

AIB Group UK Defined Contribution Scheme

ANNUAL ENGAGEMENT POLICY IMPLEMENTATION STATEMENT ("IS")

AIB Group UK Defined Contribution Scheme (the "Scheme")

Scheme Year End – 31 December 2024

The purpose of the Implementation Statement is for us, the Trustee of the AIB Group UK Defined Contribution Scheme, to explain what we have done during the year ending 31 December 2024 to achieve certain policies and objectives set out in the Statement of Investment Principles ("SIP"). It includes:

1. A summary of any review and changes made to the SIP over the year;
2. How our policies in the SIP have been followed during the year; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, most of the Scheme's material investment managers were able to disclose adequate evidence of voting and/or engagement activity, and the activities completed by our managers align with our stewardship expectations, and our voting policy has been implemented effectively in practice.

Not all of our investment managers were able to provide all of the engagement information requested. We will engage with these investment managers to encourage improvements in their reporting as set out in the Engagement Action Plan.

Changes to the SIP during the year

The Trustee have a policy to review the SIP formally at least every three years, or after any significant change in investment policy or member demographics. The SIP was reviewed during the year and was updated in August 2024.

During the scheme year, the trustee added wording relating to the Schemes use of illiquid investments as part of the Diversified Growth Fund.

The Scheme's latest SIP can be found here:
<https://aibni.co.uk/personal-docs/help-and-guidance/important-information/pension/aib-uk-dc-scheme-sip-.pdf>

How the policies in the SIP have been followed

In the table below we set out what we have done during the year to meet the policies in the SIP.

Investment Policy	<p>The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. The Trustee also believes that members should be able to make their own investment decisions based on their individual circumstances, objectives and attitudes to risk.</p> <p>Our review of the available investment options for members within the Scheme over the year concludes that this policy has continued to be adhered to.</p>
The Decision-Making Process	<p>In order to ensure that such decisions are taken efficiently, the Trustee uses other bodies either through direct delegation or in an advisory capacity. In particular the Trustee has established a decision-making structure, with clearly defined roles for each body.</p> <p>The Trustee seeks advice on all investment issues and makes investment decisions on the basis of the advice.</p> <p>The Trustee has appointed Aon to provide investment advice. The Trustee seeks advice on all investment issues and makes investment decisions on the basis of the advice provided. In order to ensure that such decisions are taken efficiently, the Trustee uses other bodies either through direct delegation or in an advisory capacity</p> <p>Our review of the decision-making structure in place concluded that there is an efficient and effective process in place for the Trustee and other bodies involved in the day-to-day management of the Scheme.</p>
Risk Management	<p>Performance is monitored via a traffic light system within the quarterly investment monitoring reports ('QMR') provided by Aon. The calculation method for the traffic light system is based on the benchmark and outperformance target (if applicable) for each fund. The colours refer to performance both above and below the benchmark. The objective for passive funds in the analysis is to track benchmark performance within a tolerance of +/-0.3% over each reporting period. Any amber or red rating is given due time for discussion at Trustee meetings together with any action required. The Trustee, with support from its advisers, reviews the fund ratings given by Aon's Manager Research Team. Any rating changes are highlighted as soon as practically possible with required actions discussed appropriately. Amber performance flags did occur over the year, were considered, with no immediate actions required.</p>

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The Trustee has also received reports from Aon looking into the investment performance members invested in the default arrangement have experienced on a historic basis, and also on a forward looking basis, based on future expectations of the strategy. The Trustee has used this report to evaluate the risk of members not reaching an adequate income in retirement.

From the reporting and analysis included within the quarterly investment monitoring reports and the risk register reviews all carried out in 2024, the Trustee is comfortable that the risks have been managed and mitigated appropriately given our objectives for members of the Scheme.

Investment Strategy

- Lifestyle arrangements
- Self-select funds
- Review of the arrangement

The Trustee has provided members with a comprehensive range of investment choices over the year. Members can choose between two different approaches to invest their pension account; the 'Lifestyle' approach, or the self-select approach, where the member chooses to invest in one or more individual funds from the available range.

The Trustee offers members three different lifestyle strategies:

- The AIB default arrangement is designed to provide flexibility for members. This is appropriate for members who are planning to take cash, drawdown income in retirement, buy an annuity or mix the options in some way, ultimately, providing flexibility.
- The Annuity Lifestyle Fund, designed for members who would like to use their savings to purchase an annuity, where members exchange their pension savings for a stream of regular income payments from a pension provider.
- The Cash Lifestyle Fund, designed those members who want to take most or all their savings as tax-free cash, with members' entire savings invested in a cash fund by retirement date.

