitution of virgin materials in production processes.		Aligned
Applicable DNSH Criteria	Alignment Assessment		
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 25		Aligned
Protection and Restoration of Biodiversity and Ecosystems	Refer to the assessment set out in Appendix 3, Table 28		Aligned

²⁴⁸ European Commission, "Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32008L0098>

²⁴⁹ European Free Trade Association, "Factsheet - 32008L0098", at: <https://www.efta.int/eea-lex/32008l0098>

Appendix 3: Criteria for “Do No Significant Harm” (DNSH) to Climate Change Adaptation and Protection, Sustainable Use and Protection of Water and Marine Resources, Pollution Prevention and Control, Protection and Restoration of Biodiversity and Ecosystems, and Technical specifications for Water Appliances

Table 25

Criteria for Climate Change Adaptation	
<i>Alignment</i>	
<p>To assess the climate-related risks that may impact AIB, the Bank used TCFD’s transition and physical risk categorizations as well as qualitative scenario analysis for understanding the potential impacts of climate change on the Company’s business over the medium (10 years) and longer term (30 years). Furthermore, AIB disclosed that sector specialists integrated these impact scenarios in their three-year strategies.</p> <p>AIB’s climate risk analysis is centred on its lending portfolio and is focused on the following carbon intensive sectors – Agriculture, Commercial/Residential Property, Transportation and Energy Industries. AIB has adopted a sector-based approach and included both physical and transition risks in the analysis. AIB is also working towards setting SBTs for its lending portfolio.</p> <p>Furthermore, as part of its Climate Strategy, AIB has identified adaptation and resilience strategies as climate change opportunities in sectors such as residential and commercial property, agriculture and road transport. Also, the Bank has confirmed that the adaptation solutions will be implemented by its borrowers within five years post assessment and that adaptation solutions do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of assets and of other economic activities, and are consistent with local, sectoral, regional or national adaptation efforts. AIB also confirms that it intends to take out from the eligible pool any loans for which the identified physical climate risks have not been addressed within the five-year period.</p>	Aligned

Table 26

Criteria for Sustainable Use and Protection of Water and Marine Resources	
<i>Alignment</i>	
<p>As part of AIB’s credit assessment due diligence, assets that are likely to have significant effects on the environment by virtue of their size, nature or location are required to undergo an environmental impact assessment (EIA) which is to be submitted to competent authorities when applying for project development. AIB disclosed compliance with all national regulatory requirements applicable to all loans originated.</p> <p>In addition, AIB gathers and reviews technical due diligence reports on all major projects where it acts as a lender. These will typically address environmental concerns and where necessary would lead to more in-depth environmental reviews, which would also be gathered and reviewed as part of the credit approval process.</p> <p><u>UK</u> The Water Framework Directive (WFD) 2000/60/EC was retained in UK law following the UK’s exit from the EU. The WFD has been implemented by the Water Environment (Water Framework Directive) (England and Wales) Regulations 2017 in England and Wales, The Water Environment (Water Framework Directive) Regulations (Northern Ireland) 2017 in Northern Ireland and the Water Environment and Water Services (Scotland) Act 2003. The directive requires all member states to protect and improve water quality in all waters so that a good ecological status is achieved by 2015 or, at the latest, by 2027. It applies to rivers, lakes,</p>	Partially Aligned

groundwater and transitional coastal waters. The directive also requires that management plans be prepared on a river basin basis and specifies a structured method for developing these plans.²⁵⁰

The Marine Strategy Framework Directive (2008/56/EC) has been retained in UK law under the Marine Strategy Regulations 2010 (S.I. No. 1627 of 2010).²⁵¹

EEA

The Water Framework Directive (WFD) 2000/60/EC was given legal effect in all the European Countries financed under the Framework.²⁵² For EEA countries that are not member states of the EU, the Directive 2000/60/EC has been incorporated into the EEA Agreement and is in force.²⁵³

The Marine Strategy Framework Directive (2008/56/EC) was given legal effect in all EU member states. Sustainalytics notes that the Marine Strategy Framework Directive has been integrated in Norway. AIB has communicated that Norway has established marine environmental policies based on an ecosystem approach.²⁵⁴ Furthermore, per Norway’s Offshore Energy Act, wind projects are subjected to project-specific impact assessment, with a detailed description and assessment of: i) seabed conditions and the marine environment; ii) birds, fish, habitat types and other forms of natural diversity; iii) the potential impact on ecosystem services iv) sea, air, land and noise pollution; and v) climate considerations.²⁵⁵ AIB has communicated to Sustainalytics that no projects are currently being financed in Iceland and Liechtenstein.

