Our Sustainability Policy

November 2023

Aviva becomes the first major insurer worldwide to target Net Zero carbon by 2040.

Introduction

Aviva Life & Pensions Ireland DAC ('ALPI) or ('we') is authorised by the Central Bank of Ireland as a life insurance undertaking. ALPI's ultimate parent company is Aviva plc ("Aviva").

Sustainability and environment, social, and governance issues ("ESG") are a core part of Aviva's culture. Climate change is one of the biggest challenges facing humanity. As a leading global insurer, Aviva has a responsibility to ensure that how it does business has little, if any, impact on the environment.

Net Zero by 2040

Aviva has a publicly stated goal to be the leading financial services firm in the UK and Ireland on climate change. This will be delivered by an ambitious plan to become a "Net Zero" carbon emissions company by 2040. Becoming a fully Net Zero company by 2040 means focusing on the companies in which Aviva invests or the debt securities of which it purchases. Aviva aims to be Net Zero in carbon emissions across its operations and supply chain by 2030 and through its shareholder and policyholder investments[1] by 2040.

In focusing on an ambition up to twenty years into the future, it is important to set the destination, but little will be achieved without more immediate targets and milestones to mark the way.

Therefore, Aviva has set out the following plan and timelines for achieving these goals:

- By the end of 2022, Aviva will divest from all companies which generate more than 5% of their revenue from coal unless they have signed up to the Science Based Targets initiative[2] .
- By 2025, Aviva plan to cut the carbon intensity of its investments by 25%.
- And by 2030, Aviva plans to cut the carbon intensity of its investments by 60%. This is ahead of the Paris (2050 Global Climate Agreement) aligned target of 50% cuts by 2030.

Progress towards these targets will be tracked through annual, public reporting.

Aviva Life & Pensions Ireland DAC's ('ALPI') approach

ALPI has put in place a documented and consistent process for making investment decisions (the "Investment Process"). This applies to all its investments whether they are made directly, via an Investment Management Agreement ('IMA') or through a Collective Investment Vehicle ('CIV')[3].

Under the Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) (the "SFDR"), ALPI is defined as a Financial Market Participant ("FMP") and is required to publish a number of entity-level disclosures on its website including:

- Information on how sustainability risk has been integrated into the investment process.
- Information on how its remuneration arrangements are consistent with the integration of sustainability risk into the investment process; and
- Information on how the adverse impacts of investment decisions on sustainability factors are considered.

1. Where Aviva or its subsidiaries and affiliates invest in externally managed collective investment vehicles, it will not be able to apply sustainability or ESG criteria through voting engagement with the companies, holdings of which make up the externally managed collective investment vehicles. However, please see further information on the approaches taken by certain of the investment managers of such vehicles below.

2. Science Based Targets initiative is a collaboration between United Nations Global Compact, CDP (a global disclosure system), World Resources Institute and World Wide Fund for Nature. This initiative is highly respected and defines and promotes best practice in science-based target pathway setting. Offering a range of target-setting resources and guidance to set science-aligned targets for operations, supply chain and, more recently, investments, the SBTi independently assesses and approves companies' targets in line with its strict criteria.

3. Collective investment vehicles (CIV) pool investors' capital together under one umbrella so that it may be managed at scale by a professional investment management firm. Investors buy units in the collective investment vehicle, which then buys assets such as equities or bonds on their behalf. The monetary value of these assets is divided by the number of units issued when the fund is created to give an initial unit value. This value then fluctuates as the underlying assets trade daily and investors put money in or take money out.

Aviva Life and Pensions Ireland DAC's ("ALPI") approach to sustainability integration in the Investment Process

In ALPI, we realise that the world is faced with the catastrophic and unpredictable consequences of severe climate change, resource depletion, and other sustainability-related issues. Nature is our home and sustainable investment is a means to manage it better than we have in the past.

ALPI has developed and maintains a Sustainable Investment Policy (the "SIP Policy") that outlines the framework and approach taken for sustainable and responsible investment in its investment decision making process.