The Trustee has also provided members with a wide range of investment options covering the main asset classes. Members can choose from 10 self-select funds including global and UK equity funds, fixed income funds and a cash fund.

The Trustee has made available an ESG-aligned equity fund as a self-select option for members. This fund aims to provide exposure to developed and emerging equity markets while reflecting environmental, social and corporate governance considerations.

The Trustee regularly monitored the strategies and funds available to members to ensure they were meeting their objectives and that their inclusion in the fund range continued to be in members' best interests.

To make sure that the DC investment options remain appropriate for the needs of their members, the Trustee carries out a detailed review of the Scheme's default arrangement design and membership analysis at least every three years. The latest review of the Scheme's Default arrangement occurred after the Scheme year end in May 2025. It was determined that the current arrangement remained appropriate.

In conclusion, the Trustee has provided a suitable default arrangement and self-select fund range, and these continue to be reviewed appropriately.

Day-to-Day Management of the assets

All of the fund options available to members are managed by underlying fund managers chosen by the Trustee with the advice of the investment adviser. The Trustee believes that each fund contains a suitably diversified portfolio of investments given each fund's particular objectives.

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	<p>On review of the day-to-day management of Scheme assets, no concerns have been raised and we believe the Trustee has met this policy.</p>
<p>Additional Voluntary Contributions</p>	<p>The Trustee makes available all the fund options available to members of the DC Scheme for the investment of Additional Voluntary Contributions ('AVCs'). There are no other assets available apart from these.</p> <p>In conclusion, the Trustee has made available an appropriate range of options for members' AVC investments.</p>
<p>Trustee policies on cost and transparency</p>	<p>The Trustee collects information on member borne charges on an annual basis, where available, and set these out in the Value for Members section of the Scheme's Annual Chair's Statement. This is made available to members via the AIB website.</p> <p>The Trustee considers the impact of transaction costs on members when making any changes to investment strategy.</p> <p>In reviewing the costs and charges associated with the scheme, the Trustee has made available a range of funds, including making use of lower-cost passive funds where appropriate. Furthermore, the Trustee monitored transaction costs over the year and is satisfied that they were appropriate given the nature of the investments.</p>
<p>Trustee policies on arrangements with asset managers</p>	<p>Before appointment of a new asset manager, the Trustee will consider the extent to which the new investment aligns with the Trustee's policies. Throughout the selection of a new manager within the TEF and the ESG fund, the Trustee completed a thorough review of the manager and fund.</p> <p>As part of this Statement, with support from their advisers, the Trustee has reviewed the investment managers' policies, specifically on voting and engagement.</p> <p>The Trustee has had no indication of concern with the investment managers over the Scheme year and therefore believe they remain suitable investment managers for the Scheme.</p> <p>In conclusion, the Trustee is satisfied that the investment managers are carrying out work competently, have sufficient regard to investments and have been exercising their investment responsibilities in line with expectations.</p>
<p>Environmental, Social and Governance ('ESG') considerations</p> <ul style="list-style-type: none"> • Environmental, Social and Governance considerations • Stewardship – Voting and Engagement • Members' Views and Non-Financial Factors 	<p>Following consideration of the Sponsoring Employer's position on sustainability and its ambition to transition towards net zero, the Trustee has set a number of ESG related ambitions.</p> <p>The Trustee sets out in the SIP that it will maximise leverage to drive positive change within the Scheme's investment managers and the companies they invest in. As part of this statement, the Trustee has reviewed the voting and engagement of its managers and has concluded these managers' activities align with our stewardship priorities.</p> <p>The Trustee sets out in its stewardship policy within the SIP, that it recognises the need to ensure the highest standards of governance and promoting corporate responsibility in the underlying companies in which it invests. It acknowledges that ultimately this protects the financial interests of the Scheme.</p>

