IFGL's Disclosures against the Task Force on Climate-Related Financial Disclosures ("TCFD") recommended disclosures

S/N	TCFD Recommended Disclosures	IFGL's Disclosures
Governance: Disclose the organisation's governance around climate-related risks and opportunities		
a	Describe the board's oversight of climate-related risks and opportunities Further guidance Type A: (1) Describe processes by which the board and/or board committees (e.g., audit, risk, or other committees) are informed about climate-related issues (2) Describe frequency by which the board and/or board committees (e.g., audit, risk, or other committees) are informed about climate-related issues	Accountability for Environmental, Social, Governance ("ESG") performance of IFGL is overseen by one of our Executive members, Steve Weston, along with the Group's CEO David Kneeshaw. Steve Weston leads the ESG Steering Group which will drive our ESG plans, with progress on our activities being reported quarterly at our Group Board meetings to ensure that actions are delivered and relevant communications are on track and formally included in our annual reporting cycle. The ESG Steering Group comprises of members in Risk, Compliance, Customer Services, Marketing & Technical and Human Resources, and most representative members are standing members of relevant management committees and/or sub-committees. Whilst the ESG Steering Group is not part of the Group's formal governance structure, being led by Steve Weston provides direct access to the Board and Executive Committee. IFGL has a robust governance structure that allows for the appropriate escalation of key risk matters and the cascading of strategic objectives and risk appetite (see **Appendices 1 & 2**).[1] Group Risk Policies, which are reviewed and approved by the Board and form a key level control within the governance structure, provide detail on the types of risks to which the Group is exposed and required actions in respect of them. Relevant Group Risk Policies where ESG considerations are highlighted include: [1] Group Risk Management Framework; [2] Group Code of Conduct; [3] Group Financial Risk Policy; [4] Group Conduct Risk Policy; [5] Operational Risk Policy; [6] Group Human Resources Risk Policy; [7] Group Remuneration Risk Policy; [8] Group Health & Safety Risk Policy. Embedding ESG considerations within these policies ensures that an integrated approach to social and environmental matters is taken.
b	Describe management's role in assessing and managing climate-related risks and opportunities Further guidance Type A: (1) Describe whether the organization has assigned climate-related responsibilities to management-level positions or committees. and if so, whether such management positions or committees report to the board or a committee of the board and whether	

[1] The Group's Corporate Governance Structure was independently reviewed during 2021 and found to adequately meet local (Isle of Man) Corporate Governance requirements.

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	those responsibilities include assessing and/or managing climate-related issues and the processes by which management is informed about climate-related issues	An annual employee accreditation and Executive Group Risk Policy Owner attestation process provides insight into how well these policies are embedded across the Group. The Group Risk Function is able to review and challenge the results of these processes, which are then reported to the Board allowing for appropriate oversight. Relevant risk matters, which may extend to environmental and social concerns where material, are reported through the Group Risk Director's Report on a quarterly basis. This provides both the Audit and Risk Committee and Boards with risk insights and actions undertaken to mitigate those risks. This report is informed through: i. a top-down risk assessment carried out through Top-of-Mind and Emerging Risk registers, which have Executive ownership; ii. the Group's Risk and Control Self-Assessment, which documents risks identified on a departmental level and which tracks changes in risk exposure, control effectiveness and actions undertaken to ensure risk remains within appetite (which is set by the Board); and iii. risk incident reporting. To enhance this process, an annual report detailing matters relating to ESG – including key performance metrics and progress against targets – is under consideration. This will be further developed once agreement on key environmental and social targets has been finalised. The Group undertakes an annual Own Risk and Solvency Assessment (ORSA) as part of requirements under Isle of Man, Singapore and Hong Kong regulations.[2] As part of this process, plausible scenarios are developed for the purpose of solvency and liquidity stress testing that are developed from the Group's Top-of-Mind and Emerging Risk registers. The Board is wholly involved in the determination of the scenarios for development and in the calibration of stresses.

