



ANNUAL SUSTAINABILITY REPORT

2025



NAVIGATING OUR REPORT

Welcome to our 2025 Annual Sustainability Report.

I hope you enjoy reading about the steps we are taking to become a sustainable Chesnara.

If you need any navigation tips at any point, just click on the question mark icon for more information. The navigation bar at the top gives the headline topics; underlined words will take you through to more detail in our report or on other websites.

We have tried to keep things simple and have pulled out the key aspects from our Climate-Related Financial Disclosures (CRFD) rather than showing the full detail. This document can be read alongside those disclosures, including our assessment of our climate-related risks and opportunities.

Please get in touch with us if you have any feedback, questions or comments.

Andy Meek

Group Head of Sustainability
sustainability@chesnara.co.uk



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View our Climate-Related Financial Disclosures report [here](#).



WELCOME

I am delighted to welcome you to the 2025 Chesnara Annual Sustainability Report, my first as Chair of the Group Sustainability Committee, and I would like to thank my predecessor, Jane Dale, for everything she did to establish the committee and its work. This report sets out our progress over the last twelve months and our plans for the years ahead.

Publishing our Climate Transition Plan in September 2025 was an important step, ensuring we have that structure and vision as a key part of tracking and delivering against our stated ambitions. I commend the team and Group on the delivery of this plan and their determination to deliver on its ambitions.

We continue to believe that as part of the wider transition to a net zero society and economy, becoming a more sustainable business and net zero group remains in the best longer-term interests of all our stakeholders, including customers, staff, regulators, investors and the planet. And the principles we are guided by remain unchanged:

**DO NO HARM. DO GOOD.
ACT NOW FOR LATER.**

Over the past year, we have seen continued climate and nature emergencies, together with

social and humanitarian crises across the planet. Value chains of all businesses are increasingly impacted by this.

So as well as being the right thing to do for the planet and its inhabitants, it is also imperative for the success of Chesnara and its stakeholders that we proactively manage the risks and opportunities, impacts and dependencies that arise from these issues.

As we take steps to become sustainable, we remain mindful of external challenges and dependencies. The structures and processes we have put in place to embed sustainability into decision making gives us a stronger foundation to successfully manage the risks and opportunities that are presented by a changing world.

Thank you for reading and, as always, please contact us with feedback, questions or comments.

