



Statement on principal adverse impacts of investment decisions on sustainability factors

Helping people build
better futures

Financial market participant: Irish Life Assurance Company plc (“Irish Life”)
Legal Entity Identifier: YYV6S3OE6EWZYI2FFW31

SUMMARY

Irish Life Assurance Plc (“Irish Life”), Legal Entity Identifier YYV6S3OE6EWZYI2FFW31, considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors for assets managed by Irish Life.

This statement on principal adverse impacts on sustainability factors (“PAI Statement”) covers the reference period from 1 January 2023 to 31 December 2023.

IN-SCOPE ASSETS

As an insurance company, we invest assets on behalf of our customers (“Policyholder Assets”) and assets which back our liabilities (“General Account”). The primary purpose of this PAI Statement is to disclose the data indicated in the tables below (“PAI Indicators”) in accordance with the requirements of the Sustainable Finance Disclosures Regulation (“SFDR”). This requires us to provide measurements or information to the extent available to us, but it is not always possible to do so accurately or completely due to the nature of our investments and the lack of accurate or available data.¹

While the metrics in this PAI Statement relate to the majority of our investments (circa 89%²) (“In-Scope Assets”) the following investments have been excluded:

- > Cash and derivatives such as equity or sovereign futures. These are not included in the assets which are considered under this statement because, by their nature, the underlying assets do not have associated PAI Indicators.
- > Assets which are invested in funds / strategies managed by fund managers which are not part of the Irish Life group of companies (“Third Party Funds” and “Third Party Managers” respectively). These are not included in the assets which are considered under this PAI Statement because there are challenges around obtaining the necessary data from such Third-Party Managers.
- > Investments for which there is insufficient or inadequate data.

The In-Scope Assets are managed on behalf of Irish Life by the following investment managers:

- > Irish Life Investment Managers Limited (ILIM – LEI TWBHJZDB2TYBXZPLM625).
 - > Setanta Asset Management Limited (Setanta- LEI 635400OGCJBX1UFS6F61); and
 - > Canada Life Asset Management Limited (CLAM – LEI 213800N6FQGY4U7I2F47),
- (our “Investment Managers”)

ILIM manages the majority of the In-Scope Assets (circa 87% as at 31 December 2023) and this PAI Statement can be read in conjunction with ILIM’s own PAI Statement which provides further detail (<https://www.ilim.com/media/mkltlyqj/ilim-pai-statement-2024.pdf>).

OUR APPROACH TO RESPONSIBLE INVESTING

At Irish Life, we seek to invest both our General Account and our Policyholder Assets responsibly.

Irish Life, in conjunction with our Investment Managers, have identified Climate Change, Human Rights and Corporate Governance as the key sustainability-related themes which we take into account when making investment decisions on the In-Scope Assets.

These key themes can be linked to the following PAI Indicators:

- > Greenhouse Gas (“GHG”) emissions (PAI 1-6)
- > Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10)
- > Board gender diversity (PAI 13)
- > Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (PAI 14)

¹ See appendix for further details

² As at 31 December 2023. Net total ILA assets of EUR58.4 billion

In addition to these key themes, our Investment Managers have the discretion to consider sustainability factors based on their own stated approach to responsible investing and subject to ongoing reporting and monitoring.

Our Investment Managers seek to manage the principle adverse impacts on sustainability factors (“Principle Adverse Impacts” or “PAIs”) in respect of the PAIs that we prioritise by applying some or all of the following responsible investing approaches:

- > Integration activities: These are a combination of screening management, and the integration of sustainability factors into the investment process (“Investment Integration”) to enhance the sustainability outcomes across our investments.
- > Stewardship activities: These involve direct engagements (where our Investment Managers engage with the companies in which we invest (“investee companies”)), collaborative engagements (where our Investment Managers, along with other investors, engage collectively with “investee companies”), and voting activities undertaken by our Investment Managers on our behalf in resolutions of “investee companies”.

The regulatory landscape, the expectations of our customers and wider stakeholders, and the availability of data and industry accepted methodologies, are evolving and dynamic. Our approach to responsible investing remains flexible and is expected to continue to progress and adapt over time in order to meet our customers’ needs and expectations. Any such changes will be reflected in our future PAI Statements.

INFLUENCE ON SUSTAINABILITY FACTORS

Policyholder Assets are placed with us through products which follow various investment strategies. We have the greatest scope to reflect our responsible investment approach in respect of Policyholder Assets which are invested in Article 8 products (i.e. products that promote environmental or social characteristics as per Article 8 of the Sustainable Finance Disclosure Regulation (“SFDR”)).

