



Irish Life & Permanent plc

Corporate Responsibility Report 2009

Contents

Contents

About this report	2
Message from the Chairman	3
Group Profile	4
Managing our corporate responsibility agenda	5
Stakeholder engagement	6
Marketplace	7
Workplace	12
Community	17
Environment	23
Global Reporting Initiative	28
External assurance	30
External commentary	31

About this report

This report is our sixth annual corporate responsibility or sustainability report. It covers the 12-month period to 31 December 2009. Our last report was published in April 2009 and covered the 12-month period to 31 December 2008. The intended audience is our shareholders, customers, employees, rating agencies and other stakeholders who have a particular interest in sustainability.

In 2009, the significant issues for the group were:

- implementation of change programmes in the key group businesses to adapt to the new economic circumstances in Ireland
- creation of a new group holding company to allow the group to participate more easily in any consolidation of the financial industry in Ireland – this was completed early in 2010
- improving corporate governance. Key actions included the appointment of a new Group Head of Risk and Compliance, the restructuring of board committees and reporting lines and the strengthening of the risk and control culture throughout the group

- working sympathetically with customers in financial difficulty to reach realistic, workable solutions to any problems those customers had.

Further comment appears in the message from our Chairman on page 3.

The report covers all of the group's operations and figures refer to the group as a whole unless indicated otherwise.

We have expanded the content of this year's report to include more information about the group (group profile-page 4), its stakeholders (page 6) and compliance with the GRI Reporting Framework (page 28).

Data in the report is produced as follows:

- workforce: data is produced from our HR system (CORE);
- environmental performance: we record data monthly, or as available, in our environmental management system; and
- other: data is sourced from the relevant business divisions.

In this year's report, we have adopted green gas conversion factors published by the Carbon Trust in the UK in April 2008 for quantifying greenhouse gas emissions.

This report is available in electronic form only on our group website: www.irishlifepermanent.ie

If you have any queries or comments on this report, please contact our Group Head of Corporate Responsibility, Gerry Loughrey: gerry.loughrey@irishlife.ie

Assurance and reporting standards

We have engaged GMJ Associates for a third year to provide independent assurance on the information in our Corporate Responsibility Report 2009 including data and statements made in the report and compliance with the GRI Reporting Framework. The GMJ Associates assurance report appears on page 30. GMJ Associates are an independent CSR consultancy company.

Message from the Chairman

This is our sixth annual corporate responsibility report. Corporate responsibility is about developing sustainable businesses over the long-term and this presents particular challenges in the current economic environment. It has been a very difficult and challenging year for all of our group businesses. In addition, the shape of the financial services industry in Ireland is changing and over the next year or more, new solutions and structures will emerge and we are determined to play a role in shaping those solutions.

Our customer satisfaction programmes are an important part of our core business ethos and have been in place in our main businesses for a number of years. Despite the difficult business environment, our customer satisfaction index (CSI) results for 2009 held up very well - CSI levels in Irish Life Corporate Business showed an increase, results for **permanent tsb** were in line with the previous year and in Irish Life Retail there was a decline of 1.7%. We believe that in each of our businesses we now have mechanisms in place that give us a very good indication of customer attitudes. The challenging economic conditions also present difficulties for our customers and we are working with them to find workable, realistic solutions to these difficulties.

Since 1998, we have taken a lead in the use of Plain English in our communications with customers. We have achieved a high number of Plain English “Crystal” and “Honesty” marks for product brochures and customer communications. In 2009, we were very pleased that Irish Life was selected by the founder of the Plain English Campaign, Chrissie Maher, as the overall winner of the Plain English Campaign 30th

anniversary award, ahead of 12,000 other organisations from 80 countries

The difficult business environment has also increased the pressure on our employees, particularly those in frontline customer roles. The continuing high level of commitment of our workforce is crucial in helping us to sustain our businesses through these difficult times and we recognise the contribution that they are making.

In 2009, we reached an important milestone for our main group community programmes when we completed the first three years of these programmes. During 2009, we carried out a review of the outcomes with our community partners. In the case of two of these programmes – the Age Action Care & Repair services (sponsored by Irish Life) and the **permanent tsb** Foróige Youth Citizenship Awards – we decided to extend our commitment for a further two years to the end of 2011. This is testimony to the success of these programmes and to the strength of the partnerships that have supported their development since 2006.

The third programme, the Trinity Long-term Study on Ageing (TILDA), is part funded by a 10-year funding commitment from Irish Life who became the anchor sponsor for the study in 2006. The public phase of TILDA was formally launched by President McAleese in May 2009 and marks a significant step in the progress of this important study.

We continue to develop our environmental agenda. We are achieving high levels of waste recycling and we monitor our energy use closely and are continually looking for ways to minimise it. In 2010, we plan to apply for accreditation to the international environmental standard ISO14001 for our group head office in Dublin.

We are committed to continuing the development our CR programme and activities in 2010 and beyond.

Gillian Bowler

Gillian Bowler
Chairman
Irish Life & Permanent



Group profile

Irish Life & Permanent (IL&P) was formed in 1999 from the merger of Irish Life, Ireland's largest life company, and Irish Permanent, the largest residential mortgage lender in Ireland. The group acquired TSB Bank in 2001. Irish Permanent and TSB Bank merged to create **permanent tsb**, the group's retail banking division.

The group headquarters are in Dublin and it has more than 150 offices and 5,000 employees, mainly in Ireland with a small operation in the UK .

Strategy

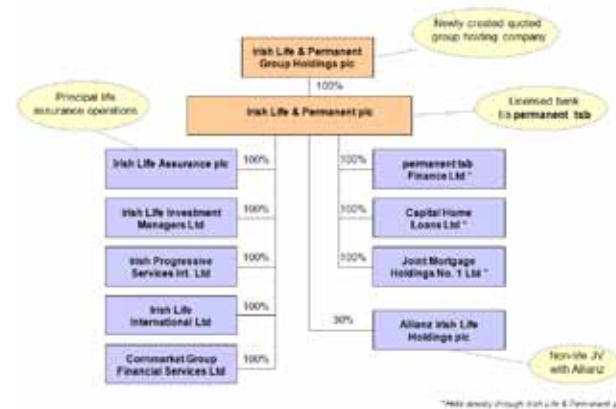
IL&P has a strategic focus on the Irish personal financial services market. Its market position has been built on strong brands and franchises supported by broadly based distribution. The group has a low-risk business profile, with business activities mainly in secured lending and unit-linked life business. The main strategic challenges facing the group are adapting the business to the impact of the business recession in Ireland and developing a future strategy for **permanent tsb** – the banking business of the group.



Operating structure

In 2010, the group was restructured and Irish Life & Permanent Group Holdings plc became the new parent and holding company for the group. The new structure will have the same capital structure, board and management team as Irish Life & Permanent plc and the business ethos and business activities remain the same.

The new structure gives the group greater flexibility to respond to the challenges and changes taking place in the Irish financial services sector.



Corporate culture

We have three core corporate values: relentless pursuit of customer satisfaction; a great place to work; and, a team of winners. These values are reflected in day to day activities in practical ways that include measuring customer satisfaction

levels and acting on feedback from customers; creating an environment where staff can develop and contribute to their maximum potential; and, putting an emphasis on teamwork and building a high performance culture.

Financial and business performance

Financial performance	2009	2008
Operating (loss)/profit before tax (embedded value basis)	(€196m)	€341m
Operating (loss) after tax (embedded value basis)	(€279m)	(€433m)
Total Tier 1 capital ratio Basel II	9.2%	9.2%
Life solvency cover (times)	1.6	1.6
Business performance	2009	2008
New loans issued	€1.2bln	€7.1bln
Lending book	€38.6bln	€40.1bln
Customer account balances (Irish banking business)	€14.1bln	€13.6bln
Life & investment new business APE	€539m	€714m
Life market share	30% (est.)	32%
Fund management market share	31.2%	29.8%

Managing our corporate responsibility agenda

Our overall corporate responsibility policy and objectives are set by the Board. We have a group Corporate Responsibility Committee that is chaired by our General Manager, Investor Relations. This Committee has representatives from key group businesses and functions and meets quarterly to review our CR programme, our CR activities, results and objectives. It also acts as a forum for sharing experience across the group and for identifying issues that need to be addressed. Membership of the committee is kept under review and changes made as appropriate.

