

**FIL Life Insurance (Ireland) DAC  
(‘FIL Life Ireland’)**

**Sustainable Finance Investment  
Disclosures under EU  
Regulations 2019/2088 &  
Commission Delegated  
Regulation (EU) 2022/1288 (the  
‘Regulations’)**

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## Contents

Introduction .....	3
Sustainability Disclosures.....	3
FIL Life Ireland level disclosures.....	3
Fund level disclosures .....	4
Review of disclosures.....	5
Appendix 1 - Underlying Fund Managers Prospectus.....	6
Appendix 2 - Life funds investing in underlying funds which promote environmental and social characteristics .....	7
Appendix 2a - Further information on underlying funds promoting environmental and social characteristics and managed by Fidelity International.....	8
Fidelity Sustainable Family Range.....	8
Other Fidelity International funds promoting sustainable characteristics.....	10
Appendix 3 - Remuneration Policy Statement.....	11
IMPORTANT INFORMATION .....	13

## Introduction

FIL Life Insurance (Ireland) Designated Activity Company (DAC) (“FIL Life Ireland”) is a Life Insurance Undertaking subject to Solvency II and authorised by the Central Bank of Ireland under the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. No. 485 of 2015) to carry on Class III (Contracts linked to Investment Funds) Life Insurance business in Ireland.

The principal activity of FIL Life Ireland is to provide unit linked life insurance policies, linked to a broad range of funds managed by the FIL Limited group of companies (“FIL”) and selected third party fund partners. The life insurance policy is offered as an investment solution for operators of International Retirement Savings Plans (IRSP) and Pan European Institutions for Occupational Retirement Provision (IORP). Through the policy a Policyholder can invest in life funds which are provided by FIL Life Ireland, and which contain underlying funds provided by FIL and/or third-party fund partners. Each life fund invests in one underlying fund only. Where a Policyholder selects the FIL Life Ireland life insurance policy as their investment solution this enables the Policyholder to provide the participants in the IRSP and/or IORP access to and a choice of the life funds available on the FIL Life Ireland Platform (the “Platform”) in which FIL Life Ireland is instructed to invest.

## Sustainability Disclosures

The purpose of this document is to publish FIL Life Ireland’s investment disclosures relating to sustainability as required by the Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability related disclosures in the financial service sector.

In accordance with the initial requirements, different timelines are stipulated for different elements of the Regulations. This document relates to all disclosures which were required to be in place by 10 March 2021 and some additional requirements expected to be in place by 1 January 2023, where applicable.

### FIL Life Ireland level disclosures

The following section sets out key information in relation to the assessment of sustainability risks and the approach taken by FIL Life Ireland.

#### **Sustainability Risk Policies**

The process in place ensures that environmental, social and governance (ESG) factors are considered in the selection of underlying funds used to create the life funds which are available on the Platform.

Special consideration and preference in selecting underlying funds will be given to asset managers who have signed the United Nation’s Principles for Responsible Investments (PRI) - a voluntary framework for incorporating ESG issues into investment decision-making and ownership practices. Life funds available on the Platform will be selected from underlying funds managed by multiple asset managers, so this will apply to 3rd party fund managers as well as to Fidelity. Fidelity is already a signatory of the PRI.

Since Responsible Investing continues to evolve, FIL Life Ireland will continue to monitor the progress and update our approach and policies as needed.

Investment management is provided by the Fund Managers. These managers may all have different policies in place in relation to the integration of sustainability risk. All are however regulated by competent authorities in Europe and are subject to the same or similar ESG disclosure regulations. Please refer to [Appendix 1](#) for more information on the policies of the Fund Managers on the integration of sustainability risks in their decision-making process.

### **Adverse sustainability impacts**

FIL Life Ireland does not consider the principle of adverse impacts of investment decisions on sustainability factors as it is not a Fund Manager. As explained above, FIL Life Ireland offers a Policyholder access to life funds which are wrappers containing underlying funds which are provided by FIL and/or third-party fund partners. FIL Life Ireland selects funds provided by European regulated managers both within Fidelity and outside. FIL Life Ireland continues to liaise with all managers on their Platform to obtain information which the managers are specifically required to disclose under the Regulations; to assist with their reporting requirements in relation to the principle of adverse impacts on sustainability factors and other sustainability regulatory requirements as required. The information received is set out in [Appendix 1](#).

### **Integration of Sustainability Risks and Impact on Returns**

The policy offers access to a wide range of life funds suitable for the investment needs of FIL Life Ireland's Policyholders. Through the policy, Policyholders have access to different types of life funds, both passive and active, providing exposure to different markets and risk profiles - including ESG.

