

# Allied Irish Banks Modern Slavery Statement 2020



# Modern Slavery Statement 2020



**This Statement outlines some of the steps we have taken in 2019 to ensure Modern Slavery, Human Trafficking or any breaches of Human Rights are not taking place in either our business or our supply chain.**

*This statement has been published in accordance with the UK Modern Slavery Act 2015.*

*It sets out the steps taken by AIB Group plc during year ending 31st December 2019 to prevent modern slavery and human trafficking (“Modern Slavery”) in our business and supply chains.*

*This statement is made by AIB Group plc on behalf of AIB Group plc, Allied Irish Banks, p.l.c. and all subsidiaries of Allied Irish Banks, p.l.c. (collectively referred to as the “AIB Group”).*

*In July 2020 the Board reviewed the Modern Slavery Statement as required under the UK Modern Slavery Act 2015, which applies to the Group as it carries on business in the UK.*

*The Board considered the requirements of the Act to ensure organisations do not put profit above the welfare and wellbeing of its employees and those working on its behalf.*

*The Board considered that the Statement would also provide customers with greater confidence in the services provided by AIB.*

*The Act requires transparency as to how the Group mitigates Modern Slavery risk and aims to protect workers from exploitation.*

# Our Business



*AIB Group has a zero tolerance approach to Modern Slavery within its own operations and within the supply chain. Our Code of Conduct underpins all our actions and staff are encouraged to report any concerns which Senior Management are expected to act upon.*

## **Our Organisation**

AIB Group operates mainly in the Republic of Ireland but through its subsidiaries also has branches and undertakes activities in the United Kingdom.

We employ 9,500 staff across 325 locations.

With over 2.8 million customers, AIB holds a distinctive role and responsibility in society, with a unique opportunity to make both a meaningful and positive impact in an increasingly challenging and complex world.

## **Our Supply Chain**

*In total, we have 3,800 Suppliers segmented across 5 Tiers. We partner with 700 Key Suppliers in our Top 4 Tiers, the vast majority of which would be considered low risk in terms of Modern Slavery.*

*Our supply chains are primarily confined to the Ireland and the UK, with a small number of our Third Parties operating globally.*

*We don't partner with or buy from organisations which we know to breach human rights or fair practices.*

*For more information visit <https://aib.ie/sustainability>*



# Our Policies



We have a number of internal Group policies and procedures in place that reflect our commitment to operating responsibly and ethically as a business and as individuals.

In 2019 our Top Tier Suppliers attested to Compliance with 13 key policies, including our Code of Conduct.

*The core values, principles, standards and behaviours of anyone working in or for AIB are contained in our **Code of Conduct**. Our Code of Conduct has evolved over a number of years, providing a framework for many of our people policies on behaviour and conduct. Its associated policies include: **Conflicts of Interests; Anti-Bribery and Corruption; Conduct of Personal, Financial and Tax Affairs; Social Media; Diversity & Inclusion; and Speak up**. The Code, is supported by our Conduct Risk Framework.*

*All employees are required to adhere to our Code of Conduct. Within our performance review process, known as Aspire, employees are required to attest to it. Breaches of our Code are subject to disciplinary action, up to and including dismissal. Annual training on the Code, delivered through iLearn, is mandatory for all employees, and completion is recorded, monitored and tested by local business teams with central oversight from HR.*

*The Chief Executive Officer is the policy sponsor of the Code and it is subject to annual review by our Executive Committee, Conduct Committee and the Board Audit Committee and annual approval by the Board.*

### **Raising concerns**

*We have a number of mechanisms in place for raising concerns, including our Speak Up (whistleblowing) process. Our Speak Up policy provides guidance on the process for reporting wrongdoing or suspected wrongdoing through a number of channels, without fear of or actual retaliation. In 2019, all guidance requests and concerns raised were successfully concluded by dedicated case managers.*

### **Other mechanisms for raising concerns include:**

- *Our Grievance process is a mechanism for our employees who feel they have been mistreated or have been subject to behaviours they believe are contrary to our Code of Conduct*
- *Complaints – we operate a comprehensive complaints process designed to provide our customers with the opportunity to be heard, have concerns investigated and make good where needed.*

# Our Culture



Fostering a strong culture of accountability, integrity and openness, supported through appropriate governance and regulatory frameworks is a key tenet for our future.

Here are some activities undertaken in 2019.

## **OPENING DOORS**

*We are a founding member of Open Doors, an initiative aiming to increase access to employment for marginalised groups through work experience placements, employability training and other structured supports. In 2019, we conducted research to identify the barriers and triggers to opening a bank account for refugees. As part of this research, we held internal workshops, sought the perspective of non-governmental organisations who work with and support non-Irish nationals and consulted the Department of Justice and Equality. We are looking forward to implementing process changes to enable improved bank account opening in 2020.*

## **EMPLOYEE ENGAGEMENT**

*We have partnered with global engagement experts Gallup since 2013 to gain insights through the employee lifecycle and create meaningful action plans. iConnect is an anonymous survey that gives us a snapshot in time of teams' engagement levels, and our high participation shows that the survey is a trusted channel for employees to have their say. Overall the bank is outperforming the majority of other companies in the database and other Irish companies. In 2019 our employee engagement levels moved from the 72nd to the 64th percentile of companies in the Gallup global database.*

## **WELLBEING**

*We have developed a three-year wellbeing programme for AIB employees. 2019 was about building the foundations, with its official launch taking place in 2020. Using a bottom-up approach, the programme has been developed by employees for employees, with over 600 people directly involved in facilitating programme activities. One of its key principles is to upskill our own people. As such, 100 Wellbeing Advocates were identified and appointed to lead the programme across the Group*



## Our Risks



As a regulated Financial Institution, we recognise that the greatest exposure to Modern Slavery exists within our Supply Chain.

