Group Environmental, Social & Governance (ESG) Disclosures

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Review and updates	This document sets out the Group's ESG Disclosures effective from 8 June 2022. An update was done on 20 July 2024 to capture updates to the 2024 Scorecard, 2023 Carbon Footprint Assessment and Cinven requirements etc.
Date last reviewed and updated	Approved by the IFGL Board on 25 September 2024 Next update planned for 2025 Full version history on page 12

SECTION 1: GOVERNANCE

1.1 Overview

IFGL's Environmental, Social and Governance (ESG) mission is to ensure that all aspects of it are incorporated into our business practices. We believe that acting responsibly and sustainably will help IFGL build a stronger business whilst having a lasting and positive impact on our staff, our policyholders and the environment.

This document sets out the high-level steps that we have taken to integrate ESG considerations into the operations and decision-making activities of our business.

ESG is also of material importance to our principal shareholder, Cinven, and it forms part of their core strategy. Cinven believes that a responsible approach towards its portfolio companies, their employees, suppliers and local communities, the environment and society is an essential part of their success.

We have assessed our alignment with Cinven's stated ESG objectives and we will continue to: [1] liaise with Cinven regarding our ESG initiatives and performance; and, [2] work with staff and other stakeholders to minimise our impact on the planet as far as practicable.

Our Group Risk Policies and Corporate Governance Framework (see Section 1.4) have been amended to ensure that our ESG commitments are fully incorporated, where applicable. During 2023, we developed an overarching ESG Charter which was approved by the Board in June 2024 that defines our:

1. focus and commitments;
2. targets and initiatives;
3. key stakeholders and how we engage with them; and
4. performance monitoring and reporting requirements.

1.2 Accountability

The IFGL Board is ultimately accountable for oversight of the Group's ESG performance. The Group's Corporate Governance Framework is well embedded in our business and ensures that:

- An independent Chair leads the IFGL Board.
- The roles of our IFGL Board Chair and Group Chief Executive Officer (CEO) are separate.
- The IFGL Board and its various management sub-committees have the right balance of skills, experience, knowledge and independence.
- We have clear and fair remuneration practices that incentivise value creation whilst ensuring that our activities do not cause additional adverse impact on the environment and that our staff are fairly rewarded.

1.3 Delegation

The IFGL Board is responsible for setting the Group's Risk Strategy, Risk Appetite and Risk Culture. Day-to-day risk management is delegated to the Group CEO, who in turn delegates operational aspects to individual members of the Executive team.

The Group CEO has delegated responsibility for implementing practical steps to deliver effective ESG performance to an Executive-led ESG Working Group (the Working Group). The Working Group is responsible for driving our ESG plans and activities.

The Working Group meets monthly and membership includes individuals from Risk, Compliance, Customer Services, Marketing & Technical and Human Resources (HR), from within our Head Offices on the Isle of Man and overseas branches.

To provide direct line of sight over the effectiveness of integration and embedding of ESG considerations, the Terms of Reference of the following Management Committees include responsibility for oversight of ESG considerations:

- IFGL Board and all other Group Subsidiary Company Boards
- IFGL Executive Committee
- IFGL Risk & Compliance Committee
- IFGL People Committee
- IFGL Customer & Operations Committee
- IFGL Finance & Capital Committee (FCC)
- Fund Review Committee (sub-committee of the FCC)

Most Working Group members are standing members of formal Management Committees and/or sub-committees.

1.4 Integration

The IFGL Board is committed to high standards of corporate governance that enables it to promote the success of the businesses under its control.

Our Group Corporate Governance Manual sets out the Group's Corporate Governance Framework and associated policies and controls. The IFGL Board undertakes an annual review of the Group Risk Policies to determine the levels of compliance against each of the policy requirements. This is to support the annual Directors' Certification required by our lead regulator, the Isle of Man Financial Services Authority (see Section 1.5).