US and Canada

AIB is a member of the Equator Principles Financial Institutions (EPFIs).²⁵⁶ By adopting the Equator Principles, AIB is required to ensure that the projects it finances are developed in a socially responsible way accompanied by robust environmental management practices. Environmental and social impact assessments (ESIA) are an integral part of the Equator Principles for projects in categories A and B. An ESIA is usually prepared for greenfield developments or large expansions with specifically identified physical elements, aspects and facilities that are likely to generate significant environmental or social impacts. Furthermore, as the Equator Principles are based on the IFC’s Environmental and Social Performance Standards, it can be assumed that AIB complies with the IFC’s Performance Standard.²⁵⁷ IFC’s Performance Standard 6 includes maintaining the environmental status of marine waters.²⁵⁸ Sustainalytics recognizes AIB’s efforts to ensure that the financing of projects incorporates measures to identify and mitigate environmental risks as part of the Bank’s EPFI responsibilities, however, the adopted measures may not necessarily address all requirements of this criterion in the US and Canada context.

Given the above, Sustainalytics considers the Framework to be aligned with the applicable criteria in the EEA region and the UK, whereas partially aligned for US and Canada. Therefore, when considering all regions, Sustainalytics has assessed the Framework to be partially aligned with the applicable criteria.

Table 27

Criteria for Pollution Prevention and Control regarding use and presence of chemicals

²⁵⁰ European Commission, “Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy – National Transposition”, at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32000L0060>

²⁵¹ UK Government, National Archives, “2010 No. 1627 Environmental Protection Marine Management”, at: <https://www.legislation.gov.uk/ukxi/2010/1627/data.pdf>

²⁵² European Commission, “Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy – National transposition”, at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32000L0060>

²⁵³ European Free Trade Association, “Factsheet - 32000L0060”, at: <https://www.efta.int/eea-lex/32000L0060>

²⁵⁴ Norwegian Offshore Directorate, “Offshore wind – Regulations”, at: <https://www.sodir.no/en/facts/offshore-wind/regulations/>

²⁵⁵ Government of Norway, “Offshore Energy Act”, (2023), at: <https://www.regjeringen.no/en/dokumenter/offshore-energy-act/id2968375/>

²⁵⁶ Equator Principles, “Signatories & EPFI Reporting”, at: <https://equator-principles.com/signatories-epfis-reporting/>

²⁵⁷ Equator Principles, “Equator Principles EP4 – July 2020”, at: https://equator-principles.com/app/uploads/The-Equator-Principles_EP4_July2020.pdf

²⁵⁸ IFC, “Performance Standard 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources”, at: <https://www.ifc.org/content/dam/ifc/doc/2010/2012-ifc-performance-standard-6-en.pdf>

Alignment

<p><u>UK:</u></p> <p>Regulation (EU) 2019/1021 on persistent organic pollutants is implemented in the UK by the Persistent Organic Pollutants Regulations 2007. The UK was one of the original parties to the Convention in 2004 and produced a National Implementation Plan (NIP) for POPs in 2007. The UK provided updates to this plan in 2013 and 2017 to reflect decisions made at the Conferences of the Parties.²⁵⁹</p> <p>Regulation (EU) 2017/852 is implemented in the UK by the Control of Mercury (Enforcement) Regulations 2017 (referred to as the Control of Mercury Regulations) came into force on 1 January 2019 and repealed the Mercury Export and Data (Enforcement) Regulations 2010.²⁶⁰</p> <p>Regulation (EC) No 1005/2009 is implemented in the UK by the Ozone-Depleting Substances Regulations 2015. These regulations came into force on 7 March 2015 and apply to England, Scotland and Wales. They also apply to Northern Ireland in relation to import and export. They replace and consolidate the Ozone-Depleting Substances (Qualifications) Regulations SI 2009/216 and the Environmental Protection (Controls on Ozone-Depleting Substances) Regulations SI 2011/1543.²⁶¹</p> <p>Directive 2011/65/EU²⁶² is implemented in the UK by the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (Amendment) Regulations 2021.</p> <p>Regulation (EC) 1907/2006 (the REACH Regulation) is implemented in the UK by the UK REACH Regulation of 2021. REACH is a regulation of the EU, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals, while enhancing the competitiveness of the EU chemicals industry.²⁶³</p> <p>Regulation (EC) No 1272/2008 is implemented as GB CLP (Retained CLP Regulation (EU) No. 1272/2008).²⁶⁴</p> <p><u>EEA</u></p> <p>All mentioned EU regulations in Appendix C can be assumed to be transposed into national regulation for EU member states. Directive 2011/65/EU has been transposed to national regulation in EU member states.²⁶⁵ The regulations outlined under Appendix C are also incorporated into the EEA agreement and are in force.²⁶⁶ Sustainalytics notes that Directive 2011/65/EU does not yet have EEA relevance, but Norway has transposed Directive 2011/65/EU into national law as the Regulations on restrictions on the use of chemicals and other products hazardous to health and the environment (product regulation).^{267,268} Sustainalytics</p>	<p>Partially Aligned</p>
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²⁵⁹ UK Government, "Using persistent organic pollutants", at: <https://www.gov.uk/guidance/using-persistent-organic-pollutants-pops>