We also have a Group Environmental Committee that meets approximately six times a year to review our group environmental agenda and performance. This committee has representatives from IT, facilities, group communications, marketing and group procurement departments.

Our group community programmes are an important component of our CR activities. We have community partners for our three major programmes and we meet regularly with senior representatives of our partner organisations to track progress and make sure that the programmes are achieving the required outcomes.

Gerry Loughrey is our Group Head of CR and he has responsibility for managing our group CR programme on a day-to-day basis. He works with internal departments and internal stakeholders to develop and promote our CR programme.



Gerry Loughrey
Group Head of CR
gerry.loughrey@irishlife.ie
Tel: 01-704 2574

Stakeholder engagement

Stakeholder group	Types of engagement
Customers	We interact with our customers through our customer contact centres, our branches and our customer websites. We carry out regular customer satisfaction surveys. In permanent tsb , we survey customers nightly within 24 hours of attending a branch to transact business.
Employees	We carry out surveys of our employees and we communicate regularly through intranets and employee magazines. We also support our employee staff charity organisations through matched funding and use of company resources.
Investors	Our General Manager, Investor Relations and other members of senior management meet investors as part of a regular communications process following key financial and other announcements.
Government and regulators	The Financial Regulator is responsible for monitoring the financial soundness of individual financial institutions in Ireland. Meetings and correspondence between the Regulator and IL&P take place on a regular basis. IL&P is a covered institution under the Irish Government bank guarantee scheme. The Irish Banking Federation (IBF) submits bi-annual reports to the Minister for Finance on behalf of the covered institutions in relation to corporate social responsibility.
Communities	We work with our main community partners to develop major community programmes. We also engage with other NGOs on a regular basis.
Suppliers	Our Group Procurement department meets suppliers in the normal course of business to agree contracts for supply of goods and services. They also review the environmental policies and practices of major suppliers on a regular basis.
Wider insurance and banking industries	We are members of the Irish Insurance Federation and of the Irish Banking Federation (IBF). Through our membership of the IBF, we contribute to industry-wide forums and discussions. We follow the IBF codes of practice.
Media	Media relations and enquiries are handled by our media relations management consultancy firm – Gordon MRM.

Marketplace

Relentless pursuit of customer satisfaction is one of our core values. Our group policy is to have policies and programmes in place that support this.

Our policy is to offer our customers the best combination of choice, value and service on the market. Because financial products can be complicated and difficult to understand, we are committed to using clear and straightforward language in all our customer communications. We work with the Plain English Campaign to make sure that all our customer communications meet the highest standards of clarity, openness and honesty.

We also have customer satisfaction programmes in place in our main businesses that use customer surveys to test customer satisfaction every year. Actions are taken to address the issues raised by customers in the research.

Customer service and satisfaction

Customer satisfaction – Irish Life Retail

Irish Life Retail Customer satisfaction index		
Year	Target	Actual
2007	77.5%	80.0%
2008	80.7%	80.1%
2009	79.0%	78.4%

Our customer satisfaction index continues to be the key measure that drives the Intouch customer 1st programme.

We measure our customer satisfaction score monthly using a sample of customers who have experienced one of five key interactions with us – New Business, Financial Review, Customer Service Centre, Withdrawal or a Complaint. The customer satisfaction index is calculated using a mix of our customers' experiences in core criteria such as the value for money of their product or how Irish Life treats them as a person, and also then using criteria related to the specific interaction or transaction that they had with us.



Our final customer satisfaction index score for 2009 was 78.4%, 0.6% below the target of 79.0% and 1.7% below the score for 2008. However, the trend of reducing scores in 2008 reached a low of 76.7% in Q1, 2009, and since then the trend has been upwards. So while we did not reach our target of 79.0% for the year, each of the underlying five transaction scores that make up the index has shown a marked improvement as the year progressed.

Transaction area	Priority for improvement
New Business – Satisfaction score 85.3%	<ul style="list-style-type: none"> Keeping customers informed through the application process Clarity of fees and charges
Financial review – Satisfaction score 88.1%	<ul style="list-style-type: none"> Pro-activity of the customer's financial adviser Quality of information provided
Customer service enquiries – Satisfaction score 80.2%	<ul style="list-style-type: none"> Keeping promises and commitments Quality of information provided
Withdrawals/maturities – Satisfaction score 69.6%	<ul style="list-style-type: none"> Advice on options at maturity Quality of information on tax liability
Complaints – Satisfaction score 49.2%	<ul style="list-style-type: none"> Keeping customers updated during the complaints process Keeping promises and commitments

Customer satisfaction – Irish Life Corporate Business

Irish Life Corporate Business Customer satisfaction index		
Year	Target	Actual
2007	85.0%	87.6%
2008	92.0%	89.1%
2009	92.0%	92.6%

The Irish Life Corporate Business (ILCB) customer service index (CSI) measures actual performance against target service levels across 12 key administrative services carried out for clients.

Despite handling a substantially higher volume of transactions in 2009, the CSI performance was very strong during the year, breaking through the 90% barrier for the first time. The improvement in 2009 was mainly driven by the completion of a catch up on long outstanding renewal items, substantial improvement to the new business process and faster handling of customer queries.

A number of the service commitments measured within the CSI will be reviewed during 2010 to make sure they continue to reflect customer expectations.

ILCB continued to invest in new IT and service solutions during 2009 to make sure that we constantly improve the customer service experience. Substantial new functionality was added to the Pension Planet Interactive on-line service and this

Information Support

Improvement



will continue through 2010. Development of new claims processing technology for the insurance business continued during 2009. The life claims element of this project has now been launched and the project will conclude with the launch of the income protection module during 2010.

ILCB also launched its innovative 'Personal Lifestyle Strategy' for Defined Contribution (DC) scheme members during 2009. This offers DC savers an effective way of reducing the impact of investment volatility on the benefits they receive when they retire.

ILCB commissions an independent yearly survey of brokers and consultants to assess their levels of satisfaction with insurance companies operating in the group business area. This survey is carried out by Millward Brown IMS. The results of the survey for the last four years are as follows:

Irish group business companies Brokers'/consultants' satisfaction			
Year	Irish Life	Next best	Gap
2006	72%	65%	7%
2007	77%	70%	7%
2008	75%	69%	6%
2009	77%	70%	7%

ILCB topped the survey again in 2009, with the satisfaction score matching the best score ever achieved and the gap over the next best company reverting to 7%. This was a very satisfactory outcome given the difficult circumstances for investments and the economy.

In 2009, in addition to our yearly survey with brokers and consultants, ILCB also commissioned an independent survey of clients (employers). The results of this survey were positive, showing that employers hold ILCB in good esteem. This survey will continue in the years ahead, allowing ILCB to identify areas where improvements are needed and track the impact of initiatives on the quality of service as perceived by employers.

In 2008, ILCB launched a new work-tracking system called MIDAS to support substantial improvements in service to customers. It was developed in partnership with software company, Zarion. At the ICT Excellence Awards 2009, Zarion and ILCB jointly received the award for IT project of the year (private sector).

Customer satisfaction – permanent tsb

permanent tsb Customer satisfaction index		
Year	Target	Actual
2007	82.5%	84.2%
2008	84.5%	82.7%
2009	82.7%	82.5%

Customer Central – the customer satisfaction programme in **permanent tsb** – is driven by a senior executive supported by a steering group with representatives from all areas of the bank. Priorities for action are selected from yearly and daily customer satisfaction surveys. The results of these surveys are communicated across the organisation and detailed action plans are put in place to address the issues raised. A strap line for the programme is 'everyone, at every level, doing their bit for customer satisfaction'.

Customer Central ambassadors: Every branch and department has at least one designated Customer Central "ambassador". These people are nominated by their peers and they co-ordinate the activities of their respective branch and department. As part of the ongoing training and development requirements of the programme, we have introduced a multimedia ambassador training programme on our learning management system.