Although ALPI is not a signatory to the United Nations Principles for Responsible Investment ("UN PRI"), nor do we engage directly with individual companies to identify and reduce Environmental, Social and Governance ("ESG") risks in portfolios, a number of the investment managers ALPI uses to manage its assets are signatories to the UN PRI. These investment managers engage directly with companies in which they hold shares or debt securities with the aim of reducing ESG risks. In this latter regard, one of our investment managers, Aviva Investors is five star rated by UNPRI and was a founding signatory to UNPRI in 2006[1]. They are also ranked 2nd by Share Action for voting on climate and social issues[2].

We believe that it is important that ALPI disclose to our unit-linked pension and investment policyholders information regarding ALPI's approach to the integration of sustainability risks and the consideration of adverse sustainability impacts in its investment policy.

ALPI defines 'responsible investment' as the integration of ESG factors, employee matters, respect for human rights, anti-corruption, anti-bribery matters, sustainability risk, and driving change through monitoring proxy voting at the annual general meetings of investee companies (collectively, 'Sustainability Factors') into the Investment Process. Let's look at the meaning of some of these terms:

What is a sustainability risk?

A sustainability risk is an environmental, social, or governance event or condition that, if it were to occur, could cause a negative and material impact on the value of an investment.

What is a sustainable investment?

A sustainable investment is one where the entities in which we ultimately invest or whose debt securities we purchase follow good governance practices and the precautionary principle of 'do no significant harm' is ensured, so that no environmental or the social objective is significantly harmed.

'sustainable investment' means:

- An investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy e.g. electricity. This includes renewable energy, raw materials, water and land, on the production of waste, greenhouse gas emissions, or on the impact on biodiversity and the circular economy, or
- An investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or
- An investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

At ALPI, we believe that focusing on sustainability factors by identifying high quality companies for investment and/or asset managers (including collective investment schemes under their management) that pursue an ESG/sustainable investment agenda is likely to improve the medium-long term risk-adjusted return for our unit-linked policyholders, but this is not guaranteed. ALPI's goal is to enhance and improve sustainability integration in a multi-step, and a multi-year, approach across the various product/fund lines and to monitor any

1. Source: UNPRI 2021. 2. Source: Share Action Point of no Returns February 2023.. Here Share Action ranked 77 of the world's largest asset managers' approaches to responsible investment. Aviva Investors and LGIM were the only managers that sell into the Irish market to receive an A rating for their approach.

improvement on an ongoing basis.

While ALPI considers ESG factors in the investment decision-making process, this does not mean that ESG factors/sustainability considerations are the sole or foremost considerations for investment decisions. It is also worth highlighting that ALPI has not adopted an exclusions policy at this time. Further, given the wide variety of funds available to policyholders, varying approaches may be taken when assessing and weighing up sustainability considerations within the funds' investment process in line with a particular fund's investment strategy. A different and deeper approach will be in place for products with more specific ESG considerations compared to less developed ESG product areas. Nonetheless, ALPI's long-term efforts will be focused on realising improvements across all areas, where possible.

ALPI understands that its investment decisions and funds that it makes available may have an impact on sustainability factors (such as climate and the environment, and social and employee matters, respect for human rights, anticorruption, and anti-bribery matters). ALPI believes that monitoring sustainability risks and the ESG scores of the funds over time, can provide insight as to how investment decisions could potentially have a material adverse impact on Sustainability Factors. Accordingly, ALPI seeks to manage and mitigate sustainability risks to the extent possible by integrating such risks into its investment decision-making process. These factors will initially underpin the monitoring of funds and engagement with asset managers. ALPI also believes that active ownership can be used to help contribute positively to sustainability practices and outcomes over time.

If all of these factors are not managed carefully, we believe that they can also give rise to reputational risk for the companies in which we invest or whose debt securities we purchase and corresponding financial risk for our unit-linked policyholders.

Consideration of the Principal Adverse Impacts of Investment Decisions

ALPI operates in line with the Aviva Exclusions Policy for all assets under out control (i.e. non linked and unit linked covered by an Investment Management Agreement, i.e Aviva Investors) an these excludes many companies with poor ESG characteristics.

Unit-linked Funds and their Sustainability Factors

The vast majority of ALPI's unit-linked funds are managed by third-party investment managers, through either an Investment Management Agreement ('IMA') or through a Collective Investment Vehicle ('CIV') and the due diligence that ALPI undertakes on each investment is set out below.