The degree by which PAIs are considered and/or action is taken to mitigate PAIs depends on a number of factors, such as the investment strategy being applied to the relevant product, the nature of the asset(s) in which the product is invested and the availability of reliable data.

DESCRIPTION OF PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

The tables below provide an overview of the mandatory PAI Indicators and the two additional voluntary PAI Indicators which we are considering and how we aim to manage them through our approach to responsible investment.

Table 1 – Mandatory PAIs
Indicators applicable to investments in investee companies

Adverse sustainability indicator		Metric	Metric (unit)	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	(tCO ₂ eq)	1,515,891	1,323,560	Marginal change primarily due to market movements and changes in the composition of In-Scope Assets.	<p>One of the key responsible investment priorities for Irish Life is the trend towards decarbonisation. The trend towards decarbonisation captures the transition to a lower carbon economy as set out in the Paris Agreement. This is considered through the investment approach of our Investment Managers, primarily ILIM which manages 87% of the In-Scope Assets.</p> <p>In October 2021, ILIM published its Climate Action Pledge, which sets out the actions it will take to support progress against its net zero goals. ILIM's Climate Action Pledge is to work in partnership and on behalf of its clients (including Irish Life) by using its influence in terms of investment decision making, risk management and public advocacy to accelerate and play a positive role in the climate change agenda, both within the Irish market and globally, in a way that aligns with the interests of its clients.</p> <p>ILIM's Climate Action Pledge is focused on the below key areas:</p> <ul style="list-style-type: none"> > Advocacy for climate action. > Strengthening governance of the climate agenda. > Integrating climate risk into firmwide risk management. > Integrating climate alignment into the design of ILIM's proprietary investment solutions. > Using stewardship to accelerate the climate agenda at the companies in which ILIM invests clients' assets.
		Scope 2 GHG emissions	(tCO ₂ eq)	424,022	361,311	Marginal change primarily due to market movements, changes in the composition of In-Scope Assets and general increases in scope 2 emissions.	
		Scope 3 GHG emissions	(tCO ₂ eq)	16,500,563	11,226,097	The increase in scope 3 emissions due to a number of factors including increased reporting by companies and increased depth of scope 3 reporting.	
		Total GHG emissions	(tCO ₂ eq)	18,440,476	12,910,968	Increase in total emissions largely driven by the increase in scope 3 emissions due to increased reporting by companies and increased depth of scope 3 reporting.	

Adverse sustainability indicator	Metric	Metric (unit)	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Greenhouse gas emissions	2. Carbon footprint	Carbon footprint	(tCO ₂ eq/ EURm)	506.2	412.0	Increase in carbon footprint largely driven by the increase in scope 3 emissions due to increased reporting by companies and increased depth of scope 3 reporting.	<p>Investment Process</p> <p>The “New World” corporate fixed income and equity product range are some of Irish Life’s principal Article 8 products.</p> <p>This product range is managed by ILIM. The investment process applied by ILIM to these products incorporates a ‘decarbonisation tilt’. This combines a range of forward and backward-looking metrics to reduce exposure to companies which score poorly on ILIM’s decarbonisation metrics and increase exposure to companies that score well on ILIM’s metrics. Given the wide-ranging scope of climate change risks and opportunities across sectors and regions, extensive qualitative and quantitative metrics are required for investment decisions. ILIM complements the backward-looking data (such as carbon intensity) with a forward-looking view (carbon risk rating).</p> <p>In a manner which aligns with our clients’ interests, the “New World” product range seeks to achieve lower carbon intensity (scope 1 and 2) versus their respective parent benchmark, while reducing the exposure of the products to fossil fuel related activities through screening and tilting approaches.</p>
	3. GHG intensity of investee companies	GHG intensity of investee companies (Scope 1, 2, 3)	(tCO ₂ eq/ EURm)	976.7	898.5	Increase in carbon intensity largely driven by the increase in scope 3 emissions due to increased reporting by companies and increased depth of scope 3 reporting.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	(% involved)	8.9%	9.0%	Marginal decrease primarily due to market movements and changes in the composition of In-Scope Assets.	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources expressed as a percentage of total energy sources	(% of portfolio)	62.3%	64.3%	Marginal decrease primarily due to market movements, changes in the composition of In-Scope Assets coupled with slight improvements in the share of renewables in the energy mix.	
		Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources expressed as a percentage of total energy sources	(% of portfolio)	22.2%	20.2%	Marginal increase primarily due to market movements and changes in the composition of In-Scope Assets.	