[2] ORSA reporting may be undertaken more frequently than annually if internal or external circumstances give rise to this requirement. This decision is a matter reserved for the Board.

<table>
<tr><th>S/N</th><th>TCFD Recommended Disclosures</th><th>IFGL’s Disclosures</th></tr>
<tr><td></td><td></td><td>The Group’s Risk Management Framework ensures that relevant risk matters are escalated to appropriate individuals and Management Committees. The Terms of Reference of each Management Committee, which includes the Risk and Compliance Committee, People Committee, Customer and Operations Committee, Finance and Capital Committee, and Fund Review Committee, incorporate ESG matters within their remit of oversight.</td></tr>
<tr><td colspan="3">Strategy:
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material.</td></tr>
<tr><td>a</td><td>Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term

<u>Further guidance Type A</u>:
(1) Describe what they consider to be the relevant short-, medium-, and long-term time horizons, taking into consideration the useful life of the insurer's products or infrastructure and the fact that climate-related issues often manifest themselves over the medium and longer terms</td><td rowspan="2">Risk assessments undertaken have identified no immediate direct risks relating to climate risk. Climate related risks on a short to medium term basis are:

<table>
<tr><td>Classification</td><td>Risk</td><td>Impact</td></tr>
<tr><td>Business - Shifts in consumer preferences</td><td>Insufficient ESG funds to attract consumers</td><td>Potential drop in new business volumes if we do not have sufficient ESG funds to cater to the shifts in consumer preferences.</td></tr>
<tr><td>Reputational</td><td>May be viewed negatively for not reducing carbon footprint</td><td>Potential drop in new business volumes and adverse impact to brand; and/or inability to attract investors, employees and distributors.</td></tr>
<tr><td>Regulatory – increasing regulatory expectations on this area as countries target for ‘net-zero’ carbon impact, carbon neutrality.</td><td>Not meeting regulatory requirements[3]</td><td>Increased regulatory scrutiny; and / or potential regulatory penalties (e.g. fines, warnings etc.). This would also impact on the reputational aspect.</td></tr>
</table>

Opportunities on a short to medium term basis would include the following:</td></tr>
<tr><td>b</td><td>Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning

<u>Further guidance Type A</u>:</td></tr>
</table>

[3] This risk has been recognised on the Group’s Emerging Risk Register

<table>
<tr><th>S/N</th><th>TCFD Recommended Disclosures</th><th>IFGL’s Disclosures</th></tr>
<tr><td></td><td>(1) Discuss how identified climate-related issues have affected their businesses, strategy, and financial planning</td><td>Business perspective - Further expanding our ESG fund range which is part of our ESG plan over the next 5 years
Reputational – have a feasible plan to reduce our carbon footprint; look at improving the social aspect pertaining to our employees as well as to make a positive impact on the community which is also part of our ESG plan above
Regulatory - Working with our sustainability partner, we intend to select a range of carbon offsetting projects which meet the Verified Carbon Standard (VCS).</td></tr>
<tr><td>c</td><td>Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

<u>Further guidance Type A:</u>
(1) Organisations should consider discussing:
– where they believe their strategies may be affected by climate-related risks and opportunities
– how their strategies might change to address such potential risks and opportunities
– the climate-related scenarios and associated time horizon(s) considered</td><td>We have developed a Financial Crisis Scenario within our current year ORSA which focuses on impact of market turbulence (equity value reduction, interest rate decrease etc.) Separately, we have a reduction in New Business volume scenario. Both of these scenarios could be possible under worsening climate scenarios but are deemed longer term impacts of climate change.</td></tr>
<tr><td colspan="3">Risk Management:
Disclose how the organisation identifies, assesses, and manages climate-related risks.</td></tr>
<tr><td>a</td><td>Describe the organisation’s processes for identifying and assessing climate-related risks

<u>Further guidance Type A:</u>
(1) Describe if existing and emerging regulatory requirements related to climate</td><td>In line with our Strategic Controller Governance Model, strategic risk management objectives and policies are set by IFGL and implemented in all of our Business Areas, including the Branch. The FPIL Board has adopted the IFGL ‘Group Risk Management Framework’.