ALPI has divided the unit-linked funds open to policyholders into three broad categories in line with the Sustainable Finance Disclosures Regulations called Article 9 (A9), Article 8 (A8), and Article 6 (A6) funds. The extent to which the Sustainability Factors in our Sustainable Investment Policy ("SIP") are considered varies by category of fund as explained below

Article 9 'Dark Green' (A9) Unit-Linked Funds

A9 unit-linked funds have and promote as their objective sustainable investment and use an index designated as a reference benchmark and;

provide information on:

- how the designated index is aligned with the objective.
- the methodologies used to assess, measure and monitor the impact of the sustainable investments selected for the ALPI product, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the overall sustainable impact of the product.
- the overall sustainability-related impact of the ALPI product by means of relevant sustainability indictors.
- A comparisons between the overall sustainability-related impact of the product with the impacts of the designated index and a broad market index through sustainability indicators.

As part of our due diligence process, we require information from the investment manager of the relevant fund on how the designated index is aligned with the sustainable investment objective and an explanation as to how the objective differs from a broad market index.

Article 8 'Light Green Funds' (A8) Unit-linked Funds

A8 unit-linked funds promote environmental or social characteristics or a combination of these two characteristics and provide information on:

- The way and extent to which the characteristics of the fund are met.
- The methodologies used to assess, measure and monitor the environmental or social characteristics or the impact of the sustainable investments selected for the product, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the environmental or social characteristics of the financial product.
- If an index has been designated as a reference benchmark for an A8 unit-linked fund, a description will be provided as to the way in which the index is consistent with those characteristics and an indication of where the methodology used for the calculation of the index is to be found.

As part of our due diligence process, we require information from the fund's investment manager on how those characteristics are met and how any reference benchmark is consistent with those characteristics.

A6 Unit-linked Funds

The manner in which Sustainability Factors are integrated into ALPI's investment process varies significantly from one unit-linked fund to another among A6 unit-linked funds.

While some of the investment managers of A6 unit-linked funds take one or more of the following factors: ESG factors, employee matters, respect for human rights, anti-corruption, anti-bribery matters, and sustainability risk, into account in making investment decisions, such factors are not binding on ALPI's appointed investment managers when making investment decisions.

Further, where we, or investment firms managing assets for ALPI under an IMA or as the investment manager of a collective investment vehicle invest in third-party collective investment vehicles, will not be able to apply sustainability or ESG criteria though voting engagement with these companies, the holdings of which make up the externally managed collective investment vehicles.

In general, for A6 unit-linked funds we currently do not consider adverse impacts of investment decisions on sustainability factors:

We continue to engage with each of our external investment managers to understand how they will consider such adverse impacts in the future and we shall update this website in due course.

Due Diligence

Currently, ALPI's investment due diligence covers a range of risks including the investment manager's management of credit risk, market risk, liquidity risk, legal risk, related party transactions, cyber security, compensation of investors for failed trades, regulatory matters, risks associated with trading derivatives, ESG policies, proxy voting, staff turnover, reclaiming of withholding taxes suffered by the funds managed by an investment manager, and compliance with the relevant mandate or prospectus. Investment due diligence is carried out on a regular basis. The frequency of which depends on ALPI's assessment of the risk inherent in the unit-linked fund and the quality of the investment manager's reporting. In addition, the performance of unit-linked funds is monitored for investment risk and investment performance relative to peers, benchmark, and in absolute terms.

Since 30 June 2021, in addition to ALPI's investment due diligence, we have been be asking our investee companies to consider integrating into their investment process not just relevant financial risk but also consideration of the principal adverse impacts of investment decisions on sustainability risks that might have a negative impact on the financial return of an investment. We also monitor the compliance of our investment managers with these requirements through our due diligence process.

Where relevant to the fund(s) you and or your financial broker/adviser select, we will take sustainability risks into account through our due diligence process which has the following key effects:

- Significantly increasing the probability of avoiding adverse impacts on people, the environment, and society.