Adverse sustainability indicator	Metric	Metric (unit)	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Greenhouse gas emissions	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	(GWh/EURm)				<p>Active Ownership</p> <p>ILIM is our primary Investment Manager, managing circa 87% of the In-scope Assets. ILIM manages the equity portion of the In-Scope Assets actively. One of the key priority themes of ILIM's active ownership programme is climate change. This is achieved through two distinct approaches:</p> <ul style="list-style-type: none"> > ILIM engages both directly and collaboratively with investee companies relating to climate change and the trend toward decarbonisation. Through collaborative engagements, coupled with ILIM's membership of collaborative initiatives (such as the Institutional Investors Group on Climate Change, UNPRI and Climate Action 100+), ILIM's Stewardship Team is able to combine its voice with those of industry peers to build increased influence with the companies in which Irish Life invests. This is designed with a view to achieving the best long-term return on our investments. > ILIM has developed a set of bespoke voting guidelines (the ILIM Global Proxy Voting Guidelines), which help ILIM make consistent voting decisions on our behalf, while taking the specific circumstances of an investee company into account. ILIM reviews and updates its Global Proxy Voting Guidelines annually. ILIM's Global Proxy Voting Guidelines are applied equally to all our investee companies regardless of the jurisdiction in which the investee company operates or is based. However, they are structured to consider local standards when generating a vote recommendation. ILIM's Global Proxy Voting Guidelines contains specific voting rules relating to high-emitting companies which lack preparation and planning regarding the reduction of GHG emissions and also for companies without an accountable plan to align to a net zero ambition. <p>In addition, in a manner that aligns with our clients' interests, ILIM's Global Proxy Voting Guidelines generally support reasonable shareholder proposals seeking to achieve a reduction in GHG emissions, increased disclosures, energy consumption reviews and transition to renewable energy.</p> <p>ILIM is currently a signatory to the Net Zero Asset Managers initiative ("NZAM").</p>
		Agriculture, Forestry & Fishing (GWh/ EURm)	(GWh/ EURm)	Insufficient data	3.07	This is an area where current data availability is insufficient to report on this PAI indicator.	
		Construction (GWh/EURm)	(GWh/ EURm)	0.10	0.10	No material change from 2022.	
		Electricity, Gas, Steam and Air Conditioning Supply (GWh/ EURm)	(GWh/ EURm)	2.92	3.01	Reduction due to market moves and a general reduction in the energy consumption intensity in the Electricity, Gas, Steam and Air Conditioning Supply sector.	
		Manufacturing (GWh/EURm)	(GWh/ EURm)	0.63	1.20	Reduction due to market moves and a general reduction in the energy consumption intensity in the Manufacturing sector.	
		Mining & Quarrying (GWh/ EURm)	(GWh/ EURm)	1.57	1.85	Reduction due to market moves, changes in the composition of In-Scope Assets and a general reduction in the energy consumption intensity in the Mining & Quarrying sector.	
		Real Estate Activities (GWh/ EURm)	(GWh/ EURm)	0.39	0.39	No material change from 2022.	
		Transportation & Storage (GWh/ EURm)	(GWh/ EURm)	1.72	1.71	No material change from 2022.	
		Water Supply, Sewerage, Waste Management & Remediation (GWh/EURm)	(GWh/ EURm)	0.69	0.48	Increase due to market moves and changes in the composition of In-Scope Assets.	
		Wholesale & Retail Trade & Repair of Motor Vehicles & Motorcycles (GWh/EURm)	(GWh/ EURm)	0.09	0.09	No material change from 2022.	

Adverse sustainability indicator		Metric	Metric (unit)	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	(% involved)	7.3%	8.2%	Reduction due to market moves, changes in the composition of In-Scope Assets and a reduction in the numbers of entities engaging in activities negatively affecting biodiversity-sensitive areas.	<p>Climate change is also linked to biodiversity loss and the success in tackling these issues are interdependent.</p> <p>As part of the active ownership activity undertaken by ILIM on our behalf, ILIM has been involved in direct and collaborative engagements with our investee companies on environmental issues, of which biodiversity, while not the primary focus, has been discussed.</p> <p>Active ownership For the equity portion of the In-Scope Assets managed by ILIM, ILIM applies its Engagement Programme which addresses Biodiversity.</p>
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	(t/EURm)	Insufficient data	0.16	This is an area where current data availability is insufficient to report on this PAI indicator.	<p>This is an emerging area where data coverage and availability are currently insufficient to report on this metric. We will continue to work with our Investment Managers to understand their approach.</p> <p>We have addressed this PAI Indicator generally through the active ownership activities undertaken by ILIM on our behalf.</p> <p>Active ownership For the equity portion of the In-Scope Assets managed by ILIM, ILIM applies its Engagement Programme. ILIM's Engagement Programme addresses Water and involves both direct and collaborative engagements. It covers not only water quality/ emissions to water, but also water management and water quantity/ consumption.</p> <p>When voting on our behalf ILIM follows its Global Proxy Voting Guidelines. ILIM's Global Proxy Voting Guidelines support potential shareholder proposals that request greater disclosures and better water management systems, where financially material to our clients' investments. ILIM's Global Proxy Voting Guidelines also favour voting against the appointment of specific directors of investee companies where ILIM's data providers have deemed such investee companies to be involved in water-related controversies.</p>