Customer service awards: We have monthly and yearly customer service awards where staff who make a special effort are recognised and formally acknowledged. More than 240 nominations were received in 2009.

Service level agreements: We have developed internal service level agreements between the central support areas and the staff dealing directly with customers to make sure that the quality of our service is matching our customer expectations. Our 'serving the people who serve the customer' programme is measured using an internal customer satisfaction survey where branch staff rate the service provided by the central support departments. In 2009, the satisfaction score under this survey increased by 5% to 89.5%.

Moments of truth: 'Moments of truth' are key customer interactions with members of staff that have an important influence on the attitude of the customer to **permanent tsb**. Eleven 'moments of truth' were identified by our customers and an extensive implementation programme is underway to optimise the customer's experience. To date, new processes around five 'moments of truth' have been fully implemented and the remainder will be completed during 2010.

Disabilities Workshops Responsibility Charity

Measuring the impact: We have three methods of assessing our performance on customer service:

- our annual customer satisfaction Index (CSI) where 2,500 customers are asked their views on our service across 28 measures of performance as shown in the table above;
- our nightly moments of truth surveys where customers are asked to comment on their branch experiences within 24 hours of attending the branch (10,000 customers surveyed in 2009); and,
- participation in a pan European retail banking service quality study involving over 40 other banks in 17 countries.

In our daily surveys, more than 80% of our customers say that they are positively disposed towards giving us a recommendation. In the European service quality study, our satisfaction rating in 2009 was 19% better than the average score across the 40 participating banks.

During 2010, we will begin to examine ways to introduce the concept of Net Promoter Score (NPS) into the customer satisfaction agenda.

Note: Companies obtain their Net Promoter Score by asking customers how likely it is that they would recommend the company to a friend or colleague. Based on their responses, customers can be categorised into one of three groups: Promoters (9-10 rating), Passives (7-8 rating), and Detractors (0-6 rating). The percentage of detractors is then subtracted from the percentage of promoters to obtain a net promoter score.

New service for bank customers

In 2009, **permanent tsb** introduced a new “emergency cash” service for current account customers. This service allows them to withdraw €100 from any **permanent tsb** ATM without an ATM/Laser card, typically in circumstances where a customer’s ATM/Laser card has been lost or stolen. A customer must be registered for text banking to use the service. A text message is used to obtain a unique six-digit number and the customer then has up to an hour to use this number to withdraw cash from any **permanent tsb** ATM.

Customer concerns and complaints

In 2009, the number of “One & done” concerns and complaints in Irish Life increased significantly from 75,801 to 124,229. The number of complaints requiring investigation increased by 25% for **permanent tsb** but fell slightly for Irish Life. For both businesses, there was a marked increase in the number of complaints referred to the Financial Services Ombudsman. This increase is being experienced across the industry and is a reflection of the current economic climate.

In **permanent tsb**, there is a business partner programme in place to help resolve complaints successfully at source. The Customer Relations Department assigns a ‘buddy’ to each participating branch or department who interacts closely with a nominated person in each area, helping to resolve customer complaints locally. They also help where necessary in logging complaints on the customer feedback management system (CFM). Nominated staff receive comprehensive training on the CFM system with emphasis on our obligations under the Consumer Protection Code implemented on 1 July 2007.

Customer concerns and complaints				
Company	Irish Life		permanent tsb	
	2008	2009	2008	2009
Total received	One & done – 75,801 Investigation – 3,699	One & done – 124,229 Investigation – 3,623	3,235	4,055
Ombudsman decisions received	98	246	35	68
Complaints upheld	11	12	5	15
Not upheld	74	200	21	40
Partly upheld	12	34	8	12
Outside terms of reference	1	0	0	0
Resolved amicably	0	0	1	1

The Customer Relations Department completed the roll out of a business partner programme to the entire branch network during 2009. The programme has also been rolled out to all customer interfacing Head Office functions.

Training workshops on the CFM system continued to be conducted throughout 2009 as the partnership programme was rolled out and on request. All Regional Support Officers have also been trained on the CFM system so that they in turn can provide assistance/training on the ground.

The bank’s complaint e-learning course was reviewed and updated in line with procedural and regulatory obligations. The course was re-launched in November 2009 for completion by staff in the retail branch network and by relevant head office staff.



Gerry Hassett, Chief Executive Irish Life Retail accepting the Plain English 30th Anniversary Award from Lenny Henry.

Customer support in a recession

We recognise that our customers face challenges as a result of the recession and we have procedures in place to engage with customers who may face difficulty in repaying debt. As a member of the Irish Banking Federation (IBF), we are committed to working with customers currently experiencing financial difficulties in exploring their options and achieving a sustainable and mutually acceptable solution. The IBF-MABS Operating Protocol: Working Together to Manage Debt has been in effect since September 2009. The Protocol allows IBF creditors and MABS money advisers acting on behalf of their clients to work together effectively to help their customers/clients deal with their debt issues.

In addition, **permanent tsb** has issued a "Home Loan Charter" setting out the options available to customers who might be struggling to meet repayments and falling into arrears. These options vary from case to case but include a full or partial suspension of mortgage repayments, a term extension and arrears capitalisation.

Rewarding Volunteering Team working & Funding

Plain English Award

The Plain English campaign is an independent organisation that lobbies for crystal-clear language. It specialises in testing the text and layout of documents for ease of understanding. It awards a Crystal Mark for documents that meet its standards. The Crystal Mark is recognised internationally as a symbol of clarity. To meet these standards, each piece of literature is panel tested with a group of adults in Ireland to make sure that they understand what they are reading.

In 2009, the campaign chose Irish Life as the overall winner of the Plain English Campaign 30th anniversary award. Irish Life was selected ahead of 12,000 other organisations from 80 countries as the best organisation at living up to the principles of Plain English in the 30 years since the campaign started.

Presenting the special award to Irish Life, the founder of the Plain English Campaign, Chrissie Maher, said: "In my 40 years of campaigning, Irish Life has stood out for giving clear, honest and straightforward information to their customers. I have seen Irish Life's determination to get it right and the struggles to find a balance between what the legal advisors say and what customers want and need from a service they can understand and trust. I believe Irish Life has managed to balance both sides very well. It has set the standard for all organisations."

Accessibility of products and services

In December 2009, due to a reduction in business levels, **permanent tsb** decided to reduce the number of branches by 11 from 103 to 92. These branches will be closed in 2010. Customers of these branches will be accommodated in another branch within the same geographic area.

We completed accessibility works on two branches in 2009 (Youghal and Sligo) and work on one further branch (Athlone) is planned for 2010.

In 2009, we redesigned both our Irish Life and **permanent tsb** websites. In both cases, we improved the accessibility of the sites and they now meet the following standards:

- compliance with the Priority level 1 criteria of the World Wide Web Consortium's (W3C's) Web Content Accessibility Guidelines Version 1.0.;
- screen reader / voice browser / screen magnifier installed;
- facility to change the font size;
- designed for use in keyboard-only operation; and,
- Browsealoud software installed (Browsealoud reads web pages aloud for people who find it difficult to read online).

Our policy is to offer competitive terms and conditions of employment. We also have specific policies covering equality and diversity, health and safety, and speaking up.

Our policies on recruitment, remuneration and training and development are as follows:

- Recruitment & retention: We aim to attract, retain and motivate the right people with the right skills in the right roles and when recruiting we seek to attract and select the best person for the role.
- Remuneration & rewards: Our policy is to offer attractive and competitive remuneration packages to our staff, where performance is recognised and rewarded and where staff can share in the increased value of the group.
- Training and development: Training and development opportunities are available to all our employees. We believe that it is essential for our business, and the development of our employees, that effective training and development activities are in place.

Workplace

Partnership Benefits Expertise Involvement

The impact of recession

In common with all businesses in Ireland, we are dealing with the consequences of the economic recession and a reduction in business activity. This has resulted in reduced demand for products and services and a need to reduce costs and cut job numbers. Our policy is to manage this as far as possible through career breaks and reduced working time under our flexible working policy. However, it has also been necessary to implement voluntary severance and voluntary early retirement schemes in most of our businesses.