Within the underlying funds invested in by the life funds, ESG risks are integrated into the underlying fund managers' investments selection processes to different degrees; most consider sustainability risks in their investment processes for all investment decision making. Some offer funds with specific ESG characteristics or investment objectives. For example, the policy offers access to several life funds with an underlying fund which specifically promotes environmental and/or social characteristics. Details of the life funds which contain such underlying funds are set out below in [Appendix 2](#).

Please note that there is also a document under the document section in PlanViewer which provides an assessment of the likely impacts of sustainability risks on returns.

### **Fund level disclosures**

As well as information relating to FIL Life Ireland's approach to integrating sustainability risks in its policies, governance, and investment selection process overall, the Regulations set out the requirement to provide more detailed information in relation to certain types of investment products.

Whilst the Life Funds offered by FIL Life Ireland are not in scope of the regulation, in order to assist Policyholders to select life funds which are invested in underlying funds with ESG characteristics or objectives, we have included in [Appendix 2](#) a list of the underlying funds which have concluded that

they promote environmental and social characteristics. Please note that this list is subject to change in the future.

In relation to the underlying funds which have concluded that they promote sustainable characteristics or have sustainable investment objectives, the Regulations impose a “do not harm” principle to the underlying funds which take in to account the EU criteria for environmentally sustainable economic activities.

Similarly, the underlying funds which do not promote sustainable characteristics or have sustainable investment objectives, those underlying funds do not take in to account the EU criteria for environmentally sustainable economic activities.

### **FIL Life Ireland Remuneration Policy**

FIL Life Ireland has reviewed its Remuneration Statement/Policy in relation to the integration of sustainability risks and considers the policy consistent with the integration of such risks. The related section of the Remuneration Statement/Policy is included in [Appendix 3](#).

### [Review of disclosures](#)

FIL Life Ireland is responsible for ensuring the information provided to Policyholders is accurate, current and in line with all legislative and regulatory requirements. In this regard FIL Life Ireland is responsible for keeping the information in this disclosure document up to date. As part of its overall oversight responsibilities a review will be conducted on a regular basis, and any amendments will be published on the website, in this document, with a clear explanation of the amendment.

## Appendix 1 - Underlying Fund Managers Prospectus

We have included here a link to the prospectus of each underlying fund manager. By following this link, you will find information on the following:

1. The Fund Manager's statements on due diligence policies where they consider principal adverse impacts of investment decisions on sustainability factors.
2. The Fund Manager's Policies relating to the integration of sustainability risks in their decision-making process.
3. The manner in which disclosures are integrated into investment decisions by the Fund Manager

### LINK TO FUND MANAGER PROSPECTUS

[Aberdeen Standard](#)

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[Alliance Bernstein \(AB\)](#)

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[BlackRock Global Funds & BlackRock Global Index Funds](#)

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[Fidelity](#)

---

[Franklin Templeton](#)

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[Fulcrum](#)

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[HSBC](#)

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[Legg Mason](#)

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[MFS](#)

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[Ninety One](#)

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[PIMCO](#)

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[Robeco](#)

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[T Rowe Price](#)

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The full list of life funds available per scheme operated by the Policyholder can be accessed within PlanViewer, and the prospectuses provided by the links above are for all funds managed by the respective fund managers, not just the ones available via FIL Life Ireland.

If the links do not work automatically, please copy and paste the link directly into the browser.

## Appendix 2 - Life funds investing in underlying funds which promote environmental and social characteristics

FIL Life Ireland's policy offers access to a wide range of life funds. These life funds are not financial products subject to the Regulations but the underlying UCITS funds in which they invest in are capable of promoting sustainable characteristics if they meet certain criteria under the Regulations.

Below is a list of the underlying funds which promote sustainable characteristics.