²⁶⁰ UK Government, National Archives, "The Control of Mercury (Enforcement) Regulations 2017", at: <https://www.legislation.gov.uk/ukxi/2017/1200/contents>

²⁶¹ UK Government, National Archives, "The Ozone-Depleting Substances Regulations 2015", at: <https://www.legislation.gov.uk/ukxi/2015/168/contents>

²⁶² European Commission, "Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment", at: <https://eur-lex.europa.eu/legal-content/en/NIM/?uri=CELEX:32011L0065>

²⁶³ UK Government, Health and Safety Executive, "UK REACH explained", at: <https://www.hse.gov.uk/reach/about.htm>

²⁶⁴ UK Government, Health and Safety Executive, "The GB CLP Regulation", at: [https://www.hse.gov.uk/chemical-classification/legal/clp-regulation.htm#:~:text=European%20Regulation%20\(EC\)%20No%201272,or%20just%20plain%20CLP](https://www.hse.gov.uk/chemical-classification/legal/clp-regulation.htm#:~:text=European%20Regulation%20(EC)%20No%201272,or%20just%20plain%20CLP).

²⁶⁵ European Commission, "Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (recast) Text with EEA relevance", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32011L0065>

²⁶⁶ EFTA, "EEA-Lex", at: <https://www.efta.int/eea-lex>

²⁶⁷ EFTA, "Factsheet – 325981" at: <https://www.efta.int/eea-lex/325981>

²⁶⁸ Lovdata, "Regulations on restrictions on the use of chemicals and other products hazardous to health and the environment (the product regulations)", at: https://lovdata.no/dokument/SF/forskrift/2004-06-01-922/KAPITTEL_3#shareModal

<p>notes that Directive 2011/654/EU is proposed for possible EEA relevance.²⁶⁹ AIB has further communicated that it does not have any projects in Iceland and Liechtenstein.</p> <p><u>US and Canada</u> AIB is a member of the Equator Principles Financial Institutions (EPFIs) since 2021. By adopting the Equator Principles, AIB is required to ensure that the projects it finances are developed in a socially responsible way accompanied by robust environmental management practices. Sustainalytics recognizes AIB’s efforts to ensure that the financing of projects incorporates measures to identify and mitigate environmental risks as part of the Bank’s EPFI responsibilities, however, the adopted measures may not necessarily address all requirements of this criterion in the US and Canada context.</p> <p>Given the above, Sustainalytics considers the Framework to be aligned with the applicable criteria in the EEA and the UK, whereas partially aligned for US and Canada. Therefore, when considering all regions, Sustainalytics has assessed the Framework to be partially aligned with the applicable criteria.</p>	
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Table 28

Criteria for Protection and Restoration of Biodiversity and Ecosystems	
Alignment	
<p>AIB’s climate related lending assessments and decisions for long term infrastructure, industrial projects that are likely to have significant effects on the environment by virtue of their size, nature or location have to undergo an environmental impact assessment (EIA) which is then submitted to competent authorities while applying for project development.</p> <p><u>UK</u> AIB has indicated compliance with UK legislation covering environmental impact assessments, which addresses mitigation and compensation measures for protecting the environment. AIB also aims for full compliance with any mitigation and compensation measures arising from the EIA process.</p> <p>AIB has indicated compliance with UK regulations governing the protection of sensitive areas, whereby the existing permitting process requires ensuring that impacts on such areas are minimized or avoided. In particular, AIB complies with the UK’s Conservation of Habitats and Species Regulations 2017.²⁷⁰</p> <p><u>EEA</u> Sustainalytics notes that Directive 2011/92/EU has been transposed to EU member states, excluding Italy, Cyprus, Luxembourg, Malta, Romania and Sweden.²⁷¹ AIB has confirmed that equivalent legislation has been implemented in the following countries: i) Italy: Transposed in the amendment for LEGISLATIVE DECREE 16 June 2017, n.104;²⁷² ii) Cyprus: Transposed as Law N.127(I)/2018 and The Environmental Impact Assessment of Certain Projects (Amendment) Law (N. 23(I)/2021);^{273,274} iii) Malta: Transposed as the Environment Protection Act (Cap. 549);²⁷⁵ and iv) Sweden: Transposed by the Environmental Code (SFS 1998:808)</p>	Aligned