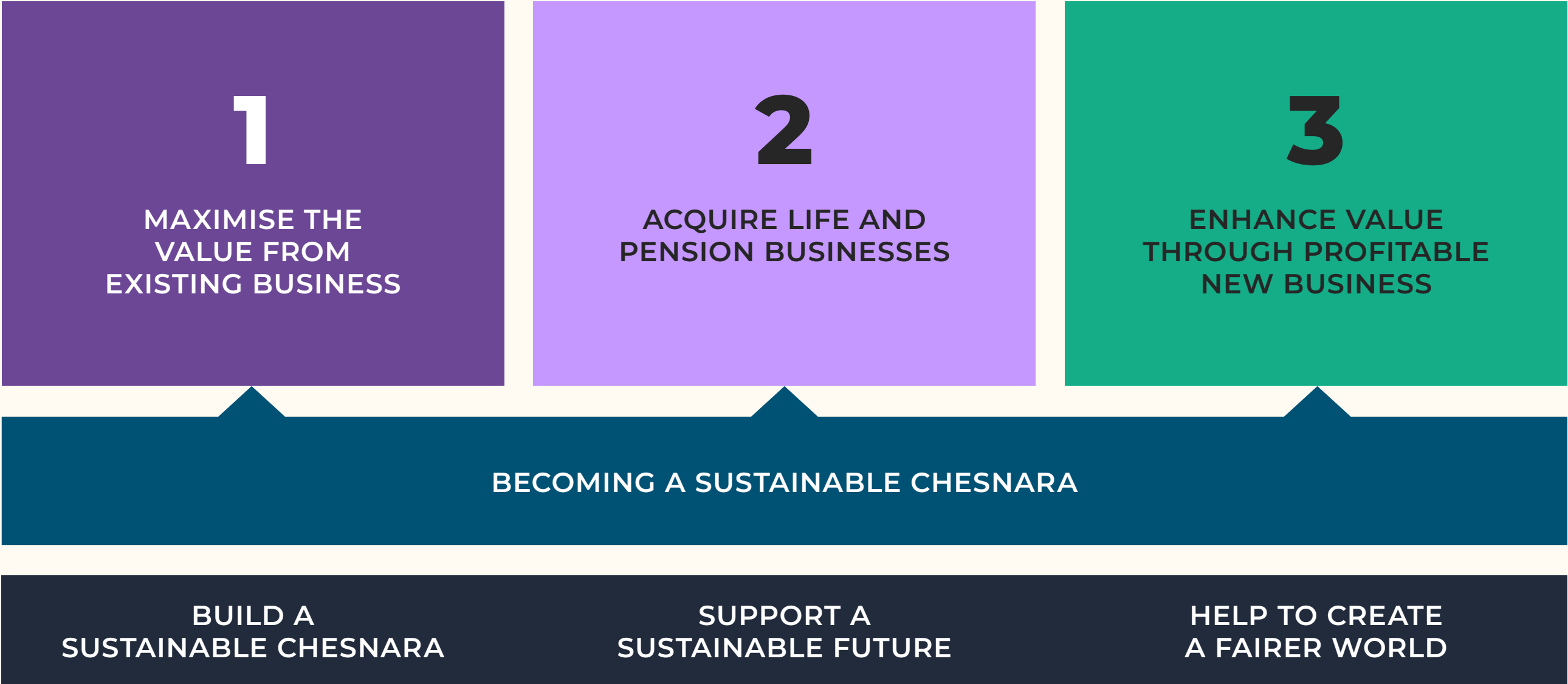
Eamonn Flanagan

Chair of the Group Sustainability Committee
and Independent Non-Executive Director



SUSTAINABILITY IS EMBEDDED IN OUR STRATEGY

Our sustainability strategy underpins our three strategic objectives. Having our sustainability strategy grounded in these business outcomes and vice versa helps to ensure that, as a group, we are actively prioritising the management of sustainability-related risks and opportunities.



DO NO HARM. DO GOOD. ACT NOW FOR LATER.



WHO WE ARE

We are a FTSE 250 European life, pensions and investment company with specialist expertise in consolidation. We help protect customers and their dependants by providing life and health insurance, disability cover and savings and pensions solutions to meet future financial needs. We administer and manage c1.4m policies and £15 billion of assets on behalf of our customers and our shareholders.

A GROWING BUSINESS

As an acquisitive business, the shape of our business will continue to change as we grow, with the HSBC Life (UK) Limited acquisition and proposed acquisition of Scottish Widows Europe SA evidence of that. We proactively assess the sustainability-related risks and opportunities associated with potential acquisitions to evaluate the potential impact as part of our deal assessment processes.

Acquisitions provide material growth opportunities for the Group, with wider benefits to our stakeholders and potential increased scale that gives more opportunities for impactful sustainability actions.

Whilst our business will continue to evolve, our sustainability strategy and associated governance is expected to remain consistent and applicable to a larger Chesnara. We will continue to assess the impact of acquisitions and will identify any key areas of difference or improvement we can make.

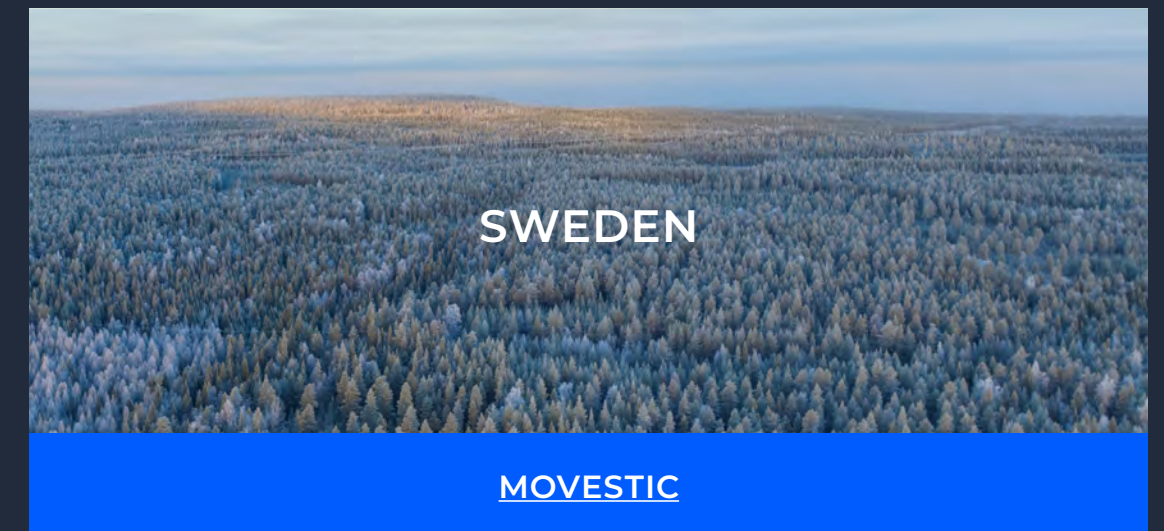
Through taking steps to deliver our Group sustainability strategy, each of our business units has different priorities specific to its business and so they are at different stages of their journey. As you read our report, we have highlighted the progress that our different business units are making.