Recruitment and retention

The table below shows recruitment and retention data for the past three years. Data for 2009 clearly reflects the impact of the recession. Total group employee numbers have fallen from a peak of 5,607 at the end of 2007 to 5,024 at the end of 2009. Reductions have taken place across all of our businesses. This includes 225 employees who are on career break at the end of 2009 and 57 who have availed of voluntary severance and voluntary early retirement schemes during the year. There was a sharp reduction in employee turnover in 2009 to 7.8% – approximately half the level of the previous two years.

	2007	2008	2009
Total number of employees at year end	5,607	5,490	5,024
External applications for positions	16,900	10,000	3,700
Permanent employees recruited	879	495	75
Contract employees recruited	280	212	162
Seasonal employees recruited	197	207	114
Internal appointments and promotions	293	306	128
Average annual turnover ¹	14.5%	14.0%	7.8%
Average days absent	5.8 Days	5.2 Days	5.6 Days
Flexible work arrangements ²	19.9%	20.6%	22.7%

¹ Excludes employees employed on fixed-term contracts who joined and left within the year.

² Data is for Irish Life and **permanent tsb**, representing 93% of group employees at end 2009.

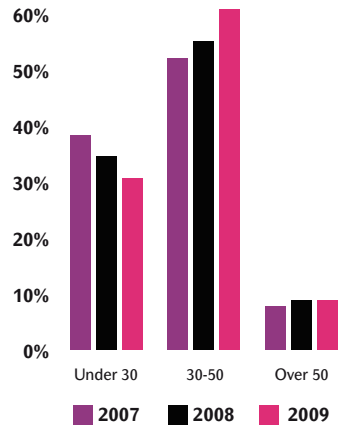
We recruit temporary employees each year during the summer to support our term-time flexible working policy. The total number of seasonal employees recruited in 2009 was 114, a reduction of almost half compared to 2008 (207).

The average number of days absent per employee shows no significant change over the last three years.

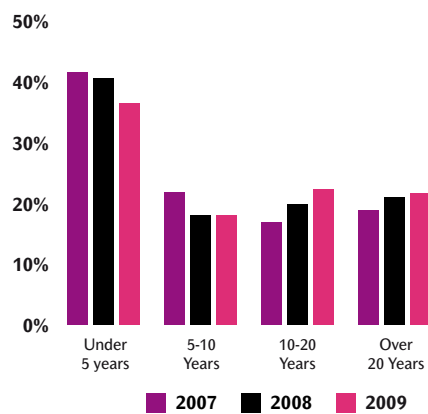
The proportion of employees with flexible working arrangements peaked at 22.7% at the end of 2009. This reflects a policy to achieve reductions in employee numbers through a variety of means. Flexible working arrangements consist of part-time working, job-sharing, “term-time” and compressed hours.

Development Information Support Improvement

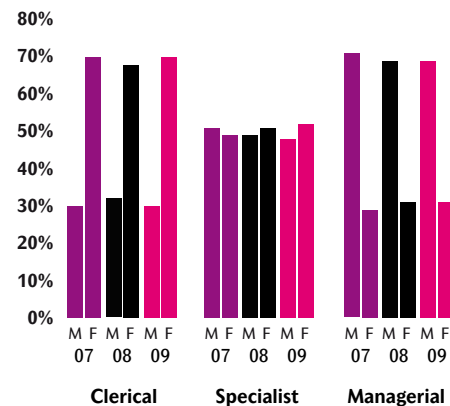
By age profile



Length of service



Gender analysis of the workforce



Analysis of our workforce at the end of 2009

The data analysing our workforce at the end of 2009 is shown in the graphs opposite and below:

By contract and type



During the past three years, there has been a noticeable increase in both the average age and length of service of employees, consistent with a reducing level of turnover.

The number of non-Irish nationals employed in Irish Life and **permanent tsb** has remained consistent over the last three years at approximately 5%.

The balance of men and women at managerial level has broadly remained consistent at 70/30 male/female during the past three years. As we have said in previous reports, our policy is to offer equal opportunities of advancement to both men and women.

Employee surveys

Division	Survey response rates		
	2007	2008	2009
Irish Life Retail	70%	N/A	74%
Irish Life Corporate	86%	86%	81%
permanent tsb	74%	84%	N/A
Irish Life Investment Managers	84%	85%	N/A
Cornmarket Group	N/A	64%	N/A

In 2009, staff surveys took place in Irish Life Retail and Irish Life Corporate Business. **permanent tsb** took part in the Great Place to Work survey with a response rate of 47%. The results of these surveys are still being assessed and actions will be taken in response to issues raised.

Our UK mortgage company, Capital Home Loans Limited, took part for the first time in the 'Sunday Times Top 100 Best Companies to work for' employee engagement survey and achieved 19th position in the top 100 for the 'small companies' category.

Disabilities Workshops Responsibility Charity



Health, safety and well-being

We have been running health and well-being programmes in Irish Life since 2002 and in **permanent tsb** since 2005. In Irish Life, the theme for Health & Well-being Week in 2009 was “Working for a healthier tomorrow”. The week included workshops on fitness, childcare solutions, and holistic treatments. In addition, one of our community partners, Age Action Ireland, took part with a sale of “Personal Information Packs” for older people and a stock collection (books, clothes and other items for sale in their charity shops). In **permanent tsb**, the emphasis was on healthy eating and physical activity with promotions running throughout the week and talks on health topics including posture and nutrition. The staff restaurant in **permanent tsb** was again awarded the Irish Heart Foundation “Happy Heart” award for 2009.

In common with many other organisations in Ireland, we carried out an awareness campaign for staff on swine flu that has continued into 2010.

In addition, during 2009 the company was very conscious of the fact that employees face significant challenges managing their way through the current downturn both in their professional and personal lives. With this in mind, our group learning and development team organised a series of well-being workshops throughout the year for all companies in the group.

There were five seminars/workshops in the series to choose from:

- a review of the Budget and its impact on incomes;
- managing your finances;
- ‘Keeping the Head’;
- managing difficult conversations with customers; and,
- AVC’s – still a good option?

These seminars were hosted by managers and external experts.

Accidents/incidents	2007	2008	2009
Reported to Group Health and Safety Manager	32	30	35
Employees	24	17	21
Third parties	8	13	14
Notified to Health and Safety Authority	2	1	4
Fatalities	None	None	None



Bernadette Brady and Jimmy Keogh working in the staff restaurant, Abbey Street, Dublin.



Rewarding Volunteering

Team working & Funding

Learning and development

	2007	2008	2009
Training expenditure	€6.4m	€5.6m	€4.4m
Training days	16,600	17,000	14,700
Average per employee	3.0 days	3.1 days	2.9 days

The reduced level of training days and expenditure in 2009 is partly due to the lower number of employees recruited and a consequent reduction in the need for induction training. However, it is also due to a significant change in the way training is delivered. An increasing proportion of employee training now takes place through a variety of techniques including:

- coaching/mentoring;
- self directed study;
- Point of Sale observation and support; and,
- e-learning.

This “blended learning” strategy is now common practice in most large organisations because it is both more effective and more cost efficient compared with traditional instructor-led training. Our costs and headcount have come down also to reflect this approach.

Over the past three years, we have implemented a progressive learning and development strategy. Central to this strategy is the “blended learning” framework described above, where the individual staff member takes ownership of their personal development plans. We achieve this by mixing various event-based learning activities with on-the-job development. Programmes are structured according to a “50:30:20” blended learning model:

- 50% – learning on the job;
- 30% – learning through formal or traditional methods; and
- 20% – learning through coaching, performance management and feedback.

To support this strategy, we have invested in learning technologies. In 2008, we introduced a learning management system (LMS) to all staff in the organisation. E-learning (including: e-courses, competency testing, mock exams, pod casting, online communities, read and understands) makes up a significant element of our overall learning and development output. A small in-house team of specialists design and build the e-learning content. In 2009, 34% of the total training output in Irish Life Retail and **permanent tsb** was made up of e-learning.