UNDERLYING FUND MANAGER	UNDERLYING FUND NAME
Fidelity	FF - America Fund
	FF - ASEAN Fund
	FF - Emerging Market Debt Fund
	FF - Emerging Markets Fund
	FF - Euro Bond Fund
	FF - European Growth Fund
	FF - European High Yield Fund
	FF - European Multi Asset Income Fund
	FF - Flexible Bond Fund
	FF - Global Bond Fund
	FF - Global Corporate Bond Fund
	FF - Global Demographics Fund
	FF - Global Focus Fund
	FF - Global High Yield Fund
	FF - Global Inflation-linked Bond Fund
	FF - Global Thematic Opportunities Fund
	FF - Greater China Fund
	FF - India Focus Fund
	FF - Nordic Fund
	FF - Pacific Fund
	FF - Sustainable Asia Equity Fund
	FF - Sustainable Euro Cash Fund
	FF - Sustainable Europe Equity Fund
	FF - Sustainable Eurozone Equity Fund
	FF - Sustainable Global Equity Fund
	FF - Sustainable Japan Equity Fund
	FF - Sustainable Multi Asset Income Fund
	FF - Sustainable Climate Bond Fund
	FF - Sustainable Strategic Bond Fund
	FF - Sustainable US Dollar Cash Fund
	FF - Sustainable US Equity Fund
	FF - Sustainable Water & Waste Fund
FF - US Dollar Bond Fund	
FF - World Fund	
Alliance Bernstein	AB Eurozone Equity Portfolio
Blackrock	BlackRock ESG Multi Asset Fund
Ninety One	Ninety One Global Multi-Asset Sustainable Growth
Robeco	Robeco QI Global Multi-Factor Credits

## Appendix 2a - Further information on underlying funds promoting environmental and social characteristics and managed by Fidelity International

As explained, certain life funds offered through the policy invest in underlying funds which promote sustainable characteristics and details of the fund series are set out below.

### Fidelity Sustainable Family Range

Fidelity Sustainable Family is a dedicated fund range exhibiting enhanced sustainable characteristics and this is noted in the investment objective of the relevant funds. The following fund series which underlies the life funds of the same name available on the Platform are part of the Fidelity Sustainable Family.

1	FF - Sustainable Asia Equity Fund
2	FF - Sustainable Euro Cash Fund
3	FF - Sustainable Europe Equity Fund
4	FF - Sustainable Eurozone Equity Fund
5	FF - Sustainable Global Equity Fund
6	FF - Sustainable Japan Equity Fund
7	FF - Sustainable Multi Asset Income Fund
8	FF - Sustainable Climate Bond Fund
9	FF - Sustainable Strategic Bond Fund
10	FF - Sustainable US Dollar Cash Fund
11	FF - Sustainable US Equity Fund
12	FF - Sustainable Water & Waste Fund

All the funds in the Fidelity Sustainable Family comply with the Fidelity Sustainable Family Framework, as detailed below. Fund specific additional requirements and exclusions will also be set out in the relevant investment objective, where applicable. The Investment Manager for funds in the Fidelity Sustainable Family also has discretion to implement additional sustainable requirements and exclusions having regard to their applicable investment process from time to time. Please click [here](#) for further disclosures relating to the **Sustainable Family Fund range**

### Fidelity Sustainable Family Framework

- A minimum of 70% of a fund's net assets are invested in securities deemed to maintain sustainable characteristics.
  - Sustainable characteristics are defined by reference to a combination of different measurements such as ESG ratings provided by external agencies or Fidelity Sustainability Ratings. Further details on the methodology applied are set out in the relevant prospectus [here](#) and may be updated from time to time.
  - A maximum of 30% of a fund's net assets are allowed in issuers that are not deemed to maintain sustainable characteristics in accordance with the criteria above, but which demonstrate improving sustainable indicators. Improving sustainable indicators are issuers classified as such through the trajectory outlook of Fidelity Sustainability Ratings or issuers which in the view of the Investment Manager demonstrate the potential for improvement through the implementation and



execution of a formal engagement plan. The criteria used to determine this reference rating may change over time and will be updated accordingly.

- Funds adhere to an enhanced principle-based exclusion policy incorporating both norms-based screening and negative screening of certain sectors, companies or practices based on specific ESG criteria to be determined by the Investment Manager from time to time.
  - The norms-based screening includes issuers which the Investment Manager considers have failed to conduct their business in accordance with accepted international norms, including as set out in the United Nations Global Compact.
  - The negative screening includes issuers which have exposure, or ties, to:
    - controversial weapons (biological, chemical, incendiary weapons, depleted uranium, non-detectable fragment, blinding lasers, cluster munitions, landmines and nuclear weapons);
    - production of conventional weapons (a weapon of warfare which is not nuclear, chemical or biological in nature);
    - production of semi-automatic firearms intended for sale to civilians or sale of semi-automatic firearms to civilians;
    - tobacco production, retailing, distribution, and licensing; or
    - thermal coal extraction and power generation provided that such will be permitted issuers where the revenue share from renewable energy activities exceeds the revenue share from thermal coal activities or where the issuer has made an effective commitment to a Paris Agreement aligned objective based on approved science-based targets or alignment with a transition pathway Initiative scenario or a reasonably equivalent public commitment.

The Investment Manager may apply revenue thresholds for more refined screens.