Executive Director Policy Owners ensure that their Group Risk Policies remain fit-for-purpose by reviewing them at least every second year or sooner if there is material change in strategy, risk profile or regulations. The Group Audit & Risk Committee, on behalf of the Board, approves material changes to all Group Risk Policies. Our Group Risk Policies incorporate our integrated approach to ESG matters, which are specifically set out in the:

- **Group Risk Management Framework**, where ESG has been identified under the "secondary risk category" of Business Risk.
- **Group Code of Conduct**, which sets out the standards of behaviour that the Board expects in relation to our Group Values. This means that ESG matters must be considered in our engagement with all our stakeholders including: [1] customers and advisers; [2] shareholders; [3] regulators and government; and, [4] our staff.
- **Group Financial Risk Management Policy**, where ESG shifts have been included under Market Risk and Liquidity Risk.
- **Group Conduct Risk Policy**, where sustainability and environmental impact considerations should be taken into account when developing products.
- **Group Operational Risk Policy**, where events relating to climate change impacts have been included in the risks controlled by the policy.
- **Group Human Resources Risk Policy**, which covers social aspects such as employee relations, diversity and equal opportunities, employee development, as well as talent management.

- **Group Remuneration Risk Policy**, which sets out the remuneration framework to support the delivery of the Group's strategy, objectives, values and long-term interest regardless of gender, ethnicity, age, disability or any other factor unrelated to performance or experience.
- **Group Health & Safety Risk Policy**, which sets out the health and safety management requirements to be implemented and maintained across the Group.

1.5 Monitoring

An annual Employee Accreditation and Management Attestation process provides insight into how well our Group Risk Policies are embedded.

Group Risk, Legal & Compliance review and validate the results, and then provide feedback to the business on areas that are managed well and where improvement is required.

The outcomes of these assessments are used by the Board to inform their annual assessment of the effectiveness of our systems of Risk Management and Governance (see Section 1.4).

1.6 Reporting

The Working Group is responsible for reporting performance against our ESG plans to the Board on a quarterly basis. An annual ESG Report detailing key performance metrics and progress is also presented to the Board each September.

Additionally, material ESG risk matters are included in the Group Chief Risk Officer's quarterly reports to the Executive, the Group Audit & Risk Committee and the Group Company Boards. This includes risk insights and actions taken to mitigate risks, and is informed through:

- A top-down risk assessment through **the Top-of-Mind** and **Emerging Risk Registers**, where each risk is owned and assessed by an Executive Director and independently assessed by Group Risk, Legal & Compliance.
- The **Risk & Control Self-Assessment**, which documents department level risks and tracks changes in risk exposure, control effectiveness and actions to ensure risk remains within Board approved appetite.
- **Risk incident** and **breach** reporting.
- The annual **Own Risk and Solvency Assessment (ORSA) Process**, where plausible scenarios and scenario testing is undertaken.

SECTION 2: STRATEGY

2.1 ESG-related opportunities

As an insurance company providing a range of insurance-based wealth management solutions, we believe that the opportunities for our business, on a short to medium term basis include:

Area	Opportunity	Potential Impact

Environment	• Contribute to net-zero by:
	  ○ Develop a feasible plan to reduce our carbon footprint (including identifying carbon offsetting projects, calculation of yearly carbon emissions, encourage participation in the car share scheme, and increased usage of electric car charging points).
	• Shifts in customer behaviours:
	  ○ Further expand our ESG fund range over the next 5 years.
	  ○ Increase Assets under Administration invested in ESG funds
		• Increase in new business.
		• Clearer line of sight, improved understanding of ESG risks and performance leading to better decision-making.
		• Favourable impact on brand – positively influence customer satisfaction with a broader ESG fund range
		• Greater contribution to society.

Social	• Improve inclusion by reviewing our people practices to attract and retain staff and support career progression
	  ○ Becoming a living wage employer
	  ○ Extend our succession plans with a view to increase our leadership gender diversity targets across management levels
	• Make a positive impact on the community by:
	  ○ Form environmental sustainability partnerships;
	  ○ Increase our social engagement with the community via participate in charity work and staff volunteering scheme.
		• Increase in new business.
		• Favourable impact on brand.
		• Ability to attract and retain investors, employees and distributors.
		• Greater contribution to society.

Governance	• Integrate ESG considerations within our Risk Policies as well as Board and Management Committees • Improve ESG Board and Management Information. • Improve staff awareness and communication.	• Decrease potential for regulatory interventions and sanctions. • Clearer line of sight, improved understanding of ESG risks and performance leading to better decision-making. • Better understanding of ESG risks. • Increased commitment to ESG performance.

2.2 Climate-related risks

The Group, through its sale of unit-linked insurance products, is not directly exposed to the environmental risks generated by climate change.

Where mortality and morbidity risk exists – which could be impacted by climate change – in issued policies, reinsurance arrangements are in place that materially transfer risk exposure.