<u>Group Risk Management Framework:</u>
The Group Risk Management Framework forms an integral part of management and Board processes and decision making across the Group, its subsidiaries and its branches. The key</td></tr>
</table>

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	change (e.g., limits on emissions), as well as other relevant factors, are considered	components of the Group Risk Management Framework are: [1] risk strategy; [2] risk principles; [3] risk appetite; [4] risk profile; [5] risk governance and responsibilities. A summary of our Group Risk Management Framework can be found in Annex 2. The Group Risk Management Framework is complemented by the Board approved Group Risk Policies, which detail the mandatory requirements for the identification, assessment, measurement, management, monitoring and reporting of material risk exposures. Stress and scenario testing is used to inform risk exposure, capital management and strategic direction. The Group Risk Policies are designed to support a consistent approach to behaviours and decision making across IFGL and its subsidiaries, including the Branch, which are aligned to the Risk Appetite framework that is approved by the Board. These policies establish the high-level principle based mandatory requirements to manage key risks. Procedures and controls required to implement the policies are documented separately, and mandatory requirements are embedded and applied throughout the Group. The following documents have been updated to proportionately reflect consideration to relevant climate related risks: • Group Risk Management Framework – where ESG has been identified under the "secondary risk category"; • Group Financial Risk Management Policy – where ESG shifts have been included under Market Risk and Liquidity Risk; • Group Code of Conduct – where it has been included to consider the ESG factors in our engagement with all our stakeholders such as shareholders, investors, staff etc.
b	Describe the organisation's processes for managing climate-related risks <u>Further guidance Type A:</u> (1) Describe how decisions to mitigate, transfer, accept, or control those risks are made	Being aware of our Corporate Carbon Footprint allows us to better manage the risk by planning to reduce our carbon footprint as stated in the "Environmental Impact" above. Environmental Impact: We will calculate our environment impact per policy we are responsible for and lay out our 5 year plan to reduce our carbon footprint by the end of 2022. Possible management actions that the Group may take (subject to Board and Executive Committee approvals) include:

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		○ Reduction in Carbon Footprint ▪ We have already started to reduce our footprint by implementing a new recycling scheme across all our offices and by implementing electric car charging points in both our sites on the island. ▪ Launch awareness campaign amongst colleagues focused around recycling, car sharing and cycle to work schemes. ○ Offsetting • Working with our sustainability partner, we intend to select a range of carbon offsetting projects which meet the Verified Carbon Standard (VCS). The projects will be focused around our office locations and will look to deliver environmental, economic and social benefits to the surrounding communities.
c	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management. <u>Further guidance Type A:</u> (1) Describe exposures to physical and transition risk within their own property and the business model, including concentrations of risk at portfolio and transaction level, and by geographical footprint	In addition to the above, to integrate the management of climate-related risks into our overall risk management: • Relevant Management Committee's Terms of References and related Policies have been updated to incorporate ESG considerations; • Top-down identification of ESG considerations through Top-of-Mind and Emerging Risk processes with the Executive Team, as well as departmental Risk Registers • Any individually recognised (climate or otherwise) risk is given an individual owner both at the Executive level (Top-of-Mind and Emerging Risks) and within the business if recognised as a specific risk within a department's own risk register (Risk and Control Self-Assessment)
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
a	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Economic Impact: • We will continue to expand the range of ESG funds and aim to increase the percentage of AUA invested in responsible funds over the next 5 years.