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	<p>As such, the Trustee expects its investment managers to carry out the Trustee's rights and duties as shareholders, including voting and engaging with underlying companies to promote good corporate governance, accountability and positive change where necessary.</p> <p>Aon's manager research team discuss the engagement policies of fund managers as part of their fund rating review. Voting statistics are also included later in this statement.</p> <p>The most recent investment strategy review was carried out after the Scheme year in May 2025, the Trustees concluded that the current default investment option remains appropriate.</p> <p>On review of managers' stewardship policies and voting statistics as part of the production of this Statement, the Trustee believes that this policy has been adhered to.</p>
Realisation of investments	<p>The Trustee is comfortable that all investment managers were able to invest/divest payments in a timely manner over 2024.</p> <p>No restrictions were placed upon the Fund's investments over the year.</p>
Mandates for advisers and platform provider	<p>The investment adviser and platform provider have agreed the services to be provided with the Trustee.</p> <p>No material concerns were raised over the services provided to the Trustee over 2024.</p>
Reporting and performance monitoring	<p>Over the year, the Trustee has received Quarterly Monitoring Reports ("QMR") from Aon, outlining the valuation of all investments held, the performance of these investments and member outcomes.</p> <p>These investment reports include long and short-term performance reporting on all the investment funds relative to their respective benchmarks or targets, and performance commentary which highlights key factors affecting the performance of the funds over the quarter.</p> <p>Manager performance is evaluated based on Aon's "Planwatch" methodology. This assigns red, amber or green ratings to fund performance over the short and long terms. Any fund found to be consistently in breach of Planwatch triggers over the long term will be reviewed by the Trustee and may be replaced.</p> <p>Over the year, the Trustee has also reviewed additional reports for all active managers within the Scheme, provided by Aon's Investment Manager Research team. These reports cover key operational and ESG ratings. Any changes to ratings are communicated with the Trustee.</p> <p>The Trustee is satisfied that the investment managers are carrying out work competently, have sufficient regard to investments and have been exercising their investment responsibilities in line with expectations.</p>
Expected Returns	<p>The Trustee expects the long-term return on the investment options that consist predominantly of equities to exceed price inflation. The long-term returns on the bond and cash options are expected to be lower than the predominantly equity options.</p> <p>The Trustee remains comfortable that the default strategy and other investment options will perform in line with our objectives over the long term.</p>

AIB Group UK Defined Contribution Scheme**Default Investment**

The AIB default arrangement provides flexibility for members at retirement. This is appropriate for members who are planning to take cash, drawdown income in retirement, buy an annuity or mix the options in some way, ultimately, providing flexibility. The lifestyle provides members with the potential for high levels of growth during the accumulation phase of their retirement savings, provided by exposure to equity funds and then gradually diversifies investments in the years approaching retirement, reducing volatility. At retirement, members' retirement funds are invested in a broad mix of asset classes, with the aim of providing a real income during the post-retirement phase whilst protecting the value of the investments.

Based on advice and ongoing monitoring, the Trustee believes the current default strategy continues to be appropriate for the majority of members.

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues

Source: UN PRI

Voting statistics

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the year to 31 December 2024.

	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Baillie Gifford – Long Term Global Growth	444	99.1%	4.3%	0.9%
BlackRock – DC Diversified Growth Fund	6,848	94.8%	3.4%	1.4%
Morgan Stanley – Global Brands Fund	601	100.0%	11.2%	0.2%
Harris – Global Equity Fund	734	100.0%	1.1%	0.0%
LGIM – World Equity Index Fund (GBP Hedged and Unhedged)*	35,761	99.7%	20.4%	0.3%
LGIM – UK Equity Index Fund	10,188	100.0%	6.0%	0.0%
LGIM – ESG Global Equity Fund	55,469	99.8%	18.2%	0.9%

Source: Investment Managers

*Voting statistics for LGIM – World Equity Index Funds and LGIM – World Equity Index Funds GBP Hedged are the same.

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Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's investment managers use proxy voting advisers..

