

IFGL

INTERNATIONAL
FINANCIAL
GROUP LIMITED

Climate-Related Disclosure

2025



Document Details

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IFGL Board Approval	23/12/2025

1 Governance and Risk Management

1.1 Governance of ESG

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 in a sustainable manner will help IFGL build a stronger business, whilst having a lasting and positive impact on all stakeholders.

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. Our ESG commitments are incorporated into our Group Risk Policies and Corporate Governance Framework, where applicable.

Robust governance structures are essential to ensure genuine accountability for sustainability-related matters. At IFGL, this starts with our Board of Directors, who are responsible for the Group's ESG performance. At a practical level, this has previously been delegated to the executive-led ESG Working Group to drive ESG initiatives.

Effective in 2026, IFGL will adopt a revised and more integrated approach to driving ESG initiatives by leveraging existing committees and establishing dedicated subgroups. Environmental initiatives and climate-related projects will be led by an Environmental Subgroup, while Social and Governance priorities will continue to be supported through existing structures such as:

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

The Sustainability Analyst will work across all ESG subgroups to ensure alignment, consistency, and integration of activities throughout the business. This structure is designed to create a more focused, collaborative, and accountable framework for delivering IFGL's ESG commitments across environmental stewardship, social impact, and strong governance practices.

1.2 Reporting

An ESG update report is presented to the IFGL and Friends Provident International Limited (FPIL) Boards annually. Other ESG-related matters are communicated to the Boards via the Executive ESG lead, Steve Weston.

If identified, 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 relevant 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 policy breach reporting.
- The annual Own Risk and Solvency Assessment (ORSA) Process, where plausible scenarios and scenario testing is undertaken. As part of the ORSA process, the potential adverse impacts of climate change on the Group are considered during annual discussions with the Boards. Horizon scanning and macroeconomic assessments are undertaken to identify emerging or growing risks.

To date, no direct ESG risks have been escalated.

1.3 Monitoring

The annual Employee Accreditation and Management Attestation process provides insight into the Group's practical compliance with the Group Risk Policies, including those with ESG considerations. The outcomes are presented to the IFGL Board via the Group Chief Executive Officer's attestation letter.

Group Risk, Legal & Compliance review and validate the results and provide feedback on strengths and areas requiring improvement. These outcomes inform the Board's annual assessment of the effectiveness of the Group's Risk Management and Governance systems set out in the Directors' Certification.


Additionally, environmental and people-related data are monitored annually against defined aims to track progress and identify opportunities for further improvement.

This document mostly details climate-related aspects of ESG, however, in 2026 we are aiming to release a Group Sustainability Report which will cover all aspects of ESG, including any applicable regulatory requirements.

1.4 Risk Management

ESG aspects have been incorporated into our Group Risk Policies to ensure that ESG matters, relevant to risk type, are given due consideration.

Decisions to mitigate, transfer, accept or control climate-related risks are made in line with our Group's Risk Management Framework (RMF), with specific references to these risk types in all relevant Group Risk Policies.



This document sets out the governance requirements for identifying, approving, and managing risk exposures. The Group's RMF and supporting policies provide principles-based requirements for the identification, management, mitigation, monitoring, and reporting of risks.

2 Strategy

2.1 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.	<ul style="list-style-type: none"> • 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 and potential impacts on mortality and morbidity trends driven by climate change	<ul style="list-style-type: none"> • Increase in expense base and consequential impact on solvency, profitability, liquidity and value. • Potential adverse impact on claims as a result of changes to mortality and morbidity trends
Operational Risk	Severe climate-related events can disrupt business continuity, not only through our impacts on our infrastructure, systems, processes and staff, but also through dependencies on key suppliers and third-party service providers	<ul style="list-style-type: none"> • Customer complaints due to delays in service standards • Failure to meet regulatory requirements due to the disruption • Financial losses from outages or supplier failures

Risk Classification	Risk Description	Potential Risk Impact
		<ul style="list-style-type: none"> Increased cost for contingency measures and recovery
<p>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.</p>		
Business Risk	There are shifts in customer preferences and we have insufficient ESG funds to attract customers.	<ul style="list-style-type: none"> Decrease in new business.
Reputational Risk	Our key stakeholders may view our Group negatively if we do not aim to reduce our carbon footprint.	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Increased regulatory scrutiny. Potential regulatory interventions and sanctions also affecting reputation.