We take a risk-based approach to managing our Suppliers and annually require our top tier Suppliers to attest to their compliance with the Group's policy expectations.

*The largest potential exposure for Modern Slavery risk for AIB Group lies within our supply chains. Our **Third Party Management** policy requires a comprehensive due diligence process prior to the execution of the contract. We have specifically addressed the issue of Modern Slavery within our terms and conditions of contract, to ensure that our Third Parties are in compliance with the UK Modern Slavery Act 2015. All Suppliers in our Top Tier must attest to compliance with key policies, including our Code of Conduct.*

*Our Code of Conduct can be found here:*

<https://aib.ie/content/dam/aib/personal/docs/sustainability/code-of-conduct.pdf>

*In 2019 we:*

- *Launched a new Third Party Management Policy and enhanced our SRM standards*
- *Introduced a new comprehensive Risk Assessment process when on-boarding new Suppliers*
- *Undertook a full segmentation review of all our Suppliers*
- *Revised and updated all relevant internal policies, including the Code of Conduct*
- *Ensured that new and renewed contracts specifically address Modern Slavery within the terms for Suppliers in our Top Tier*
- *Received attestation from all Third Parties in our top Tier of compliance with 13 key policies, including our Code of Conduct*

# Our Training



**On an annual basis, staff are required to complete online training on key internal policies.**

**Here are details of some of the training that took place across the organisation in 2019.**

*All staff are required to complete mandatory annual training in Financial Crime, which incorporates AML, CTF, and Sanctions. In addition, any staff involved in processes that pose a higher risk – such as customer facing staff, staff involved in the investigation of suspicious activity and compliance staff – are required to complete additional bespoke training for their roles. The Board receive bespoke AML/CFT and Sanctions training which includes Human Trafficking*

*In 2019 additional AML/CFT & SANCTIONS training was provided to our Customer facing staff (c3,000 staff). One key objective of the training was to understand red flags for Human Trafficking and Terrorist Financing under the headings; Behavioural, Transactional and Demographic/account.*

*The MLRO met with UK charity Stop the Traffik in 2019 to gain further insight into the world of human trafficking and modern day slavery. This invaluable insight and information was shared with numerous business areas through the additional training giving in 2019, referenced above. The MLRO report 2019 included a slide on Human Trafficking, which was provided to the Board.*

*COMeT is a suite of Compliance & Regulatory e-learning courses covering Ethics, Risk, Compliance and IT Security standards and developed by Compliance, Risk and HR in partnership with the Organisational Effectiveness/iLearn team. These courses are mandatory for all staff within AIB Group, If you are a contractor or consultant working with AIB, you will also need to take the courses.*

*Annual training on the Code of conduct, delivered through iLearn, is mandatory for all employees, and completion is recorded, monitored and tested by local business teams with central oversight from HR.*

*In 2019, we launched a dedicated, mandatory online training module for all employees, notifying staff of the Speak Up policies and processes and contact details/channels for raising a concern. After training they are expected to understand their responsibilities and to adhere to them every day.*

**37,350** CONTINUOUS  
PROFESSIONAL  
DEVELOPMENT HOURS

**5,608**  
EMPLOYEES  
COMPLETE NEW  
TRAINING

## Our Effectiveness



In 2019 there were no recorded instances of Modern Slavery breaches within our Supply Chain.

We have fostered a culture that encourages colleagues to speak up and report all concerns in relation to Human Rights.

*Financial Services is not in an industry with a high inherent risk of Modern Slavery and we acknowledge that the greatest risk of Modern Slavery within our business is within our Third Party engagements.*

*AIB has a number of controls in place throughout the Third Party lifecycle. Although these controls do not entirely eliminate the risk of Modern Slavery occurring within the supply chain, AIB consider these to be effective and proportionate in mitigating against the potential to establish, or continue a relationship, with a Third Party where Modern Slavery could occur.*

*In 2019 there were no recorded instances of Modern Slavery or Human Rights breaches within our Supply Chain.*

*Our approach to Modern Slavery risk will continue to evolve and we will continue to mitigate this risk into the future.*



## Looking forward



**Our approach to Modern Slavery risk will evolve and we will continue to mitigate this risk into the future.**

*In 2019 AIB launched a new Third Party Management program that sets the foundation for developing a full end to end Third Party Due Diligence process, including proactively identifying and assessing potential impacts and risks relating to respecting human rights within our Supply Chain.*

*In 2020 AIB will commence development of the end to end Due Diligence process in respect of our Third Party relationships. We are fully committed to this and as we continue on the journey there will be greater focus on proactively identifying potential Human Rights breaches, including Modern Slavery and Human Trafficking.*