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Description of use of proxy voting advisers (in the managers' own words)	
Baillie Gifford	Whilst we are cognisant of proxy advisers' voting recommendations (Institutional Shareholder Services' (ISS) and Glass Lewis), we do not delegate or outsource any of our stewardship activities or follow or rely upon their recommendations when deciding how to vote on our clients' shares. All client voting decisions are made in-house. We vote in line with our in-house policy and not with the proxy voting providers' policies. We also have specialist proxy advisors in the Chinese and Indian markets to provide us with more nuanced market specific information.
BlackRock	BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") – located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines. While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.
Morgan Stanley	MSIM has retained Research Providers to analyse proxy issues and to make vote recommendations on those issues. While we review the recommendations of one or more Research Providers in making proxy voting decisions, we are in no way obligated to follow such recommendations. MSIM votes all proxies based on its own proxy voting policies in the best interests of each client. In addition to research, ISS provides vote execution, reporting, and recordkeeping services to MSIM.
Harris Associates	We use our own Harris policy that ISS implements on our behalf.
LGIM	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
Nordea	In general, every vote we cast is considered individually on the background of our bespoke voting policy, which we have developed in-house based on our own principles. Our proxy voting is supported by two external vendors (Institutional Shareholder Services and Nordic Investor Services) to facilitate proxy voting, execution and to provide analytic input. In 2021 these two vendors have merged. During 2023, Glass Lewis was also added to this list of external vendors, but it's mainly used for analytic input.

Source: Managers

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Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the appendix.

Our investment managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's material investment managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Scheme.

Funds	Number of engagements		Themes engaged on at a fund-level
	Fund specific	Firm level	
Baillie Gifford – Long Term Global Growth	33	948	Environment* - Climate change; Natural resource use/impact; Pollution, Waste Social* - Conduct, culture and ethics; Human and labour rights; Public health Governance* - Board effectiveness – Diversity; Shareholder rights; Remuneration
BlackRock – DC Diversified Growth Fund	2,157	3,384	Environment - Climate Risk Management; Other company impacts on the environment; Water and Waste Social - Health and Safety; Human Capital Management; Social Risks and Opportunities Governance - Board Composition and Effectiveness; Business Oversight/Risk Management, Remuneration
Morgan Stanley – Global Brands Fund	103	<i>Not provided</i>	Environment - Climate change; Natural resource use/impact; Pollution, Waste Social - Human and labour rights; Human capital management Governance - Board effectiveness – Diversity; Remuneration; Risk management
Harris – Global Equity Fund			<i>Not provided</i>
LGIM – World Equity Index Fund (Hedged and Unhedged)	1,833	<i>Not provided</i>	Environment - Climate Impact Pledge; Climate Change; Climate Mitigation Social - Human Rights; Gender Diversity; Lobbying and Political Donations Governance - Capital Management; Remuneration; Board Composition Other- Corporate Strategy
LGIM – UK Equity Index Fund	421	<i>Not provided</i>	Environment - Climate Impact Pledge; Climate Change; Energy Social - Ethnic Diversity; Human Rights; Supply Chain Governance – Remuneration; Capital Management; Mergers and Acquisitions Other- Corporate Strategy
LGIM – ESG Global Equity Fund	2,027	<i>Not provided</i>	Environment – Climate Impact Pledge; Climate Change; Climate Mitigation Social – Human Rights; Gender Diversity; Ethnic Diversity Governance – Remuneration; Capital Management; Board Composition Other- Corporate Strategy

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Funds	Number of engagements		Themes engaged on at a fund-level
	Fund specific	Firm level	
LGIM – Corporate Bond All Stocks Index	253	<i>Not provided</i>	Environment - Climate Impact Pledge; Climate Change; Energy Social - Human Rights; Gender Diversity; Ethnic Diversity Governance - Capital Management; Remuneration; Board Composition Other- Corporate Strategy
Nordea – Stable Returns Strategy	152	1,393	Environment - Climate change; Natural resource use/impact; Antimicrobial Resistance (AMR) Social - Conduct, culture and ethics; Human and labour rights; Human capital management Governance - Board effectiveness – Diversity; Remuneration; Strategy, Financial and Reporting

Source: Managers.

* Baillie Gifford did not provide fund-level themes; themes provided are at a firm-level

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- LGIM provided a complete list of engagements for the invested funds, however, did not include as much detail as recommended in the best practice industry standard Investment Consultants Sustainability Working Group (“ICSWG”) reporting guide. LGIM will provide further engagement information, in line with the reporting guide, after it publishes its annual stewardship report. Additionally, LGIM’s firm level engagement information will be available when its annual report is published.
- Morgan Stanley did not provide firm-level engagement data. The investment manager noted that the firm-level engagement information will be available later in 2025.
- Baillie Gifford did not provide the fund-level engagement themes. Additionally, they did not provide the fund-level engagement data in the ICSWG template.
- Harris does not track individual engagement and, hence, did not provide any engagement information at fund or firm level

This report does not include commentary on certain asset classes such as gilts and cash because of the limited materiality of stewardship to these asset classes.