Adverse sustainability indicator		Metric	Metric (unit)	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	(t/EURm)	2.40	6.84	Reduction due to increased reporting, market moves and changes in the composition of In-Scope Assets.	<p>We have addressed this PAI generally through the active ownership activities undertaken by ILIM on our behalf.</p> <p>For the equity portion of the In-Scope Assets managed by ILIM, ILIM applies its Engagement Programme. ILIM's Engagement Programme addresses Waste, as part of a broader Natural Capital theme.</p> <p>Screening For the equity portion of the In-Scope Assets which are held within our Article 8 products, ILIM screens companies for potential controversies regarding waste management, using data from its data providers.</p> <p>Active ownership For the equity portion of the In-Scope Assets managed by ILIM, ILIM exercises our voting rights in accordance with ILIM's Global Proxy Voting Guidelines. These Guidelines support potential shareholder proposals that request greater disclosures and better waste management systems where financially material to our clients' interests.</p> <p>ILIM's Global Proxy Voting Guidelines also favour voting against the appointment of specific directors of investee companies where ILIM's data providers have deemed such investee companies to be involved in waste-related controversies.</p>

Adverse sustainability indicator	Metric	Metric (unit)	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	(% involved)	0.4%	0.6%	Reduction due to market moves, changes in the composition of In-Scope Assets and the resolution by some entities of previous violations of UNGC principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.	<p>Irish Life supports the UNGC principles and the OECD Guidelines for Multinational Enterprises.</p> <p>Screening For our Article 8 products, Irish Life has identified adherence to global internationally accepted norms and standards relating to human rights, labour rights, the environment and business ethics as minimum investment criteria.</p> <p>For the equity portion of the In-Scope Assets managed by ILIM which are held within our Article 8 products, ILIM uses a screening management process. This process reduces our exposure to companies which ILIM's data providers have deemed to be in violation of international norms including UNGC principles and OECD Guidelines for Multinational Enterprises.</p> <p>Active ownership For the equity portion of the In-Scope Assets managed by ILIM, ILIM engage collaboratively with our investee companies where ILIM's data providers have deemed such investee companies to be in violation of international norms including the UNGC principles and the OECD Guidelines for Multinational Enterprises.</p> <p>For the equity portion of the In-Scope Assets managed by ILIM, ILIM may also vote against specific proposals regarding the election of directors in our investee companies if ILIM's data providers have deemed such investee companies to be in violation of international norms including the UNGC principles and the OECD Guidelines for Multinational Enterprises.</p>
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance / complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.	(% involved)	46.9%	60.5%	Reduction due to market moves, changes in the composition of In-Scope Asset and the development by entities of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises.	<p>Irish Life support the UNGC principles and the OECD Guidelines for Multinational Enterprises.</p> <p>We expect our investee companies to have mechanisms in place to monitor compliance with the UNGC principles.</p> <p>As part of the active ownership activity undertaken by ILIM on our behalf, ILIM engages with investee companies regarding any potential lack of alignment with these processes and compliance mechanisms.</p>

Adverse sustainability indicator		Metric	Metric (unit)	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Social and employee matters	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	(% of portfolio)	16.4%	15.2%	Small change from 2022 primarily due to market moves.	Irish Life recognises the importance of gender pay equality as a key element of good governance. Active ownership ILIM's Global Proxy Voting Guidelines generally support shareholder proposals that seek disclosure on gender pay gap information within our investee companies.
Social and employee matters	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	(% Female)	34.5%	33.4%	Marginal improvement primarily due to market movements, changes in the composition of In-Scope Assets and improvements in gender diversity in investee companies.	As part of the active ownership activity undertaken by ILIM on our behalf, ILIM applies its Engagement Programme. ILIM's Engagement Programme focuses on investee companies that lack sufficient diversity on the board of directors. Active ownership ILIM continues to enhance its Engagement Programme to focus on companies where diversity at board level is not in keeping with reasonable expectations taking into account jurisdictional norms. ILIM was one of the founding members of the 30% Club Ireland Investor Group. Through ILIM's participation with the 30% Club Ireland Investor Group, they are advocating for, and highlighting the importance of diversity as a key element of good governance. ILIM plans to continue to use its influence in the Irish market to promote the representation of women on company boards and in senior management level positions in Irish companies to 30% or more. ILIM's Global Proxy Voting Guidelines generally support shareholder proposals that seek increased disclosure of gender pay gap information within our investee companies.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	(% Involved)	0.0%	0.0%	No exposure to controversial weapons across the In-Scope Assets.	We have identified certain weapon categories to be controversial due to their disproportionate and/or indiscriminate impact on civilians. These include anti-personnel mines, nuclear weapons, cluster weapons, biological and chemical weapons, depleted uranium, and white phosphorus munitions. For our Article 8 products, any company with detectable involvement in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon, are excluded.