- Through the investment management process, the Investment Manager aims to ensure that investee companies follow good governance practices.

The Fidelity Sustainable Family range offers two investment categories: 'Sustainable Focused' and 'Sustainable Thematic'. Typically, the Sustainable Focused funds will actively seek to select companies that are higher sustainability performers relative to peers with reference to MSCI ESG Ratings and Fidelity Sustainability Ratings, while the Sustainable Thematic funds will invest across sectors relating to a common theme with a long-term investment horizon by aiming to address sustainability challenges.

### Other Fidelity International funds promoting environmental and social characteristics

There are further funds offered by Fidelity, which the life funds available on the FIL Life Ireland Platform, that promote sustainable characteristics.

These funds fall within the Fidelity Sustainable Investing Framework. In these cases, the Investment Manager considers a wide range of environmental and social characteristics on an ongoing basis for each fund, as set out below or in each relevant fund's investment objective, but the Investment Manager has the discretion to implement enhanced, stricter sustainable characteristics and exclusions from time to time.

- A minimum of 50% of a fund's net assets are invested in securities deemed to maintain sustainable characteristics
  - Sustainable characteristics are defined by reference to a combination of different measurements such as ESG ratings provided by external agencies or Fidelity Sustainability Ratings. Further details on the methodology applied are set out at [link] and may be updated from time to time.
- The norms-based screening includes issuers which the Investment Manager considers have failed to conduct their business in accordance with accepted international norms, including as set out in the United Nations Global Compact.
- All funds managed by the Investment Manager are subject to a firm-wide exclusions list, which includes, but is not limited to, cluster munitions and anti-personnel landmines.
- Through the investment management process, the Investment Manager aims to ensure that investee companies follow good governance practices.

Please refer [here](#) for further information relating to the above funds.

## Appendix 3 - Remuneration Policy Statement

In this Appendix we have included an extract from FIL Life Ireland's Remuneration Statement which highlights how the statement is consistent with the integration of sustainability risks. FIL Life Ireland adheres to the remuneration policy of the FIL Group (FIL).

### Regulatory Considerations

As a financial services business operating in Europe, FIL and its subsidiaries are subject to multiple European regulations on remuneration. The FIL RemCo receives regular updates on material regulatory developments which may impact remuneration structure or practice to understand FIL's obligations in this area.

FIL's Remuneration Policy, and its implementation, is reviewed at least annually by the FIL RemCo to ensure that it remains aligned to the Group's risk framework, business strategy and long-term interests of clients, and complies with the relevant requirements. The latest review was conducted in October 2019 and changes introduced within this policy document are with reference to the improvements made to the Performance Management and Compensation Review at FIL during 2019.

Any employees of the firm and its subsidiaries, designated as "material risk takers" (also referred to as "Identified Staff") are governed by more prescriptive rules in respect of their compensation, including the structure of their variable compensation. Individuals are categorised as Identified Staff following the criteria set out by the European Banking Authority under the Capital Requirements Directive IV ("CRD IV" and "CRD IV Identified Staff") and the guidance set out by the European Securities and Markets Authority under the Undertakings for Collective Investment in Transferable Securities Directive ("UCITS V" and UCITS V Identified Staff) and the Alternative Investment Fund Management Directive ("AIFMD" and "AIFMD Identified Staff"). This Identified Staff group is reviewed on an ongoing basis and Identified Staff are notified of their status and the impact on their remuneration structure.

### Sustainable Finance Disclosure Regulation Consideration

FIL's approach to remuneration has always been designed to support the long-term business interests of FIL shareholders (which in turn are based on delivering value to our customers over the long term), to reflect the asset management risk model and to deliver long-term sustainability. This model is consistently applied locally to each subsidiary entity in our international network. FIL's compensation approach:

- is globally consistent, underpinned by a common philosophy and guiding principles which is overseen and supervised by the Remuneration Committee.
- is consistent with and promotes effective risk management, including (amongst other things) sustainability risks.
- is consistent with the interests of both our clients and our shareholders.
- is in line with business results.

FIL's compensation structures are designed to align the interests of its portfolio managers with the interests of the strategies they manage and that of the clients. A large part of Portfolio Manager remuneration is aligned to the performance of their strategies. Individual performance is measured over a longer-term duration (typically over 3 to 5 years) which incorporates an evaluation of measures of sustainability, balanced view on the investment process followed, long term investment performance delivered for our clients and several other financial and non-financial measures. We

consider sustainability risks including (amongst other things) compliance with applicable policies, fund governance requirements and procedures, including our disclosures in relation to sustainability risks.

## IMPORTANT INFORMATION

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