²⁶⁹ EFTA, “Factsheet – 325981”, at: <https://www.efta.int/eea-lex/325981#anchor-eu>

²⁷⁰ UK Government, National Archives, “The Conservation of Habitats and Species Regulations 2017”, at: <https://www.legislation.gov.uk/uksi/2017/1012/contents>

²⁷¹ European Commission, “Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (codification) Text with EEA relevance”, at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32011L0092>

²⁷² Italy Official Gazette, “DECRETO LEGISLATIVO 16 giugno 2017, n. 104”, at: <https://www.gazzettaufficiale.it/eli/id/2017/07/06/17G00117/sq>

²⁷³ Food and Agriculture Organization of the United Nations, “E.E. Παρ. Ι(Ι) - Ν. 127(Ι)/2018”, at: <https://faolex.fao.org/docs/pdf/CYP211224.pdf>

²⁷⁴ Food and Agriculture Organization of the United Nations, “E.E. Παρ. Ι(Ι) – Ν.23(Ι)/2021”, at: <https://faolex.fao.org/docs/pdf/cyp211226.pdf>

²⁷⁵ Food and Agriculture Organization of the United Nations, “ENVIRONMENT PROTECTION ACT (Cap. 549)”, at: <https://faolex.fao.org/docs/pdf/mlt175523.pdf>

and the Ordinance on Environmental Impact Assessments (SFS 1998:905).²⁷⁶ AIB has confirmed to Sustainalytics that there are no projects currently in Romania and Luxembourg. The Directive has also been incorporated into the EEA agreement and is in force.²⁷⁷

Furthermore, AIB has communicated that the Equator Principles are based on the IFC’s Environmental and Social Performance Standards, therefore, it can be assumed that it complies with the IFC Performance Standard on Resource Efficiency and Pollution Prevention and Biodiversity Conservation and Sustainable Management of Living Natural Resources. Additionally, the Habitats Directive (Directive 92/43/EEC) and Birds Directive (Directive 2009/147/EEC) can be assumed to be transposed into national law for all EU member states. In Ireland, Sustainalytics notes that the Birds and Habitats Directives (2009/147/EC and 92/43/EEC) were given legal effect by the European Communities (Birds and Natural Habitats) Regulations 2011 (S.I. No. 477 of 2011) that provide, among other things, for: the appointment and functions of authorized officers; identification, classification and other procedures relative to the designation of Community sites; conservation objectives and measures, plans and other activities for, or affecting, the protection of European sites; appropriate assessment as referred to in Article 6(3) of 92/43/EEC and Natura Impact Statement; and the protection of wild fauna and flora.

US and Canada

AIB is a member of the Equator Principles Financial Institutions (EPFIs) since 2021. By adopting the Equator Principles, AIB ensures that the projects it finances are developed in a socially responsible way accompanied by robust environmental management practices. Furthermore, as Equator Principles are based on IFC’s Environmental and Social Performance Standards, it can be assumed that AIB complies with IFC’s Performance Standard.²⁷⁸ In particular, Sustainalytics notes that the Equator Principles outline the requirements for conducting an environmental and social impact assessment and requires mitigation measures to be developed for category B projects.²⁷⁹

Given that provisions are in place to ensure that environmental impact assessments are conducted in all regions, Directive 2011/92/EU has been transposed in non-EU member states, and the requirement to conduct an EIA screening and mitigation process for financed projects as a member of the EPFI, Sustainalytics considers the Framework to be aligned with the applicable criteria for all regions.

Table 29

Criteria related to technical specifications for Water Appliances	
Alignment	
AIB was unable to confirm adherence to this DNSH criteria and hence was assessed as Not Aligned	Not Aligned

²⁷⁶ EU Forum of Judges for the Environment, “EUFJE Conference 2014, Budapest 17/18 October 2014”, at: <https://www.eufje.org/images/docConf/bud2014/SE%20bud2014.pdf>

²⁷⁷ EFTA, “Factsheet - 32011L0092”, at: <https://www.efta.int/eea-lex/32011L0092>

²⁷⁸ IFC, “IFC’s Performance Standards on Environmental and Social Sustainability”, (2012), at: <https://www.ifc.org/en/insights-reports/2012/ifc-performance-standards>

²⁷⁹ Equator Principles, “Equator Principles EP4 – July 2020”, at: https://equator-principles.com/app/uploads/The-Equator-Principles_EP4_July2020.pdf

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