Adverse sustainability indicator		Metric	Metric (unit)	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS							
Environmental	15. GHG intensity	GHG intensity of investee countries	(KtonCO2eq/ EURm)	0.20	0.15	Increase due to market moves and changes in the composition of In-Scope Assets.	<p>The majority of our sovereign bond exposures are Euro government bond funds and PAIs on sustainability factors are not considered for these investments.</p> <p>Irish Life has a number of sovereign bond investment solutions which promote E/S characteristics (Article 8 under SFDR) and incorporate ESG data. Such Article 8 products may have an increased allocation to green bonds and may have improved country carbon intensity scores. Despite this, PAIs on sustainability factors relating to sovereign exposures are not currently considered within our sovereign bond Article 8 products.</p>
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.	# of countries	1, 1%	2*, 2%	*Holdings of Russian government bonds have either been disposed of throughout 2022 or valued at zero.	<p>Irish Life's Investment Managers follow the specified sanctions of the EU and any associated mandatory investment restrictions.</p> <p>*Note: Ukraine is deemed to be subject to social violations primarily due to the impact of the war on the country.</p>
INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS							
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	(% of portfolio)	0%	0%	There is no exposure to this metric in the property portfolio.	Irish Life does not directly hold any real estate assets which are involved in the extraction, storage, transport or manufacture of fossil fuels.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	(% of portfolio)	46.9%	49.4%	Improvement on 2022 due to asset valuations moves coupled with improvements in the energy ratings of the property assets.	<p>The real estate investment assets directly held by Irish Life are managed by ILIM.</p> <p>ILIM integrates ESG factors into its investment decisions when managing our real estate investments. We believe this leads to more sustainable long-term returns and helps to manage risk and enhance growth opportunities.</p> <p>In all our new real estate developments, ILIM aims to achieve the implementation of key elements of globally recognised sustainability standards, including LEED (Leadership in Energy and Environmental Design), WELL Building Standard and net-zero carbon, while being mindful of broad environmental considerations.</p> <p>ILIM has set specific ambitions for our property investments relating to energy, water, waste and wellbeing, together with a robust reporting regime to monitor performance against those aims, and to provide a basis for engagement with tenants and other stakeholders across our property investments. This process is implemented for acquisitions, refurbishments and new developments. LEED platinum is explicitly focused on new developments. ILIM's procedures provide guidelines to reduce our exposure to risks associated with or arising from environmental problems or issues.</p>

Table 2 – Voluntary environmental PAIs
Other indicators for principal adverse impacts on sustainability factors

Adverse sustainability indicator		Metric	Metric (unit)	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES							
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	(% of portfolio)	26.3%	34.8%	In 2023, many more companies have developed or are publicly disclosing their carbon reduction initiative plans.	As discussed in PAI 1-6 above.

Table 3 – Voluntary Social PAIs

Adverse sustainability indicator		Metric	Metric (unit)	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Human Rights	9. Lack of Human Rights policy	Share of investments in entities without a human rights policy	(% of portfolio)	6.9%	6.5%	Small increase due to market moves.	Irish Life recognises Human Rights as a key responsible investment priority. Through the active ownership activities undertaken by ILIM on our behalf, ILIM engages with investee companies both directly and collaboratively on the topic of human rights. Among ILIM's engagement objectives on that topic is an expectation that companies have a human rights policy.

DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

Irish Life has a Responsible Investment Policy (approved on 28 June 2023) (the “Responsible Investment Policy”) which outlines our responsible investment principles and sets out how these are to be incorporated into our requirements for investment activities and ownership practices. The Responsible Investment Policy forms part of our Investment Policy which is approved each year by the Board of Directors of Irish Life Assurance Plc.

Irish Life expects our Investment Managers to have policies and/or procedures in place to manage the PAIs on sustainability factors in relation to the assets they manage on our behalf.

In conjunction with our Investment Managers, we have identified specific PAI indicators which align with our responsible investment principles and which are prioritised across our In-Scope Assets.