Risks to the Group are of a second order and arise as a result of the indirect impact of climate risks. These include:

Risk Classification	Risk Description	Potential Risk Impact
Physical Risks - Physical risk arises from the impact of weather events and long-term or widespread environmental changes		
Financial Risk	Shocks to or decline in financial market performance arising from adverse climate events.	• Reduction of asset linked fee income and consequential impact on solvency, profitability, liquidity and value.
Insurance Risk	Increases in expenses and expense inflation resulting from supply chain restrictions or economic disruption.	• Increase in expense base and consequential impact on solvency, profitability, liquidity and value.
Operational Risk	Severe extreme weather events can disrupt business continuity by negatively impacting the insurer's infrastructure, systems, processes and staff.	• Customer complaints due to delays in service standards • Failure to meet regulatory requirements due to the disruption
Transition Risks - Transition risk arises from the process of adjustment to an environmentally sustainable economy, including changes in public policies, disruptive technological developments, and shifts in consumer and investor preferences.		
Business Risk	There are shifts in customer preferences and we have insufficient ESG funds to attract customers.	• Decrease in new business.
Reputational Risk	Our key stakeholders may view our Group negatively if we do not aim to reduce our carbon footprint.	• Decrease in new business. • Adverse impact on brand. • Inability to attract and retain investors, employees and distributors.
Regulatory Risk	Not meeting increasing regulatory ESG expectations as countries target 'net-zero' carbon impact, carbon neutrality[1].	• Increased regulatory scrutiny. • Potential regulatory interventions and sanctions also affecting reputation.

[1] This risk has been recognised on the Board's Emerging Risk Register

2.3 Resilience of our business Strategy

As noted above, IFGL recognises the potential indirect impact to global and local economies that climate change cause in the medium to longer term as a result, for example, of disruption to supply chains.

One scenario developed for the 2024 ORSA report considers the impact of worsening financial conditions driven by a deterioration in geopolitics. The consequences and impact of this scenario are potentially analogous to the indirect impacts of climate change on the global economy.

Scenario calibration	• 25% downward stress to equity/property based on the most recent Equity Backing Ratio for each insurance company. • 30% reduction in New Business sales versus plan for the first two years, reverting to base-case growth rate thereafter. • Maintenance of budgeted acquisition expenses (which implicitly assumes an increase in unit cost as a result of NB volume reductions). • 1% increase to expense inflation (but not charge inflation). • 100bps decrease in interest rates (both risk-free discount rate and unit growth rate). • 10% appreciation of GBP against all other currencies. • 10% increase in proportional lapse rates throughout the forecast time horizon.
Modelled scenario Impact	• Group and insurance company IOM Risk Based Capital solvency remains above the minimum regulatory requirement and within risk appetite. • Liquidity remains within risk appetite.
Management Actions	• No further management actions required. • The risks associated with current global geopolitical instabilities will continue to be assessed through the Risk Management Framework. Key metrics associated with the calibration of this scenario are regularly assessed and overseen by both Line 1 and Line 2 and through the IFGL Finance and Capital Committee.

The Group’s Recovery Plan does not define a precise threshold at which the Company becomes non-viable but the interaction between new business volumes and expenses is critical from the perspective of the Company’s long-term viability.

An extreme scenario, which could include the effects of climate change, could result in the requirement to significantly cut expenses, close to new business and/or undertake wind down procedures. The ability of the Company to respond to an extreme scenario such as this was tested through a Board Simulation exercise held in September 2023.

SECTION 3: RISK MANAGEMENT

3.1 Identifying and assessing climate related risks

As set out in Section 1.6, our processes for identifying and assessing climate-related risks are included in the Board approved "Group Risk Management Framework".

Section 2.3, sets out how we have used stress and scenario testing to inform climate related risk exposure, capital management and strategic direction.

This is complemented by the Board approved Group Risk Policies (see Section 1.4), which detail the mandatory requirements for the identification, assessment, measurement, management, monitoring and reporting of material risk exposures, which includes ESG related risks.

The Group Risk Policies establish the high-level principle based mandatory requirements to manage key risks. As noted in Section 1.4, IFGL's Group Risk Policies have been updated to reflect ESG risks. Procedures and controls required to implement the policies are documented, embedded and applied across the Group.

The Group Risk Policies are designed to support a consistent approach to behaviours and decision making across IFGL and its subsidiaries, including the Branches. This is aligned to the Board approved Risk Appetite framework.