More than 900 Irish Life & Permanent staff are currently receiving financial assistance to undertake a range of professional qualifications. These include: the professional programme in financial advice (QFA), professional qualifications under pensions, life assurance and underwriting, accountancy and compliance qualifications and various other business related undergraduate and postgraduate programmes. In 2009, 140 staff qualified with the professional programme in financial advice (QFA). In addition, over 14,000 continuing professional development hours were provided to staff group-wide.

Talent and management development

During 2009, we continued our two Access Development programmes and started a third programme. A strong network of Access participants is being built across the organisation. These programmes have a strong impact on individual and team performance.

Two “Essential Skills of Management” programmes were rolled out in 2009. These programmes were delivered for experienced managers and covered topics such as maximising performance, team effectiveness and personal effectiveness. A mixture of pre-reading, online questionnaires, e-learning, workshops, mentoring and a work based initiative was used to assist the development of core management competencies.

During 2009, a significant new programme called “I-Learn” was developed and rolled out. Participants on this programme come from the IT community across the group. The intention is to create opportunities for IT staff to build stronger networks by learning new skills and competencies together. In this way, the overall capability of the IT community can be reinforced.

Our policy is to concentrate our community activities in Ireland. We aim to make a difference to whatever causes we select and to create volunteering opportunities for our employees. We also recognise the huge contribution to communities made by staff charities and our policy is to provide appropriate support to them.

Since 2006, we have adopted a partnership approach to corporate community involvement. We work in partnership with a number of major organisations to develop programmes that will have a positive impact in the community. Our selected partners are: Age Action Ireland, Foróige and TILDA (The Trinity Long-term study on ageing).

Our policy is to match all funds raised by staff within the staff charities organisations each year. We also offer use of company resources to support their activities.

Community

Partnership Benefits Expertise Involvement

Our approach to community involvement

We believe that the success of our community programmes to date is built on our partnership approach to community involvement. In 2006, we selected three partners with the necessary scale and expertise to work with us to develop our main community programmes. These were:

Community partner	Programme
Age Action Ireland	Care & Repair services for older people in Ireland
Trinity Foundation	Trinity Long-term Ageing Study of Ireland
Foróige	The permanent tsb Foróige Youth Citizenship Awards

The partnership approach offers the following benefits:

- efficiency: by directing funding into an existing community organisation, the proportion of funding absorbed by overheads is minimised;
- sharing of expertise: commercial and community organisations have different experience, perspectives and skill-sets and by combining these, the chance of success increases; and,

- reputational benefits: by choosing to enter a community partnership, a commercial and a charity organisation are committing to work together to deliver a social benefit. In the process, both can benefit reputationally.

Irish Life & Permanent's commitment to the Trinity Long-Term Ageing Study runs for ten years and for the other two programmes, the initial commitment was for three years. However, in both cases the partnerships have now been extended for a further two years to the end of 2011. This is clear testimony not only to the success to date of the programmes themselves but also to the attraction of the community partnership model.

Our main programmes account for approximately 75% of our total community budgets. The balance is used to fund the following range of other activities:

- staff charities: we match all funds raised by employees for charities selected by them;
- small donations to charities and community organisations; and,
- mentoring programme for school students.

We estimate that our total investment in community programmes and activities last year was €1.3m compared with €2m in 2008. This reflects reduced funding for all programmes in line with the more difficult business environment and cutbacks in discretionary expenditure. In addition, we made a loan contribution of €750,000 to the Social Finance Foundation to support community-based projects around Ireland.



Robin Webster
CEO, Age Action Ireland

Care & Repair services for older people

This programme is a minor repairs and a home visiting service for older people in Ireland. At the end of 2008, Age Action set themselves a target of achieving a monthly level of 850 jobs and visits by the end of 2009 or 10,000 jobs/visits on an annualised basis. In 2008, the programme had achieved a result of 4,100 jobs/visits so the target for 2009 was an ambitious one. The actual outcome for 2009 was 9,900 jobs/visits achieved and from May 2009 onwards (excluding December) the monthly figures were higher than 850, meeting the programme target.



Information Support Development Improvement

A key factor in expanding the services has been the creation of Care & Repair franchises around Ireland. As at the end of 2009, there were 18 franchises up and running compared to nine at the end of 2008. A further four groups have signed up and launched early in 2010. Care & Repair franchises can be classified as follows:

- county partnerships: there are four franchises that cover entire counties. These are Longford, Roscommon, Westmeath and Waterford;
- community development projects: these are generally narrower in geographic focus (small rural towns);
- parish councils: these generally have a catchment population of between 10,000 and 30,000 people; and
- Other: e.g., a FÁS Community Employment-based programme.

During 2009, the Care & Repair team promoted the service in a number of ways including emailing 150 churches of all denominations in Dublin asking them to mention the programme in the local parish bulletin. In June, Age Action held a franchise workshop to allow franchisees from across the country to share experience. Topics covered included volunteer management, job allocation and the development of countywide programmes.



Rose Anne Kenny
Principal Investigator, TILDA

In November, Age Action completed an eight-month pilot programme of visiting older people in nursing homes. The main challenge was to retain volunteers over the full period of the programme. The programme will continue but staffed mainly by local volunteers for daytime visitation only.

Age Action is conscious of the need to balance the further expansion of the Care & Repair services against the challenge of maintaining the standards of the existing operations. This will be monitored closely during 2010.

Trinity Long-term study on ageing



In May 2009, President Mary McAleese formally launched the Irish long-term study on ageing (TILDA) at Trinity College Dublin. This also marked the beginning of the public phase of the study, which involves interviewing 8,000 older people every two years to collect detailed information on all aspects of their lives including:

- **health** – health assessments will be conducted in the TILDA Health Assessment Centre which is equipped with appropriate medical equipment for testing; cardiovascular health, bone density, visual acuity, and cognitive ability among other important medical tests;
- **economic** – pensions, employment, income and assets; and,
- **social** – contact with friends and family, formal and informal care, social participation.

By 2036, one in five Irish people will be over 65 years of age, with the greatest increase being in those over 80 years of age.

The total cost of the study is estimated at €29m funded by the Irish Government, The Atlantic Philanthropies and Irish Life.

The study is being carried out by Trinity College Dublin in collaboration with an interdisciplinary panel of scientific researchers, with expertise in various fields of ageing, from Dundalk Institute of Technology, the Economic and Social Research Institute, the National University of Ireland Galway, the Royal College of Surgeons in Ireland, University College Cork, University College Dublin and Waterford Institute of Technology.

Studies analogous to TILDA have been conducted in a number of other countries such as the United States and England and have made important contributions to policy analysis and design. In this way, they have led to major improvements in the pensions and healthcare systems.

According to Professor Rose Anne Kenny, the principal investigator for TILDA: “Ageing on the scale we will experience in the near future is an unprecedented phenomenon in Irish history. There is an acute shortage of social, economic and health information on older persons in Ireland. The data from TILDA will be crucial in filling this gap and will provide policy-makers in the fields of health, social care, pension planning and biotechnology with a unique knowledge base”.

Disabilities Workshops Responsibility Charity



Sean Campbell
CEO, Foróige

Youth citizenship programme and awards

2009 marked the third year of **permanent tsb's** sponsorship of the Foróige Youth Citizenship Programme and Awards. The table below summarises the outcomes over that three-year period. The investment by **permanent tsb** has had a clear impact and the programme has seen a major increase in involvement by youth groups across Ireland.

Year	Activities	Entries
2007	<ul style="list-style-type: none"> Programme launched Regional and national awards events held Volunteering programme launched 	85
2008	<ul style="list-style-type: none"> Programme opened to external groups Five regional events plus a national event 	133 (14 external)
2009	<ul style="list-style-type: none"> Programme scaled back to four regional events plus a national event Major media campaign completed 	154 (21 external)

The Youth Citizenship Programme has a very clear structure with a three-stage process of Awareness – Action – Evaluation. Foróige reviews the support material for the programme regularly, holds workshops to explain how the process works and gives very clear feedback on results to all participants.