S/N	TCFD Recommended Disclosures	IFGL's Disclosures
	<u>Further guidance Type A:</u> (1) Provide the key metrics used to measure and manage climate-related risks and opportunities Provide aggregated risk exposure to weather-related catastrophes of the Insurance Companies' property business (i.e., annual aggregated expected losses from weather-related catastrophes) by relevant jurisdiction	Social Impact: • We are already a local living hours wage employer, and we will become a local living wage employer by April 2024 across all our offices and develop a plan to ensure our core suppliers meet this same standard. • We have supported over 40 local charities in 2021, and we are looking to support even more in 2022.
b	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. <u>Further guidance Type A:</u> (1) Provide their Scope 1 and Scope 2 GHG emissions and, if appropriate, Scope 3 GHG emissions and the related risks, as well as generally accepted industry-specific GHG efficiency ratios. GHG emissions should be calculated in line with the GHG Protocol methodology to allow for aggregation and comparability across organisations and jurisdictions (2) GHG emissions and associated metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, Insurance Companies should	In 2021 IFGL's business activities generated a total of 1,824.98 tonnes of CO_2., which equates to a CO_2 footprint of 210 Europeans, which given we employ over 500 people means in relative terms we have a low footprint starting point. The total emissions were split into three categories (Scopes): • Scope 1 includes all direct emissions generated by International Financial Group Limited t/a RL360 through, for example, company-owned facilities or vehicle fleets. • 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.

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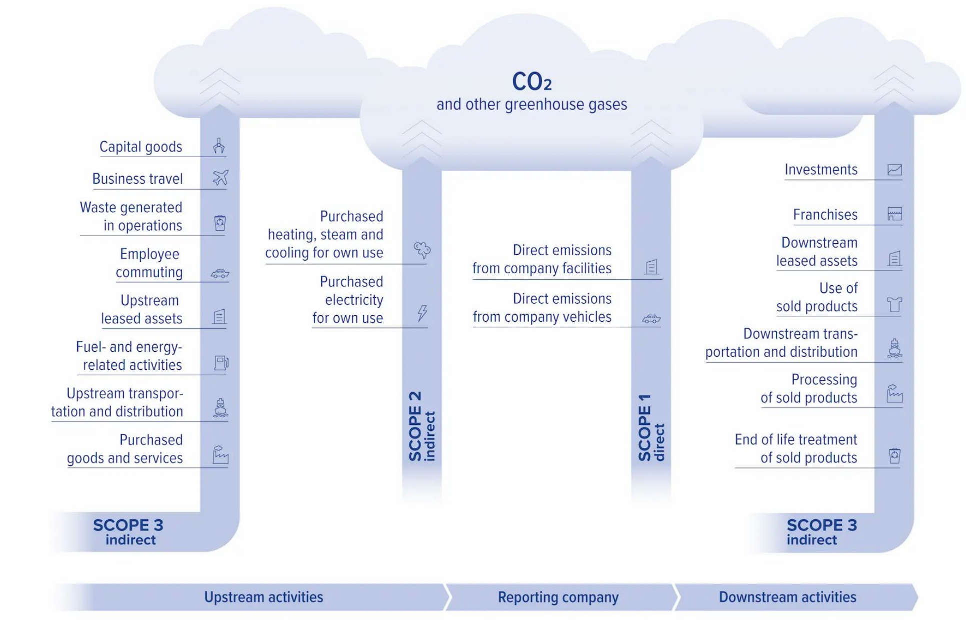
	provide a description of the methodologies used to calculate or estimate the metrics	

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		Table **CO_2 emissions table: International Financial Group Limited t/a RL360** Total results for the group **Corporate Carbon Footprint**

Sources of emissions	t CO_2	%
Scope 1	**105.80**	**5.8**
Direct emissions from company facilities	92.98	5.1
Heat (self-generated)	92.98	5.1
Direct emissions from company vehicles	12.81	0.7
Vehicle fleet	12.81	0.7
Scope 2	**554.39**	**30.4**
Purchased electricity for own use [1]	554.39	30.4
Electricity (stationary)	554.39	30.4
Electricity (vehicle fleet)	0.00	0.0
Scope 3	**1,164.79**	**63.8**
Employee commuting	812.94	44.5
Employee Commuting	718.95	39.4
Home office	93.99	5.2
Business travel	204.82	11.2
Flights	191.04	10.5
Hotel nights	11.30	0.6
Rental and private vehicles	2.47	0.1
Fuel- and energy-related activities	88.54	4.9
Upstream emissions electricity	72.63	4.0
Upstream emissions heat	15.91	0.9
Purchased goods and services	58.49	3.2
Electronic devices	44.73	2.5
Gastronomy	7.63	0.4
Print products	5.77	0.3
Office paper	0.35	0.0
Overall results	**1,824.98**	**100.0**