Irish Life has granted its Investment Managers the discretion to apply their own stated approach to the identification and prioritisation of PAIs on sustainability factors, based on their own policies or procedures. These approaches may differ by asset class, investment style or mandate. In addition, each Investment Manager may only consider the PAI Indicators that they deem relevant for the products or mandates they are responsible for managing. We review our Investment Managers’ approaches in this regard, and this is subject to ongoing reporting and monitoring.

There may be circumstances where PAI Indicators are not relevant to certain asset classes or types of investment, or where it may not be practical or proportionate to consider them. This may be because of the investment strategy applied to a particular product or due to the specific investment objectives of the relevant investment strategy.

The responsibility for the implementation of the Responsible Investment Policy is allocated as follows:

- > **Irish Life Assurance Plc’s Board of Directors:** The board of directors (“Board”) is Irish Life Assurance Plc’s decision-making body. The Board approves the Responsible Investment Policy to ensure its ongoing appropriateness.
- > **Irish Life Group Executive Sustainability Committee:** This committee is comprised of senior leadership across the Irish Life group of companies (“Irish Life Group”) and is responsible for reviewing and monitoring progress on Irish Life’s sustainability initiatives which includes its responsible investment strategy.
- > **Irish Life Executive Investment Risk Committee:** This committee is responsible for overseeing and monitoring the investment management activity undertaken on behalf of Irish Life by the Investment Managers and specifically its adherence to the Responsible Investment Policy.
- > **Investment Managers:** The Investment Managers are responsible for managing assets on behalf of Irish Life in accordance with the Responsible Investment Policy.

METHODOLOGIES

In selecting the PAI Indicators in Table 2 and Table 3 above, we considered, among other factors, the following:

- > Alignment with ILIM’s responsible investment framework.
- > Availability, reliability and accuracy of data.

The methodologies used to identify and assess the PAIs on sustainability factors addressed in this PAI Statement are developed by our Investment Managers. These methodologies are based on data that is obtained by our Investment Managers from their data providers (the “Data Providers”). These methodologies are subject to the availability and quality of such data, with some PAI Indicators having more readily available and better-quality data than others. Where PAI-related data is not available from the Data Providers, or is not of adequate quality, such data may be excluded from our PAI calculations. An added limitation is that we do not gather PAI related data from Third Party Managers or on certain asset classes, such as derivatives.

While it is difficult to ascertain the exact margin of error relating to ESG data and the corresponding methodologies, our Investment Managers may engage with the Data Providers to reduce any margin of error in so far as is reasonably possible.

DATA SOURCES

The PAI metrics set out in the tables above have been calculated using data obtained by our Investment Managers from the Data Providers.

ESG data is not always available, and/or may contain inaccuracies. In addition, it may be based on estimations (“Estimated Data”). Such estimations are applied by the relevant Data Provider based on their own estimation models.

In particular, challenges regarding the availability, inaccuracies and estimation of data arise in the following circumstances:

- > data obtained from companies in jurisdictions where disclosure requirements are not as developed as in Europe and/or where there is a lower level or quality of disclosure.
- > data obtained from Third Party Managers where a standardised approach to the provision of data is not well established at this time.
- > data obtained from the Data Providers which may rely on estimation models for PAI Indicators where investee companies are not subject to public disclosure currently, such as Scope 3 emissions.

Our Investment Managers seek to encourage the transparency and availability of data by:

- > encouraging the Data Providers to expand their existing datasets and product ranges.
- > where feasible, collaborating with international initiatives that are working to improve the availability and quality of relevant company disclosures.³
- > exploring new voluntary mechanisms for sourcing ESG data from Third-Party Managers.

³ See ‘References to international standards’ section below for more details on Irish Life’s advocacy for sustainable disclosures.

ENGAGEMENT POLICIES

ACTIVE OWNERSHIP

Active ownership is the use of the rights and position of shareholders in investee companies to influence the activities and behaviour of such companies. Active ownership is most commonly exercised through engagement and voting activities.

We believe that active owners, have the ability to influence the behaviour of investee companies to transition towards a sustainable future and that this will support the long-term financial success of such companies.

As our primary Investment Manager, ILIM exercises active ownership on our behalf in relation to the In-Scope Assets it manages for us.