A wide variety of projects has been carried out under the programme over the past three years covering many topics including:

- **community activities and improvements;**
- **fundraising for Irish and international charities;**
- **the environment;**
- **people with disabilities;**
- **health and well-being; and,**
- **the needs of older people**

In each year, the programme has culminated in a national awards event held at the end of October in Dublin. The 2009 event was held in the Helix theatre and 18 projects were on display in front of a large audience of young people. The event was hosted for the third year in a row by radio personality Ray D'Arcy.

During November 2009, **permanent tsb** ran an extensive media campaign to promote the Youth Citizenship Awards Programme. This included TV ads featuring groups of young people talking about their projects and the benefit to their local communities. In general, this campaign was very well received.

Staff charities

Staff charities organisations have been running in Irish Life since 1995 and in **permanent tsb** since 2003. The success of these organisations is built on the efforts and dedication of a relatively small group of employees who take responsibility for promoting charity fundraising within the company.

During the past three years, the total funds raised by the staff charities was €436,000 and of this €409,000 was matched by the company, giving a combined total of €845,000. The analysis by year is as follows:

Year	Total funds raised
2007	€305,400
2008	€259,500
2009	€280,000 (estimated)

Many charities are nominated for support each year and the employee who nominates the winning charity is expected to be involved in fundraising during the year.

The charities benefiting in 2009 were:

Irish Life

- Laura Brennan Trust
- Niall Mellon Township Trust

permanent tsb

- Irish Pilgrimage Trust
- Cork ARC Cancer support



Rewarding Volunteering

Team working Funding

The Irish Life staff charities year runs from January to December and cheques for €70,000 each were presented to representatives from the selected charities at the Irish Life staff Christmas lunch in December.

In **permanent tsb**, the charity year end is 31 March. In the year to end March 2010, the total funds raised are expected to be c. €70,000 and these will be matched by the company.

In 2009, Springboard Mortgages raised more than €5,500 for their charity of the year- the CARI Foundation (Children At Risk in Ireland).

Ethnic Entrepreneur Awards



David Guinane, CEO, **permanent tsb** with Darryl Ismail and Chinedu Onyejelem

The third **permanent tsb** Ethnic Entrepreneur Awards were held in October 2009. These awards were developed by Chinedu Onyejelem, publisher of the multi-cultural Metro Eireann newspaper. 2009 was the final year of **permanent tsb's** sponsorship of the awards and the winners were:

Ethnic Entrepreneur of the Year:

Darryl Ismail, founder of Chase International
– an online travel wholesaler.

Service Entrepreneur Award:

Gina Miltiadou of Zahra Publishing
– a magazine publishing company.

Social Entrepreneur Award:

Suleiman Abdulahi, who set up the Dublin Cross Cultural Club – a network for African immigrants.

Corporate donations

In 2009, we made donations, mostly for small amounts, totalling €158,000 to a large number of organisations in line with our corporate donations policy including:

- The Irish Cancer Society
- Peter McVerry Trust
- Business2Arts
- Inner City Senior Citizens Fund
- Threshold
- The Lourdes Day Care Centre

Employee volunteering

Our employees are involved in volunteering activities under a number of company programmes as follows:

Youth work

For the past three years, employees from **permanent tsb** have volunteered to work with Foróige youth clubs around the country. At the end of 2009, there were 15 active volunteers involved in a variety of activities in clubs including organising and supervising activities at weekly club meetings, starting youth citizenship projects and mentoring young people. It is planned to launch a volunteer recruitment drive in 2010 to show staff the benefits of getting involved in this activity.

Student mentoring programme

In 2009, we completed the fourth year of our mentoring programme with Patrician College, Dublin as part of the Business in the Community Ireland School's Business Partnership. Twenty Irish Life & Permanent employees mentored students from the senior cycle classes in the school.

The mentoring builds on our Skills at Work programme where we introduce students to the workplace through a series of seminars and site visits. This year we have introduced an additional training seminar for the Skills at Work programme on team working.

Over the past three years we have sponsored the school to enable them to run an after school study programme for students in examinations classes. In 2009, we extended the sponsorship to allow the school to run a homework club for first and second years.

Based on feedback from mentors, presenters, trainers, etc., most find their involvement very worthwhile and rewarding.

Homelessness

Employees of Irish Life Corporate Business visit a day centre for homeless people in Dublin (the Capuchin Day Centre) on one day a week to help in providing meals and handing out food parcels.



The Social Finance Foundation

The Social Finance Foundation is a not-for-profit company set up by the Government to make funding available at affordable rates for social finance projects. Typical projects include community centres, childcare support, community sporting facilities, disability facilities and addiction treatment centres.

The Foundation was incorporated in January 2007 and received seed funding of €25m from the banking sector. Irish Life & Permanent's contribution was €3.1m.

In April 2009, the Foundation signed a new, 12-year loan agreement with the country's retail banks that will meet its future funding requirements. The length of the funding agreement with the banks is tailored to match the long-term lending by the foundation, which is a feature of social finance. The key elements of this agreement are as follows:

- the country's 12 leading retail banks will each lend funds to the Foundation at the start of each year to meet the demand for social finance – estimated to total €6 million per year of which Irish Life & Permanent's contribution is estimated at €750,000 per year;
- the rate of interest charged by each of the banks will be below the European Central Bank (ECB) base rate; and
- a total fund of €72 million will be created.

Social Finance
Students
Activities
Funding
Facilities

Environment

Our environmental policy is to minimise our impact on the environment and to promote awareness of environmental issues among staff and the wider community.

Specifically, we will:

- Minimise our use of energy and maximise the use of energy from renewable sources
- Minimise our use of materials and dispose of any waste safely and in accordance with all relevant legislation
- Consider the environmental impact of products and services in our purchasing decisions

We have an Environmental Management System in place. We assign responsibility for implementing the environmental policy to a senior manager. We aim to maximise the use of renewable energy within cost constraints and to achieve the highest possible level of recycling.

Partnership Benefits Expertise Involvement

Our approach to managing our environmental agenda

We recognise the huge challenge presented by climate change and as a major Irish company we are committed to playing our part in addressing it within the scope of influence available to us. This includes encouraging our employees to participate in environmental initiatives and, through our membership of Business in the Community Ireland, working with other organisations to share expertise and raise awareness of climate change among the wider community.

We have a Group Environmental Committee that is charged with responsibility for managing our environmental agenda. The committee meets regularly and has representatives from across the group. In 2009, our Group IT division set up a local environmental committee to manage the Group IT environmental agenda. This reflects both the impact that technology has in contributing to our environmental impacts and the part that technology can play in reducing them.



Environmental management system

We aim to continually improve our management of our environmental performance. Over the past two years, we have focused attention on gathering as much data as possible on our environmental impacts, in particular energy use. This allows us to identify and target areas for improvement. We also regularly review our environmental management system.

At the end of 2008, we set ourselves a target to apply for accreditation to the International Standards IS393 and IS14001 by year end 2009. We engaged an independent consultant (Vector Environmental Management Services) to help and advise us on this. The scale of this exercise proved to be bigger than we had anticipated and we were not in a position to submit an application prior to year end 2009.

On the advice of Vector, we decided to limit our application to our group headquarters in Dublin. We made significant progress on this objective but the review by Vector of the system indicated that further actions were required. In particular, we needed to include within the scope of the application some facilities under the management of the Irish Life Centre management company, Irish Estates. We have completed most of the additional requirements and will be submitting the application early in quarter 2, 2010.

Note: IS393 has now been superseded by a new standard – EN16001 – issued in 2009.

We have adopted the greenhouse gas conversion factors published by the Carbon Trust in the UK in April 2008 for calculating CO₂ emissions for our 2009 CR Report and we have restated prior year numbers.

Environmental impacts

	Total energy consumption (GWh)	Greenhouse gas emissions CO ₂ (tonnes)	Total waste (tonnes)*	Waste recycled %
2007	27.2	11,471	1,520	71%
2008	28.0	11,695	**1,636	75%
2009	26.8	10,306	1,258	79%

* The level of waste we generate is dependent, among other things, on the number of premises refurbishments carried out each year. This can result in major fluctuations in waste generated from year to year and in the proportion of waste recycled.

** Excluding 1,060 tonnes (880 tonnes recycled) exceptional waste from demolition work in the Abbey Street Group Head Office Complex.