- In choosing CIVs and in directing our external investment managers we aim to ensure that they allocate capital to companies and entities that through their operations, supply chains, and business relationships aim to prevent adverse impacts on human rights, including workers and industrial relations, environment, bribery and corruption, disclosure, and consumer interests.
- Our due diligence is commensurate with the severity and likelihood of adverse impacts and we therefore expect our investment manager to prioritise the order in which they act on adverse impacts in a similar way.
- Our due diligence involves feedback loops so that we can respond to changes in the risk profile of our investee companies and learn, through experience of what worked and what did not work.
- An investee company's compliance with internationally recognised standards and the rule of law in each country in which it operates are critical issues in our due diligence process.
- Through our choice of CIVs and investment managers, we seek to invest in companies and other entities that are seeking to cease, prevent, or mitigate the impacts on:
    - → human rights, including workers and industrial relations,
    - → environment,
    - → bribery and corruption,
    - → disclosure, and consumer interests through contractual arrangements, pre-qualification requirements, voting trusts, license, or franchise agreements, and also through collaborative efforts to pool leverage in industry associations or cross-sectoral initiatives.

We believe that communicating information on our due diligence process will enable ALPI to build trust in our actions and decision-making and demonstrate good faith.

Proxy Voting

ALPI believes that active ownership can help to realise long-term shareholder value. Voting at the annual general meetings of investee companies can provide investors with an opportunity to enhance the value of companies in a way that is more consistent with long-term investor timeframes. ALPI has engaged with the relevant investment managers to maintain a Proxy Voting Policy. The Proxy Voting Policy sets out the measures and procedures adopted when exercising its right to vote on issues at annual general meetings of companies in which it holds shares. Through voting, Aviva Investors aims to improve the sustainability profile of unit-linked funds over time.

Remuneration Policy Aligned with Sustainability Factors

ALPI maintains a Remuneration Policy in line with the Solvency II Directive and any other applicable regulations. An underlying principle of the Remuneration Policy (the 'Policy') is to promote sound and effective risk management that does not encourage excessive risk-taking. The Remuneration Policy already aims to ensure that the remuneration pay-outs are appropriate and that the risk profile, long term objectives and goals of the firm and interests of the policyholders are adequately reflected in them. Performance-based remuneration for staff is awarded in a manner which promotes sound risk management and does not encourage excessive risk-taking. As such ALPI is satisfied the its existing remuneration arrangements adopted under the Remuneration Policy are consistent with the integration of sustainability risk considerations, where these are relevant and material for the product.

Amendments to this Document

Where we amend information in relation to these disclosures, we shall provide a clear explanation for such amendment on this document.

List of A6, A8, and A9 Funds

Our fund range is currently (as at November 2023) designated as follows:

Funds

A8

Stewardship Ethical Equity

Aviva Multi-Asset ESG Active 3
Aviva Multi-Asset ESG Active 4
Aviva Multi-Asset ESG Active 5

Aviva Multi-Asset ESG Passive Plus 3
Aviva Multi-Asset ESG Passive Plus 4
Aviva Multi-Asset ESG Passive Plus 5

Aviva ESG Fixed 20
Aviva ESG Fixed 40
Aviva ESG Fixed 60
Aviva ESG Fixed 80

Aviva Cash Fund
Aviva Bond Fund
Aviva Long Bond Fund
Aviva Corporate Bond Fund

Concept K Fund
Global Smaller Companies Equity Fund

Global Mid-Cap Equity Fund

L&G Multi-Index III Fund
L&G Multi-Index IV Fund
L&G Multi-Index V Fund

Cantor Fitzgerald Multi-Asset 30 Fund
Cantor Fitzgerald Multi-Asset 50 Fund
Cantor Fitzgerald Multi-Asset 70 Fund

Global Leaders Equity Fund
Global Equity ESG Passive

European Equity ESG Passive

Aviva Investors Multi-Strategy (AIMS) Target Return Fund (Ireland)

Global Emerging Market Equity Fund

Aviva Irish Commercial Property Fund

High Yield Equity Fund

A6

Annuity Fund

Physical Gold Fund

Emerging Market Index Fund

Fixed Deposit Funds (when available)

This document may be updated from time to time. The funds and their designations are as at November 2023. These funds and their designations may change over time.

To make a difference, It takes Aviva.

1.604.11.23