3.2 Processes for managing climate related risks

As set out in Section 2.3 and Section 4.3, we have undertaken assessments to help us understand our Corporate Carbon Footprint, at the following levels:

- Isle of Man level where our Head Office and most of our staff are based; and
- International operating level where our Branch staff are based.

This allows us to manage climate-related risks by planning to reduce our Corporate Carbon Footprint by:

- Working with our sustainability partner to identify and implement carbon offsetting projects.
- Remaining vigilant to the impact of changing regulation.
- Ensuring our relationships with our regulators remain a high priority.
- Assessing relevant capacity building and formalising ESG training requirements to allow for a better understanding of climate related risks across the organisation at all levels.

3.3 How decisions to mitigate, transfer, accept, or control those risks are made

Decisions to mitigate, transfer, accept or control climate-related risks are made in line with the procedures set out in our "Accepted Risk Requirements" document. This document is part of our Group Risk Management Framework and sets out the governance requirements for identifying, approving and managing risk exposures.

3.4 How climate-related risks are integrated into our overall risk management

See Section 1.4, which sets out how climate-related risks are integrated into our overall risk management framework.

SECTION 4: METRICS AND TARGETS

4.1 Overview of Commitments, Targets and Initiatives

We recognise that our reputation is based on our delivery of our products, which is executed through strong relationships with our Advisers and credible Customer Services. This is broadened to how we value our relationships with current and future employees, Advisers, customers, suppliers, governments, regulators and the wider community.

We are committed to reduce IFGL's carbon footprint in line with the Paris agreement. Hence, we have set a **long term target to be Net Zero by 2050**, with an interim target to reduce our carbon emissions from 2022 levels by 50% by the end of 2030.

In addition to the above, we celebrate diversity and are committed to promoting it across all our companies and their operations. Hence, we do also target to increase the level of gender diversity across the IFGL management levels:

Metric	2023 Actual	2027 Target	2030 Target
% of women in senior management (IFGL1)	26%	30%	40%
% of women on the Executive Committee	17%	25%	30%
% of women on the Board	0%	15%	15%
% of women on the core IFGL Subsidiary Boards	29%	30%	40%

We have created a set of ESG Key Performance Indicators as well as ESG Scorecard to track our progress in delivering our ESG strategy, reporting to the Board on a regular basis.

4.2 Metrics to assess climate-related risks and opportunities

In 2022, IFGL developed and began implementation of its own ESG strategy through a series of actions and initiatives. In 2023 and 2024, we have continued to progress and our 2024 scorecard in Appendix 1 reflects the status against our metrics.

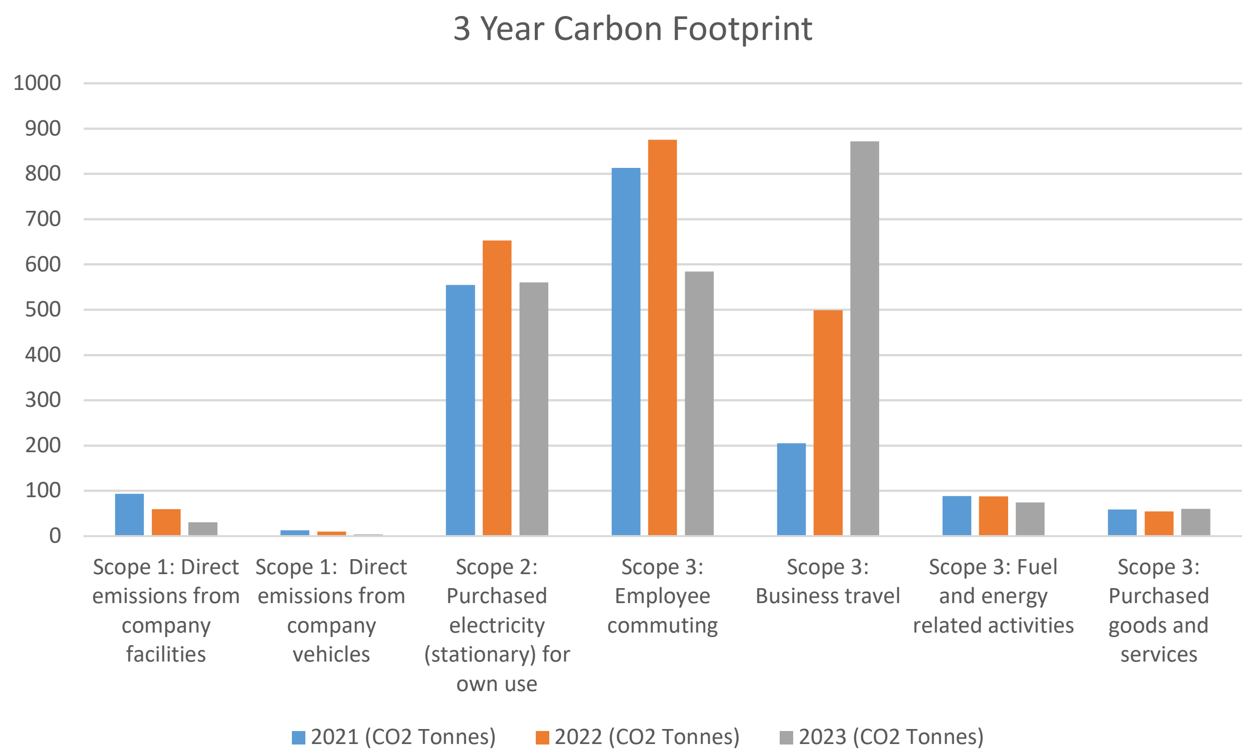
Our medium term climate related targets are as follows:

1. Expand our ESG fund range over the next 5 years
2. Increase Assets under Administration invested in ESG funds
3. Identify and support local carbon offsetting projects by 31 December 2024
4. Calculate IFGL CO_2 emissions for 2023 and see how it changed since initial assessment
5. Maintain, monitor and encourage IOM staff participation in the Group's Car Share Scheme
6. Expand recycling scheme in all locations by 31 December 2024
7. Increase usage of electric car charging points in IOM office locations by 31 December 2024

4.3 Greenhouse gas emissions and related risks

Since 2021, IFGL has conducted 3 years of Carbon Footprint Assessment. During 2021, IFGL was navigating the aftermath of the Coronavirus pandemic whereby business travel was still limited and many of our business areas were still transitioning back to office based working. As a consequence we expected to see the 2022 and 2023 result (see below) being higher than 2021, and that this would be a fairer reflection of our true carbon footprint.

In 2023, IFGL's business activities generated 2,182.92 tonnes of CO2, which corresponds to a CO2 footprint of 251 Europeans (even though IFGL employs over 550 people). The 2023 assessment is a 2.4% decrease from the 2022 assessment, and the largest change was due to an increase in both business travel (i.e. flights) after relaxing of the Coronavirus restrictions; offset by a reduction in employee commuting.



Emission Sources	2021 (CO_2 Tonnes)	2022 (CO_2 Tonnes)	2023 (CO_2 Tonnes)	% Change 2023 vs 2022
Scope 1:	**105.80**	**68.66**	**33.96**	Reduced by 50.5%
Direct emissions from company facilities Direct emissions from company vehicles	92.98 12.81	59.09 9.57	30.51 3.45	
Scope 2:	**554.39**	**652.88**	**559.70**	Reduced by 14.3%
Purchased electricity (stationary) for own use	554.39	652.88	559.70	
Scope 3:	**1,164.79**	**1,515.82**	**1,589.26**	Increased by 4.8%
Employee commuting Business travel Fuel and energy related activities Purchased goods and services	812.94 204.82 88.54 58.49	874.88 498.50 87.78 54.65	583.87 871.41 74.26 59.71	
Overall	**1,824.98**	**2,237.35**	**2,182.92**	**Reduced by 2.4%**

Further details of IFGL 2023 Carbon Footprint can be seen in Appendix 2.

Whilst there was a decrease in Scope 1 and Scope 2 by 50.5% and 14.3% respectively, Scope 3 increased by 4.8%.

Improvements made over the recent years to reduce Scope 1 and 2 include (i) replacement of a diesel 2.2 litre to a petrol 1 litre car; (ii) switching of tube lighting to LED lights; as well as (iii) replacement of gas heating boilers with electric heating and cooling system.

The increase in Scope 3 was primarily attributed to more Business Travel. For 2023, the increase of business travel in IOM is offset mainly through a reduction in employee commuting as we encourage staff to utilise the car share scheme and continue to recruit staff to the Castletown office who live in local proximity, given that we are one of the largest employers in the south of the island.