Our environmental impact arises mainly from the scale of our operations in Ireland rather than directly from our activities. Impacts include energy use, waste production and use of paper and water.

Information Support Development Improvement

Energy use

Total energy consumption in 2009 at 26.8 GWh showed a reduction of 4% on 2008. This was mainly due to vacating premises and reduced energy use in a group head office building occupied by Irish Life Investment Managers. Other reasons for the reduction were:

- we were able to reduce the level of air conditioning in our computer room through a more efficient configuration of equipment;
- close management of electricity use in our **permanent tsb** head office allowed us to achieve a 6% reduction for this building; and,
- the managers of the Irish Life Centre, Irish Estates, also achieved reductions in energy use by close monitoring during the year and we benefited through a reduction in service charge.

In addition, we took the following energy saving actions:

- following a review of our group data centre by Sustainable Energy Ireland (SEI), we installed Avocent data management software, which has a facility to allow us to manage power and heat consumption to a more detailed level than before;
- in our Group IT department we have started a process of “server virtualisation” that will make more efficient use of existing hardware and reduce electricity usage; and,
- we installed LED (light-emitting-diode) lighting in a small section of our staff restaurant in our group head office.



Our group head office building in Dublin accounts for c.25% of our total group electricity use. In 2009, we completed the installation of additional electricity meters in this building to improve our management of electricity use.

Our main energy suppliers are ESB, Airtricity and Bord Gáis. Airtricity sources most of its supply from windfarms. The other two suppliers provide energy sourced mainly from fossil fuels but both are investing in renewable energy. In total, in 2009 we procured 30% of our energy (39% of our electricity) from renewable sources.



Use of other resources

Paper use continues to be a focus of attention for us. During 2009, our main print supplier, Wood Printcraft, reassessed the basis that they have been using for measuring the volume of printed material supplied to us. This has resulted in usage figures for 2008 that are significantly lower than calculated previously. In addition, reduced business activity has further reduced paper use in 2009. We plan to review all paper use data during 2010 and publish three-year data in next year's CR Report.

In 2009, we also launched two initiatives aimed at customers:

- **permanent tsb** now issues fewer statements on its Switch current account product. Statements are now based on transactions or charge frequency instead of being issued automatically. Approximately 305,000 customers are now receiving green statements.
- Irish Life Corporate Business launched its improved “Pension Planet” interactive service (www.pensionplanetinteractive.ie) allowing brokers, administrators and pension scheme members access to pension plan information on-line and to carry out tasks over the internet. Investment in Pension Planet Interactive will continue throughout 2010, adding a wide range of new functionality to the service.

Following the adoption of a resolution at the company's 2008 annual general meeting, the group is now allowed to publish annual reports and to issue other shareholder communications in electronic form. As a result, we were able to reduce the number of annual reports printed by 80% from 125,000 in 2008 to 25,000 in 2009.

In 2009, our Group Communications function switched from paper to mainly electronic form for staff newsletters. This resulted in a saving of more than 200,000 A4 pages. The newsletters are produced using “U-turn” software that simulates page turning when reading an electronic document.

Disabilities Workshops Charity

Responsibility

Waste management

Our waste recycling levels have increased each year in the past three years, reaching almost 80% in 2009. A good proportion of the balance of waste is organic waste from staff restaurants. During 2009, we tested an organic waste recycling machine (eCorect) in the staff restaurant in our group head office. This machine reduces organic waste by up to 90% and converts it to biomass particles that can be used as fuel or soil nutrient. The test was successful and we will install one of these machines in 2010.

In 2007, we installed an “intelligent” recycling machine for aluminium cans and plastic bottles in our group head office. Although the machine processes this waste very efficiently, the volume of material being put through the machine was not economic. Most of this waste is processed through on-floor recycling bins and therefore we removed this machine in 2009.

To improve levels of waste recycling, we have simplified our on-floor waste segregation procedures and relabelled our waste bins in our group head office.



Business travel

Business air travel arrangements are handled separately by each business in the group. During 2009, we considered setting up a central data gathering system to record all travel but for cost reasons decided against it. However, with a general focus on cost reduction, cutbacks on business travel are likely to have resulted in reduced emissions from this source in 2009.

On 1 January 2009, a new government scheme to encourage people to cycle to work came into force (www.bikescheme.ie/). Under this scheme, employees receive tax relief on the purchase of a bicycle for cycling to work and they can also make repayments through salary deduction. Irish Life & Permanent took part in this scheme and more than 200 employees signed up for it in 2009.

Since July 2008, the CO2 emissions of a car rather than engine size determine both the level of VRT payable at the point of registration and the level of motor tax. We changed our policy in the light of this and now most of the choices of vehicle in our car fleet are diesel versions and in the lower CO2 categories A, B or C. We saw the impact of this in 2009 – the proportion of diesel cars in our car fleet increased from 25% at the beginning of the year to 30% at year end. We expect that this trend will continue as cars are replaced.

Employee engagement

We rely on our employees to help us manage our environmental performance and reduce our impacts. We use different ways to raise awareness of environmental issues among employees including intranets and staff magazines. Some employees take an active role in managing our



environmental agenda. During 2009, participants in our graduate training “Access Programme” were required to complete an environmental project as part of their course. This identified a number of areas where energy savings could be achieved. More importantly, the employees who were involved have now become advocates for our environmental programme.

Other environmental issues

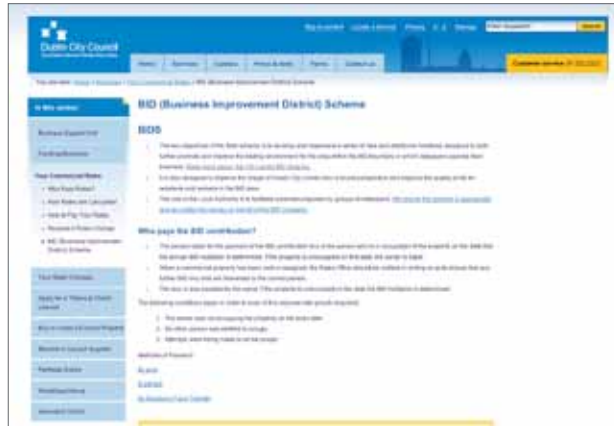
Suppliers

We continue to review the environmental practices of at least 10% of our major suppliers every year. In 2009, we completed reviews for 11 major suppliers including requesting specific relevant information from individual suppliers. All of these suppliers confirmed that they are continuing to follow best practice.

Rewarding Volunteering

Team working

Funding



B.I.D.S

Business Improvement Districts (B.I.D.S.) is an initiative by Dublin City Council to improve the environment and the quality of life for residents, workers and visitors in the business area within the Dublin City 1 and 2 postal districts. Irish Life & Permanent is a city centre tenant and a participant in B.I.D.S. Services under B.I.D.S. are funded by an additional levy on rates. Since its launch in 2007, B.I.D.S. has taken a number of actions including:

- additional pavement sweeping and washing
- prompt removal of graffiti and fly posting
- improved street lighting
- improved directional signage
- website and e-communication
- provision of additional litter bins (through DCC)
- provision of local community supports

Participation in indices

Irish Life & Permanent is represented in the Kempen SNS Smaller Europe SRI Universe. In addition, although we are not members of the Dow Jones Sustainability Index, we were assessed in 2009 and we achieved an overall score of 60% for sustainability performance – an increase of 2% on the result for 2008 – with a score of 57% in the environmental section.

Key performance indicators

Energy consumption	2007	2008	2009
Electricity – total (GWh)	19.8	20.6	20.6
Green electricity (GWh)	6.7	6.7	8.0
Gas (GWh)	7.2	7.3	6.1
Oil (GWh)	0.2	0.1	0.1
Total energy consumption	27.2	28.0	26.8
Green energy %*	25%	24%	30%
CO ₂ emissions (tonnes)**	11,471	11,695	10,306

* Green energy percentages are calculated using data for sources of energy provided by our energy suppliers.