2.2 Climate Related Opportunities

The ESG opportunities for our business, on a short to medium term basis include:

Area	Opportunity	Potential impact
<p>Environment</p>	<p>Contributing to net-zero by:</p> <ul style="list-style-type: none"> • Developing a feasible plan to reduce our carbon footprint (including identifying carbon offsetting projects, calculation of yearly carbon emissions, encouraging participation in the car share scheme, and increased usage of electric car charging points). <p>How we respond to shifts in customer behaviours by further expanding our ESG fund range over the next 5 years.</p>	<ul style="list-style-type: none"> • Clear pathway toward net-zero and reduced environmental risk. • Enhanced operational efficiency and cost management. • Stronger alignment with customer expectations and market trends. • Increased brand value and market differentiation. • Increase in new business and assets under administration.
<p>Social</p>	<p>Improving employment inclusion by reviewing our people practices to attract and retain staff and support career progression by:</p> <ul style="list-style-type: none"> • Remaining a living wage employer • Extending our succession plans with a view to increasing our leadership gender diversity targets across management levels <p>Making a positive impact on the community by:</p> <ul style="list-style-type: none"> • Forming environmental sustainability partnerships; • Increasing our social engagement through community charity work and our staff volunteering scheme. 	<ul style="list-style-type: none"> • Stronger ability to attract, develop and retain talent. • More inclusive and equitable workplace culture. • Enhanced reputation as a responsible employer. • Stronger community relationships and social licence to operate. • Increased employee pride and engagement.

Area	Opportunity	Potential impact
<p>Governance</p>	<ul style="list-style-type: none"> • • Expanding ESG integration across the business by embedding Environmental, Social, and Governance considerations into core operational processes, strategic planning, and performance management. This includes ensuring Board and Management Committees actively oversee all three ESG pillars and strengthening cross-functional collaboration to drive consistent implementation and measurable progress. • Improving ESG Board and Management Information, including performance against KPIs/Risk Appetite in the MI dashboard. • Improving staff awareness and communication. 	<ul style="list-style-type: none"> • Stronger Risk Management and long-term resilience. • Improved governance and accountability. • Improved data leading to improved decision making. • Increased employee engagement and capability. • Enhanced reputation and stakeholder trust.

3 Climate-Related Metrics and Targets

3.1 Paris Agreement

The 2015 Paris Agreement is an international treaty that aims to limit global warming to 1.5°C above preindustrial levels by 2100 to reduce the impacts of climate change¹.

Challenges as a result of global warming are already affecting millions of people worldwide, and the harmful consequences are increasingly evident². The International Panel on Climate Change (IPCC) highlighted that without significant and prompt action to reduce greenhouse gas (GHG) emissions, we will exceed 2°C of atmospheric warming during the 21st Century.

3.2 IFGL's Commitment

IFGL has joined the global movement towards decarbonisation. This ambition is shared by our majority shareholder, Cinven. Considering sustainability throughout the business ensures that clients are supported through evolving financial landscapes, and we effectively align our sustainability efforts to meet their expectations. Together, we are aligning our strategies to drive long-term resilience.

3.3 2025 Objectives



Figure 1 – Climate-related objectives

¹ UNFCCC (2025). The Paris agreement. [online] *United Nations Climate Change*. Available at: <https://unfccc.int/process-and-meetings/the-paris-agreement>.

² World Health Organization (2023). *Climate Change*. [online] *World Health Organization*. Available at: <https://www.who.int/news-room/fact-sheets/detail/climate-change-and-health>.

3.4 IFGL’s Carbon Footprint Results (2024)³

Our total carbon emissions were 0.4% higher in 2024 compared to the previous year. However, we made significant progress reducing our Scope 2 emissions by 99% as a result of purchasing renewable electricity, as seen in **Figure 2**.

Figure 3 shows that business travel made up for 60% of our total emissions in 2024, a consequence of the international nature of our business. A deeper analysis revealed an increase in business travel compared to the previous year which was associated with teams restructuring in 2024, including the employment of UK based employees and secondments.

To address our business travel emissions, we have begun integrating sustainable considerations into our travel expense policy and encourage virtual meetings to be prioritised where possible. We acknowledge that residual emissions may remain as a result of essential business travel. However, where this is unavoidable, credible offsetting may be considered.