Given our business model (global business) and with over half of the executive domiciled off island, flights are inevitable if we are to continue to demonstrate presence and control from the Isle of Man. We recognise that this is the largest component in our emission sources; we will continue to monitor this closely and explore further how this could be reduced.

We have, however, introduced the following initiatives in order to reduce our consumption:

- **Electricity**: From 2024, we have signed up to the Manx Utilities Green tariff for our Isle of Man offices, which ensures energy supplied is matched by renewable energy secured by Manx Utilities. This should reduce our overall carbon footprint by 29%.
- **Employee Commuting**: We offer a Car Share Scheme and we have introduced electric car charging points in both Isle of Man sites. We will continue to work towards an 'affordable' electric car lease scheme. The relative high cost of electric cards has meant this has been unviable as an offering to-date.

Additionally, as technology, our resourcing patterns and resource levels around the globe evolve over the next few years, we will be able to further reduce our carbon emissions.

Finally, as we will not be able to eradicate all sources, we will need to look at offsetting initiatives in order to deliver the net zero target. We are keen that any offsetting initiatives actually reduce the world's carbon emissions whilst also reflecting the IFGL global office footprint.

We are also hopeful that over the coming years the Isle of Man, Malaysia and Dubai (our major employment hubs) along with Singapore, Hong Kong, South Africa and Uruguay will have offsetting opportunities that IFGL will be able to support.

4.4 Targets and performance against targets

Our ESG Strategy is an exciting step our history and shows our commitment to providing the best outcomes for all of our stakeholders, as well as addressing important issues to society, the economy and the environment.

Our performance against the metrics (in Section 4.1, 4.2 and Appendix 1) will be updated annually, along with our ESG strategy.

SECTION 5: DOCUMENT VERSION HISTORY

Version	Date	Author	Comments
0.1	May 2022	ESG Working Group	Initial draft
0.2	25/07/2022	IFGL Executive Review	Group Strategy Director and Group Risk Director review and sign-off required
0.3	04/07/2022	Sue-Ann Ind	Group Risk Director review
0.4	27/07/2022	IFGL Executive Review	
0.5	22/09/2022	Board approval	
0.6	06/07/2023	ESG Working Group	Update with (i) 2023 ESG Scorecard that was approved by IFGL Executive on 22 February 2023; and (ii) 2022 Carbon Footprint Assessment
0.7	07/07/2023	Sue-Ann Ind	Group Chief Risk Officer review
0.8	23/08/2023	IFGL Executive Review	
0.9	21/09/2023	Board approval	IFGL and FPIL Board approvals
0.10	20/07/2024	ESG Working Group	Update with (i) 2024 ESG Scorecard; and (ii) 2023 Carbon Footprint Assessment
0.11	31/07/2024	Sue-Ann Ind	Group Chief Risk Officer review
0.12	18/09/2024	IFGL Executive Review	
0.13	25/09/2024	Board approval	IFGL and FPIL Board approvals