** Includes company car emissions

Waste generation (tonnes)*	2007	2008	2009
Total	1,520	1,636**	1,258
Waste to landfill	435	413	268
Waste recycled or reused	1,085	1,223	990
Waste recycled	71%	75%	79%
Hazardous waste	9.2	20.7	11.6

* The level of waste we generate is dependent, among other things, on the number of premises refurbishments carried out each year. This can result in major fluctuations in waste generated from year to year and in the proportion of waste recycled.


** Excluding 1,060 tonnes (880 tonnes recycled) exceptional waste from demolition work in the Abbey Street Group Head Office Complex.



Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) is a large network of thousands of experts, in dozens of countries worldwide, whose mission is to provide the global standards for sustainability reporting.

The GRI network has developed a Sustainability Reporting Framework, the core of which is Sustainability Reporting Guidelines. The Guidelines consist of principles for defining report content and ensuring the quality of reported information as well as standard disclosures comprising performance indicators and other disclosure items. These guidelines provide an internationally recognised framework for voluntary reporting on an organisation's economic, environmental and social performance.

		2002	C	C+	B	B+	A	A+
Mandatory	Self Declared							
	Third Party Checked			Report externally assured		assured		Report externally assured
	GRI Checked							
Optional								

Legend

- **CR:** Corporate Responsibility Report 2009
- **AR:** Annual Report and Accounts 2009
- **Web:** Irish Life & Permanent plc website: www.irishlifepermanent.ie including GRI content index 2008.
- **NR:** Not reported – this indicator is currently not being measured or has not been reported on in IL&P's CR report
- **NA:** Not applicable – this indicator is not considered relevant or material to IL&P's operational activities

GRI Content Index

GRI Indicator No.	Summary Description	Page
STRATEGY & ANALYSIS		
1.1	CEO/Chairman statement	3
1.2	Key impacts, risks and opportunities	3
ORGANISATIONAL PROFILE		
2.1	Name of the organisation	4
2.2	Primary brands, products and/or services	4
2.3	Operational structure	4
2.4	Headquarters <i>Irish Life Centre, Lower Abbey Street, Dublin 1, Ireland</i>	
2.5	Countries located	4
2.6	Nature of ownership	4
2.7	Markets served	4
2.8	Scale of organisation	4
2.9	Significant organisational changes during the reporting period	4
2.10	Awards received	9, 11,14
REPORT PARAMETERS		
Report Profile		
3.1	Reporting period	2
3.2	Date of previous report	2
3.3	Reporting cycle	2
3.4	Contact point for the report	5
Report Scope and Boundary		
3.5	Process for defining report content	2
3.6	Boundaries of report	2
3.7	Limitations on the scope of the report	2
3.8	Basis for reporting on joint ventures, subsidiaries, and other entities	2
3.9	Data measurement techniques	2
3.10	Re-statements of information	2
3.11	Significant changes in the scope, boundary or measurement methods	2
GRI Content Index		
3.12	Table identifying the location of the standard disclosures	28
Assurance		
3.13	External assurance	30
GOVERNANCE, COMMITMENTS AND ENGAGEMENT		
Governance		
4.1	Governance structure	AR
4.2	Independence of Chairman	AR
4.3	Independence of board members	AR
4.4	Shareholders' mechanisms	AR
4.5	Links between compensation and performance	AR
4.6	Process to avoid conflicts of interest	AR
4.7	Process for determining qualifications and expertise	AR
4.8	Mission and values statements	4, Web
4.9	Oversight, implementation and audit functions for economic, environmental and social performance	5
4.10	Processes for evaluating board of directors' performance	AR

External Assurance Statement

Irish Life & Permanent plc commissioned GMJ Associates to provide independent assurance of the information in the Irish Life & Permanent plc Corporate Responsibility Report 2009. We have previously consulted with Irish Life & Permanent plc to provide some facilitation and research services in relation to community projects and environmental policy and also provided assurance for the last two Irish Life & Permanent Corporate Responsibility Reports. Irish Life & Permanent plc Management are responsible for the content of the report. GMJ Associates were not involved in the scoping or compilation of the 2009 Corporate Responsibility report, the collection of source data or in devising the internal management and reporting systems that yielded the data.

Objectives

To provide assurance that:

- Statements made in the report are fair, objective and can be verified
- Processes used to identify, collate and report data and supplementary information are reliable
- Data reported is accurate and consistent with source information
- The report meets the requirements of Global Reporting Initiative (GRI) G3 Application Level B+

Review Process

- Interviews with the manager responsible for the scope of the 2009 Report
- Review and testing of a representative sample of data from all sections of the report including reference to supporting documentation and underlying records where appropriate. Data sources reviewed included source data and the contents of reports and newsletters produced by various departments in Irish Life & Permanent. They also included records and reports from community partners of Irish Life & Permanent, websites and media reports
- Challenging of statements and claims made in the report to ensure accuracy, fair representation and clarity for readers
- Checks of contents for compliance with the requirements of GRI G3 Application Level B+
- Review of final content of the report

Opinion:

On the basis of the review performed our opinion is that:

- Quantitative data, where sampled, is accurately reported or where estimations have by necessity been made a reasonable margin of error has been allowed
- Statements made in the report are supported by data or other objective evidence

- The report presents a balanced and accurate assessment of the Corporate Responsibility activities and measurement carried out during 2009
- The report has been prepared according to the GRI Reporting Framework (including the Reporting Principles) and the content meets the requirements of GRI G3 Application Level B+

GMJ Associates Dublin

9 April 2010

External Comment by Business in the Community Ireland

The 2009 Corporate Responsibility Report is the sixth annual report to be issued by Irish Life & Permanent plc. Last year we commended the company's decision to issue a report to stakeholders in the middle of a serious financial and reputational crisis for the company, the sector and our economy. This year we acknowledge Irish Life & Permanent's continued disclosure of its performance data at a time when key stakeholders, mainly customers and staff but also regulators, suppliers, business partners and society at large are concerned about the management and stability of financial institutions and their long-term commitment to responsible business practice.

This 2009 Corporate Responsibility Report presents a balanced approach to all key areas of business performance and includes all relevant areas of non-financial assessment under key performance indicators. Furthermore the report is externally assured thus adding to the level of transparency of the document and has been prepared in accordance to the G3 guidelines of the Global Reporting Initiative, which in turn increases the report's comparability and benchmarking.

For a company reporting to stakeholders on its non-financial performance for six consecutive years, it is no easy task to present information in a different or novel format and we should acknowledge the online only format of this report as a response to more requirements for electronic communications and a cost-saving environmentally friendly approach. In particular we highlight some company practices that are featured in this report. In the marketplace area, the introduction of the Net Promoter Score in the **permanent tsb**

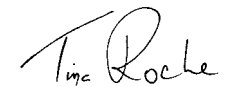
customer measurements should increase the company's understanding of their customer needs and demands and in turn help increase their satisfaction. Innovation in services for customers such as the "emergency cash" service and commitment to clear communications with the achievement of the Plain English Campaign 30th anniversary award for Irish Life demonstrate that despite the negative financial performance, investment in customer services has not been challenged.

A similar commitment to employee development has been seen in the "I-Learn" programme to help build efficiencies and improvements in services and operations or the implementation of a programme of career breaks and reduced working time as a preferred option to redundancies. On the area of the environment, we welcome the reduction in customer bank statements and further reduction in paper use by mainstreaming the annual report through electronic communications.

Issuing a corporate responsibility report for six consecutive years continuously raises the bar on the quality of information presented and therefore the expectations from stakeholders also increase. In future corporate responsibility reports by Irish Life & Permanent we would like to see more information on the impact of the report and other communications on stakeholders; we would like to see evidence of how this report is integrated into business development strategy and in the company's engagement with investors and shareholders. We would be keen as well to see the impact of embedding environmental concerns

with employees and the implementation of their views and innovation into specific programmes.

The last year has clearly showed that corporate responsibility for some companies is simply about stand-alone programmes that can be easily shelved when budgets are short and for other companies the recession has been a test of their commitment to sustainable and responsible business practices and to corporate responsibility being an integral part of their operations. We welcome this report and Irish Life & Permanent's continued commitment to accountability.



Tina Roche



Tina Roche
Chief Executive
Business in the
Community Ireland