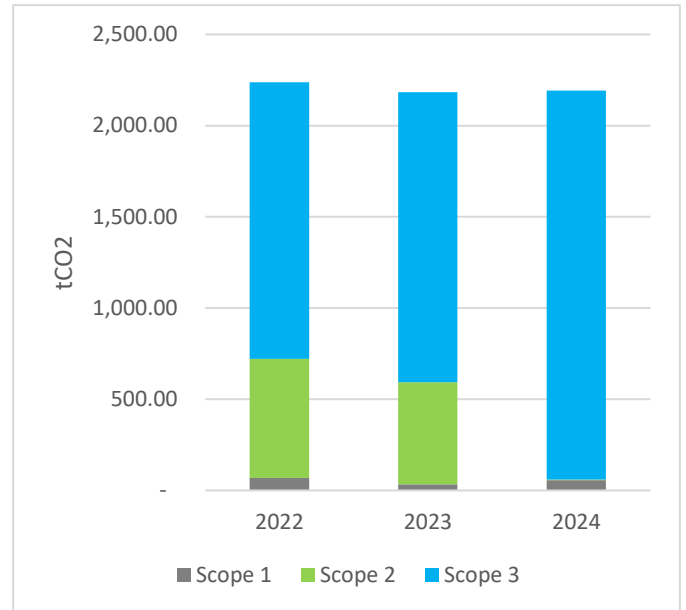


Figure 2 – IFGL Emissions

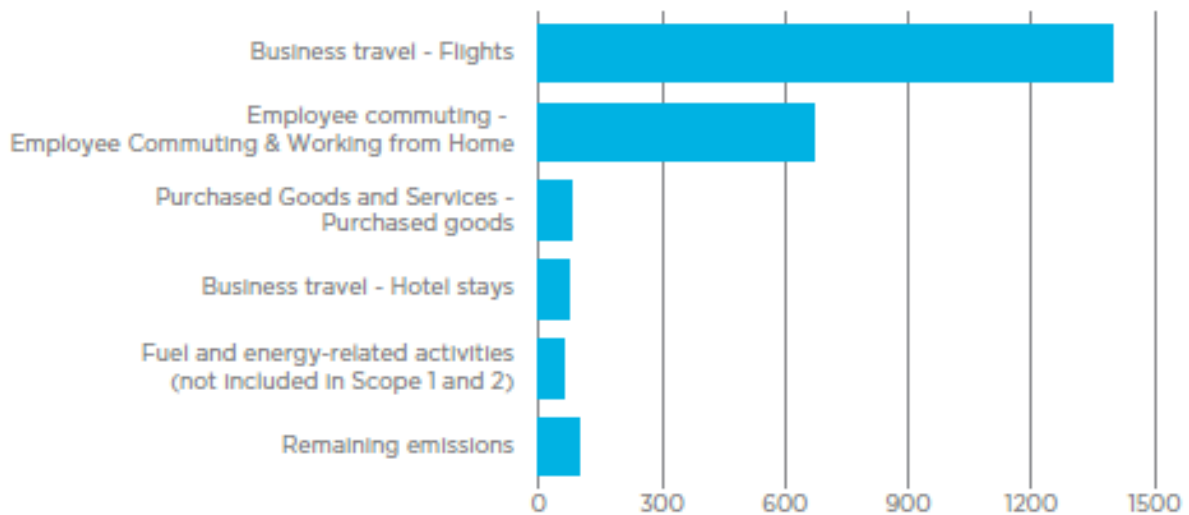


Figure 3 – Largest emission sources in 2024

Employee commuting was our second greatest emission source, contributing 30% of our total emissions in 2024. We recognise that this may be difficult to reduce due to barriers out of employees’ control such as poor public transport links, safe cycling routes, and/or cost of electric vehicles. We are looking at ways to further develop schemes to reduce these emissions, such as,

³ Our latest carbon footprint data is from 2024. Reports are produced on an annual basis following the completion of the calendar year. 2025 data should be available in 2026 Q2.

incentivising the use of public transport, as well as, exploring a potential hybrid-working policy which is planned to roll out in 2026.

Assessing CO2 emissions per capita across all our offices has provided valuable insights into regional carbon efficiency, enabling us to identify and prioritise areas for improvement. Notably, we observed a correlation between higher per capita emissions and regions with a significant presence of Sales Team members, as seen in **Table 1**. This is likely due to the increased travel demands which are essential for their roles.

Table 1 – Regional Emissions 2024

Region	Total Emissions (tCO2)	Number of Staff	tCO2 per staff
Hong Kong	130.90	11	11.90
South Africa	46.33	4	11.58
Singapore	57.36	6	9.56
Uruguay	38.16	5	7.63
Dubai	127.00	33	3.85
Isle of Man	168.59	468	0.36
Malaysia	41.59	21	1.98
Wirral	64.79	46	1.41
Total	2191.59	594	3.69