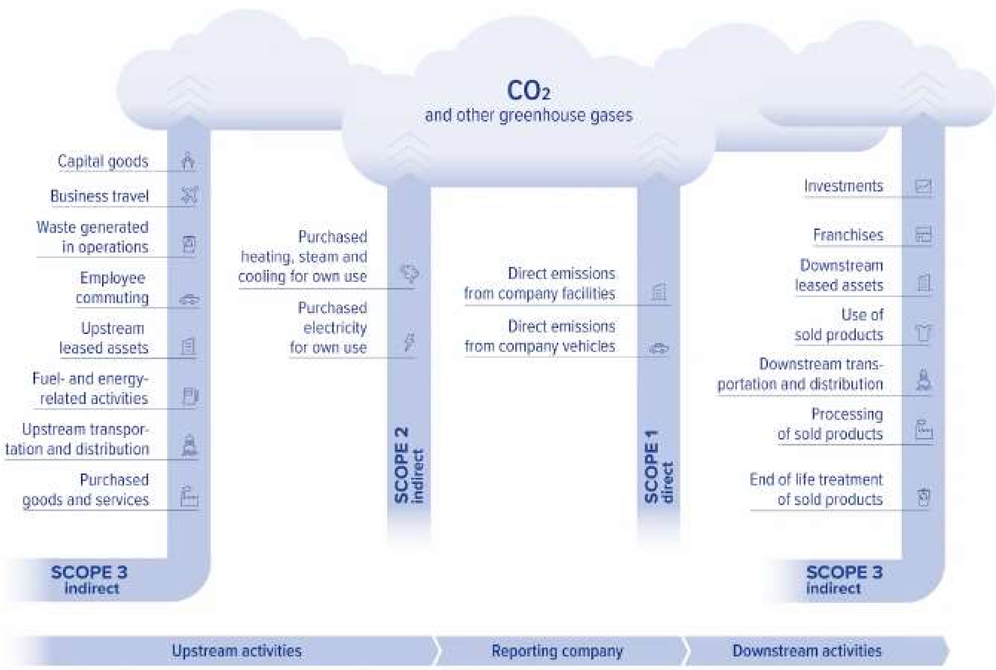
APPENDIX 1: OUR 2024 SCORECARD

Impact	Metric		Status
Governance	1	Produce annual ESG Report and implement quarterly ESG reporting to the Board	In progress
	2	Include material ESG risks in the quarterly Group Chief Risk Officer's Report	Ongoing & met
	3	Participate in regulatory consultations by specified deadlines	Ongoing & met
	4	Ensure all relevant Committee Meetings Terms of Reference consider any ESG considerations	Ongoing & met
	5	Proactive and open approach to regulatory engagement at a strategic and operational level	Ongoing & met
Environmental	6	Expand ESG fund range over the next 5 years	In progress
	7	Increase Assets under Administration invested in ESG funds	In progress
	8	Identify carbon offsetting projects by 31 December 2024	In progress
	9	Recalculate IFGL CO_2 emissions for 2023 and see how changed since initial assessment. Due end of H124.	Complete
	10	Engage with IOM Government advisors around 'Green' electricity tariff	Complete
	11	Maintain, monitor and encourage Isle of Man staff participation in the Group's Car Share Scheme	Ongoing & met
	12	Expand recycling Scheme in all locations by 31 December 2024	In progress
	13	Increase usage of electric car charging points in Isle of Man office locations by 31 December 2024	In progress
Social	14	Be a local living wage and hours employer by 31 December 2024	Ongoing & met
	15	Evaluate and encourage our core suppliers to become local living wage employers, with a view to increase % of suppliers to adopted	In progress
	16	Maintain the Isle of Man based Staff Charity Committee	Ongoing & met
	17	Support local charities across all offices during 2024	Ongoing & met
	18	Develop, and extend our succession plans with a view to increasing our leadership diversity across the Group	In progress
	19	Staff awareness and communications for each initiative	Ongoing & met

APPENDIX 2: IFGL 2023 CARBON FOOTPRINT

Our total emissions were split into these three categories or scopes and are further illustrated and detailed in the diagram and table below:

- **Scope 1** includes all direct emissions generated by IFGL through company-owned facilities or vehicles.
- **Scope 2** includes emissions released through purchased energy such as electricity and district heating.
- **Scope 3** encompasses indirect emissions such as employee commuting and purchased services.



CCF Results Table: International Financial Group Limited t/a RL360

Total results for the group **Corporate Carbon Footprint Jan-Dec 2023**

Emission sources	t CO_2	%
Scope 1	**33.96**	**1.6**
Direct emissions from company facilities	30.51	1.4
Heat (self-generated)	24.79	1.1
Refrigerant leakage	5.73	0.3
Direct emissions from company vehicles	3.45	0.2
Vehicle fleet	3.45	0.2
Scope 2	**559.70**	**25.6**
Purchased electricity for own use[3]	559.70	25.6
Electricity (stationary)	559.70	25.6
Scope 3	**1,589.26**	**72.8**
Business travel	871.41	39.9
Flights	814.85	37.3
Hotel nights	49.34	2.3
Rental and private vehicles	7.22	0.3
Employee commuting	583.87	26.7
Employee Commuting	569.16	26.1
Home office	14.71	0.7
Fuel- and energy-related activities	74.26	3.4
Upstream emissions electricity	69.29	3.2
Upstream emissions heat	4.09	0.2
Upstream emissions vehicle fleet	0.87	0.0
Purchased goods and services	59.71	2.7
Food and drink	19.79	0.9
Print products	17.49	0.8
Office paper	13.84	0.6
Electronic devices	8.59	0.4
Waste generated in operations	0.00	0.0
Operational waste	0.00	0.0
Transport to disposal facility	0.00	0.0
Overall results	**2,182.92**	**100.0**