ENGAGEMENT

ILIM manages the PAIs on sustainability factors of the equity portion of the In-Scope Assets through its engagement programme ("Engagement Programme"). ILIM's Engagement Programme is governed by its Engagement Policy. Engagement is a key component of ILIM's approach to the responsible investment and stewardship of our assets. The outcomes of these engagements are important as they are used to inform the investment decisions that ILIM makes in relation to the In-Scope Assets that it manages for us. In pursuit of responsible investment, ILIM constructively engages with investee companies to seek to promote better corporate behaviour, and to encourage such investee companies to update their policies and practices, where appropriate. ILIM also engages with tenants and other stakeholders with regard to our real estate investments. ILIM believes that investors, whether working individually (direct engagements) or collectively (collaborative engagements), have a role to play in influencing the behaviour of investee companies, reducing portfolio risk and delivering more sustainable long-term returns. ILIM selects investee companies for engagement based on the materiality of a theme for a specific sector or region. It focuses on the topics of transition climate risks, physical climate risks, biodiversity, water, waste management, human rights, supply chain labour standards/modern slavery, anti-discrimination, board diversity, anti-corruption, global norms and sustainability risk. ILIM may re-assess the selection of investee companies for engagement, as well as the engagement processes if it feels that progress is not being made.

VOTING

Our Investment Managers exercise our voting rights in our investee companies on our behalf. In doing so they follow their respective voting policies.

ILIM's Voting Policy (and related Global Proxy Voting Guidelines) incorporates voting guidelines on key corporate governance and sustainability issues. These are structured around ILIM's responsible investment framework, which is composed of two sustainability mega trends (decarbonisation and stakeholder centric business model) and four priority themes (climate change, natural capital, human rights and corporate governance).

In exercising our voting rights, ILIM manages the PAIs on sustainability factors of our investments in the following ways:

- > **Shareholder proposal support:** ILIM generally supports shareholder proposals where such proposals relate to PAI indicators 1 to 9 and/or the voluntary environmental and social PAI Indicators.
- > **Voting action against directors:** ILIM generally addresses PAIs 10 to 14 and also reinforces multiple mandatory and voluntary environmental and social PAI Indicators.

Irish Life monitors the voting and engagement activities undertaken on our behalf by our Investment Managers on an ongoing basis.

REFERENCES TO INTERNATIONAL STANDARDS

1. Alignment with the Paris Agreement (links to PAI 1-6)

ILIM and CLAM currently report in line with the Task Force on Climate-Related Financial Disclosures (“TCFD”).

ILIM is currently a signatory to the Net Zero Asset Managers initiative (“NZAM”).

ILIM currently engages with a third-party provider of ESG data, for forward-looking scenario analysis on climate modelling. ILIM’s most recent TCFD report contains data and exhibits relating to our forward-looking climate scenarios.

2. UN Global Compact, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights (links to PAI 10 and 11)

Companies eligible for investment are expected to operate within internationally accepted norms and standards related to human rights, labour rights, the environment, and business ethics.

For our Article 8 products which are managed by ILIM, ILIM apply screening when considering investments in listed equities and corporate fixed income assets. As part of this screening management process, ILIM excludes companies which are deemed by its Data Provider to be in violation of the UN Global Compact and OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights.

3. Additional International Codes and Standards

In addition, our Investment Managers adhere to the following:

- > ILIM and Setanta are signatories to the UN Principles for Responsible Investment; and
- > CLAM is a 2023 signatory to the UK Stewardship Code.

APPENDIX

This document contains information which is based on data, ratings and measurements which have been obtained from third party data providers ("Third Party Data"). In particular, the PAI impact percentages are calculated using Third Party Data. While reasonable endeavours are taken to ensure the Third-Party Data is accurate, it is important to note that third party data providers assume no responsibility for inaccuracies, errors, inconsistencies or omissions in their data. We cannot guarantee the accuracy, completeness or reliability of the Third- Party Data and we accept no responsibility or liability whatsoever for any inaccuracies, errors, inconsistencies or omissions in the Third-Party Data, or for any loss or damage suffered by you or any other party arising in connection with the information contained in this PAI Statement. In addition, such Third-Party Data may be based on assumptions, forecasts, calculations, views and opinions of the relevant third-party data provider ("Estimated Data"). Given the developing nature of models, methodologies and assumptions and the inherent uncertainty in predicting future events, Estimated Data may vary from realised figures or may be otherwise inaccurate or incorrect. ILA has not independently verified or assessed the assumptions underlying Estimated Data. Environmental, Social and Governance ("ESG") data is constantly changing and improving as standards of disclosures and data, regulatory frameworks and industry practice evolve. Irish Life will continue to monitor developments in this area but accepts no responsibility or liability whatsoever for any loss or damage suffered by any third party in connection with the ESG data provided in this document.

Any reference to third party data providers in this PAI Statement is solely for appropriate acknowledgement of the source of the relevant Third-Party Data and does not constitute any sponsorship or endorsement by Irish Life of such third-party data provider.