[1] This emission was calculated using the market-based method. Applying the location-based method instead results in emissions of 403.04 t CO_2.

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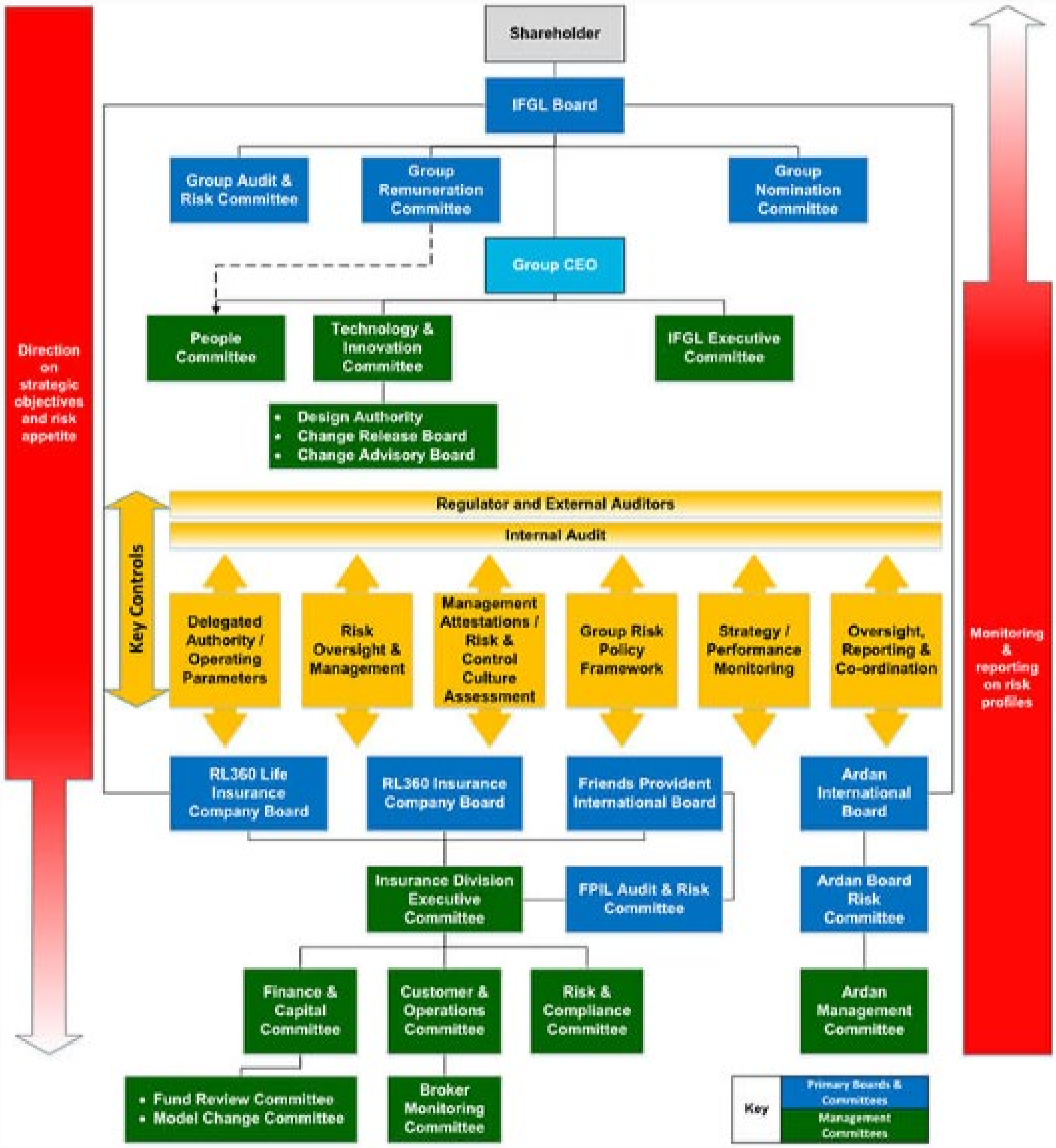
c	Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets. Further guidance Type A: As per B above.	Our ESG Strategy is an exciting step in history of IFGL and one that demonstrates our commitment to providing the best outcomes for all, as well as addressing important issues to society, the economy and the environment. IFGL recognises that there is a greater need for ESG Data Disclosure across our business so that customers and other stakeholders can view our business performance. We will be including data on our ESG performance in our 2023 financial results and our ESG strategy will be available on our website.