The information contained herein may be limited due to a lack of availability or quality of the information, data and indicators for certain issuers/exposures or asset classes. We accept no responsibility or liability whatsoever for any incorrect or incomplete information contained in this document, or for any loss or damage suffered by you or any other party arising in connection with the information contained in this document.

All information contained in this document is, to the best of Irish Life's knowledge and belief, true and accurate at the time of printing, publication or presentation, subject to the limitations noted above. Notwithstanding the foregoing, no assurance can be given that the information contained in this document will remain complete or accurate after its printing, publication or presentation. Factors that may affect the completeness or accuracy of the information after printing, publication or presentation include, but are not limited to, legal or regulatory changes, further data or information becoming available, changes to the data or methodologies on which the information contained in this document is based and the occurrence of other events beyond our reasonable control. We reserve the right to update this document and/or the information contained herein at any time and without notice.

This document contains sustainability related goals) which are based on Irish Life's current expectations and beliefs concerning future developments and their potential effects on Irish Life and its customers. Such predictions, projections and beliefs are based on current expectations and assumptions and, as a result, are subject to uncertainties. They are not intended to serve, and must not be relied on, as a guarantee, an assurance, a prediction or a definitive statement of fact. Actual events and circumstances are difficult or impossible to predict and are beyond our control. Irish Life can give no assurance that it will be able to achieve the sustainability related goals contained in this document. Factors that may affect our ability to achieve the sustainability related goals contained in this document include but are not limited to: (i) our customers' preferences including a continued customer demand for sustainability focused investment products, (ii) the market for sustainability focused investment products continuing to develop in line with the European Green Deal and the EU Action Plan: Financing Sustainable Growth (iii) policymaker / governmental strategies continuing to align with the European Green Deal and the EU Action Plan: Financing Sustainable Growth; (iv) the companies in which our products invest being receptive to our engagements and being open to adopting more sustainable practices, (v) access to high quality and reliable data, (vi) the ability to implement business plans, forecasts and other expectations (vii) the legal and regulatory environment, (viii) the risk of legal or regulatory challenge. This foregoing list of factors is not exhaustive.

There is a possibility that our expectations, forecasts, estimates, predictions and conclusions may not prove to be accurate and our assumptions may prove to be incorrect, and there is a risk that the sustainability related goals, objectives, priorities, ambitions, strategies, commitments and targets described in this document will not be achieved. In addition, our sustainability related goals, objectives, priorities, ambitions, strategies, commitments and targets may also need to change or be recalibrated to meet our other strategic objectives and the reasonable expectations of our stakeholders, including expectations around financial performance. In addition, many of the assumptions, standards, metrics and measurements used in developing and measuring our sustainability related goals, objectives, priorities, ambitions, strategies, commitments and targets are not audited or independently verified, have limited comparability and continue to evolve.

The information contained herein does not constitute the provision of investment advice. It has not been prepared based on the financial needs or objectives of any particular person and does not take account of the specific needs or circumstances of any person. It is not intended to be and should not be construed as a recommendation, offer or solicitation to acquire, or dispose of, any of the financial instruments and/or securities mentioned in this document and will not form the basis or part of any contract or commitment whatsoever. Readers should seek personal investment advice as to the suitability of any investment decision or strategy to their own needs and circumstances. Any comments on specific stocks are intended as an objective, independent view in relation to that stock generally, and not in relation to its suitability to any specific person. Past performance may not be a reliable guide to future performance. Investments may fall as well as rise.

No assurance, warranty or representation is given that any investments, products, communications, services or offerings will meet any or all of your expectations regarding "green", "ESG", "sustainable", "responsible", or other equivalent terms. ESG strategies may diverge from, increase or eliminate exposures found in other non-ESG strategies or broad market benchmarks. This may cause performance to diverge from the performance of these other strategies or market benchmarks.

Irish Life Assurance plc is regulated by the Central Bank of Ireland

This document is intended as a general review of investment market conditions. It does not constitute investment advice and has not been prepared based on the financial needs or objectives of any particular person, and does not take account of the specific needs or circumstances of any person.

The author cannot make a personal recommendation for any person and you should seek personal investment advice as to the suitability of any investment decision or strategy to your own needs and circumstances. Any comments on specific stocks are intended as an objective, independent view in relation to that stock generally, and not in relation to its suitability to any specific person.

ILIM may manage investment funds which may have holdings in stocks commented on in this document. Past performance may not be a reliable guide to future performance. Investments may go down as well as up. Funds may be affected by changes in currency exchange rates.

Irish Life Investment Managers (ILIM) is an appointed investment manager to Irish Life Assurance plc

Irish Life Investment Managers Ltd is regulated by the Central Bank of Ireland

Irish Life Assurance plc is regulated by the Central Bank of Ireland