Appendix 1: Strategic Controller Model

GROUP CORPORATE GOVERNANCE FRAMEWORK

The Corporate Governance Framework has been set based on the "Strategic Controller Model".



Appendix 2: Overview of Group Risk Management Framework

1. Overview of the Group Risk Management Framework

The key components of the Group Risk Management Framework (the Framework) are: [1] risk strategy; [2] risk principles; [3] Risk Appetite; [4] risk profile; and [5] risk governance and responsibilities.

The Framework is complemented by the Board approved Group Risk Policies (see Section 1.7), which detail the requirements for the identification, assessment, measurement, management, monitoring and reporting of material risk exposures. Stress and scenario testing is used to inform risk exposure, capital management and strategic direction.

The purpose of the Framework is to address adverse risks, develop business opportunities, and ensure the achievement of the Business Plan within Risk Appetite.

Each year, the Board and Senior Management undertake a workshop to assess compliance with the Corporate Governance Framework which is supported by the Group's Chief Executive Officer's Annual Attestation Letter, Management Attestation Letters and Staff Accreditations.

The output of these processes provide evidence to support the Annual Director's Certificate on Corporate Governance, giving assurance to the Audit & Risk Committees and the Boards that there is a consistent, adequate, and effective risk management framework and systems of control in place to achieve this.

1.1 Risk Strategy

The Group Risk Strategy is to implement and embed a proportionate and commercially attuned risk framework. This enables the Board and Senior Management to address adverse risks; develop business opportunities; and achieve the Group and Company's Business Plan within Risk Appetite.

1.2 Risk Principles

We only take risks that we understand and can manage. The following principles for risk-taking activities are applied and monitored:

* Risk and Return: risk and return implications are considered in all material business decisions.

* Capital Adequacy: solvency capital levels are maintained to meet both regulatory requirements and our own assessment of capital required over the business planning period.

* Earnings: consistent and high quality earnings are delivered and there is low appetite for earnings shocks from any risk type.

* Risk Culture: all employees are responsible for risk within their individual roles. We set a strong tone from the top, embrace a risk culture across the business which is aligned to our strategy, vision and values. We encourage an open dialogue and rapid escalation of potential threats and incidents.

1.3 Risk Profile

The following are our key risk categories:

* Business Risk: these are risks that may lead to a reduction in solvency, earnings or value which threatens the achievement of the strategic objectives. Examples include: [1] sales volume, mix and concentration; [2] major projects; [3] legal & regulatory change; [4] reputation; and [5] group risk.

* Insurance Risk: these are risks that may lead to a reduction in earnings or value due to adverse developments in the timing, frequency, and severity of claims for insured/underwritten events and in customer behaviour. Examples include: [1] persistency/ lapse; [2] mortality, disability and morbidity; and [3] expense risk.

* Financial Risk: these are risks that may lead to a reduction in earnings or value and include: [1] credit risk; [2] market risk; and [3] liquidity risk.

* Operational Risk: these are risks that may lead to a reduction in earnings or value due to: [1] inadequacy or failure of our processes, people and systems or from external events; [2] product failure, inappropriate or poor customer treatment or business conduct; [3] failure or interruption in operation of IT, communication technology and other business critical systems; and [4] a material threat to our business data, critical systems and business processes (including systems security and cyber risk).

1.4 Risk Appetite

Risk Appetite is the nature and amount of risk that we are prepared to accept and not exceed in delivering our five-year Business Plan. We avoid risks that we do not understand, cannot manage, or are not aligned with our Risk Appetite.

Each year, the Boards approve the Risk Appetite exposure for each of the material risks, or sooner if there is a material change to the strategy, risk profile or regulation. This is underpinned by a Principle of Proportionality appropriate to the nature, scale and complexity of our business operations and is informed by our:

* Risk Principles.

* Strategic Objectives.

* Top-of-Mind and Emerging Risk Assessments.

* Business Plan, ORSA and Stress and Scenario Testing results.

These are complemented by Risk Appetite Statements in the Group Risk Policies; and comprise qualitative and quantitative measures that link to detailed risk tolerance limits. These are communicated to relevant employees. Actual or anticipated breaches are reported to the Executive and the FPIL and Group Audit & Risk Committees.

1.5 Risk Governance

The Boards are ultimately responsible for the Group Risk Management Framework. The Boards approve the Risk Appetite exposure for each material risk identified; sets the tone for risk culture; and reviews the adequacy of the Framework, which includes the ORSA. The Boards are supported in this role by the Audit & Risk Committees, which advise on Risk Appetite; independently reviews and challenges material risks; and reports risk management matters to the Boards. The oversight of risk and risk management is supported by the Management Committees.

1.6 Risk Responsibilities

The Group has implemented the ‘Three Lines of Defence’ model, which clearly allocates responsibilities and ownership for risk and controls and provides an effective separation of risk taking from risk oversight.

Line 1 – led by Executive management, regularly identifies and monitors material risks; ensures adequate risk management training; and establishes appropriate two-way communication channels.

Line 2 – are objective and independent from risk-taking and provide timely support and opinions on Line 1 risk management activities. The Group Risk Director has a dual reporting line to the Chair of the Group Audit & Risk Committee and unfettered access to the Chair of the Board. Group Risk, Legal & Compliance have relevant and appropriate expertise and experience.

Line 3 – Group Internal Audit (GIA) is responsible for independent, risk-based, and objective assurance to the Board by examining and evaluating the effectiveness of internal controls, procedures, risk management governance processes and regulatory compliance. GIA's mandate is detailed in the Group Internal Audit Charter. The Head of Group Internal Audit has a dual reporting line to the Chair of the Group Audit & Risk Committee and unfettered access to the Chair of the Board. Group Internal Audit have relevant and appropriate expertise and experience.

It is the responsibility of every employee to escalate risk incidents and changes in risk exposure.

1.7 Group Risk Policies

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

These policies establish the high-level principle based mandatory requirements to manage key risks. Procedures and controls required to implement the policies are documented separately, and mandatory requirements are embedded and applied throughout the Group.

All Risk Policies are subject to review and re-approval once every 2 years (or sooner where there may be a requirement to do so). The exception to this is the Group Capital Management Policy and the RL360 Capital Management Policy, which are reviewed annually.

Each policy is assigned an Executive Director Policy Owner, who has ultimate responsibility for communicating, implementing, and monitoring compliance with requirements. Each policy sets out an escalation process for breaches, waivers, and non-compliance.

All employees are required to undertake an annual accreditation against relevant Risk Policies, which is designed to provide information on where there may be gaps in employee understanding of requirements and responsibilities and to take steps to address any weaknesses in learning and development. The accreditation is deemed an important control that helps the Board to oversee the management of our key risks.