ACQUIRING HSBC LIFE (UK) LIMITED

On 30 January 2026, we completed the acquisition of HSBC Life (UK) Limited, a specialist life protection and investment bond provider in the UK with approximately £5 billion of Assets Under Administration (AuA) and approximately 454,000 policies. The business has been rebranded as Chesnara Life (UK) Limited and this report does not include details of what it did during 2025; however, it will be factored into the work that is completed during 2026 and beyond.

PROPOSED ACQUISITION OF SCOTTISH WIDOWS EUROPE SA

On 17 February 2026, we announced the proposed acquisition of Scottish Widows Europe SA, a Luxembourg based closed life insurance business. The deal is anticipated to complete in late 2026 (subject to regulatory approvals) and is expected to add approximately €1.7bn of AuA and approximately 46,000 policies. This report does not include the impact of this business.





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OUR JOURNEY TOWARDS SUSTAINABILITY

There is a significant amount of work to do but we have continued to make good progress towards our goals.



BECOMING A SUSTAINABLE GROUP

For a business to become sustainable, it is necessary to understand the need for change; to be committed to that change; and to take actions to make the change.

Financial services has a big role to play in the transition to a sustainable economy and society because of the scale of the assets that the industry owns, administers, influences and manages. This is why we and our wider industry need to play a full, ambitious and active role in the transition.

As a group, we understand the complexity of becoming truly sustainable, with this journey impacted by many external dependencies that will need to be aligned for us to achieve our goals.

Becoming a sustainable Chesnara remains a key priority for us and our sustainability strategy is embedded within our wider corporate goals.

We continue to further embed sustainability into our policies, processes and decision making so that considering sustainability implications in all our actions becomes second nature. We believe focusing on manageable changes each year will guide us towards achieving our goals.

We will continue to actively consider our stakeholders as we balance the needs of people, planet and profit.

We are all continually learning as things change and develop. We do not expect the path to be straight and sometimes we will have to modify our plans as things evolve and change. Being pragmatic and flexible in this way will be key to our overall success and we will be transparent about any adjustments we make to achieve our goals.



HIGHLIGHTS OF 2025

Our plans for 2025 said we would focus on:

PUBLISHING OUR FIRST CLIMATE TRANSITION PLAN DETAILING HOW WE WILL START TO DECARBONISE

We published our first Climate Transition Plan in September 2025, which outlines the steps we are taking to become net zero by 2050. Our plan can be found [here](#).
We are progressing well against our decarbonisation ambitions.

CONTINUING OUR SUPPLIER AND ASSET MANAGER ENGAGEMENT TO UNDERSTAND HOW THEY WILL SUPPORT US IN MEETING OUR COMMITMENTS

We continued to embed sustainability into our engagement with our asset managers and key third parties. Having this regularity of discussion helps us to identify potential issues with meeting our ambitions in the short and long term.

PROGRESSING OUR IMPLEMENTATION OF RELEVANT REPORTING FRAMEWORKS

We have commenced our work to implement the PRA's Supervisory Statement SS5/25 on 'Enhancing banks' and insurers' approaches to managing climate-related risks'.

In line with the changes included in the EU Omnibus, we are no longer in the scope of CSRD and so stopped our work in that area.



HIGHLIGHTS OF 2025

Our plans for 2025 said we would focus on:

CONTINUING TO EMBED
SUSTAINABILITY INTO DECISION
MAKING AT ALL LEVELS ACROSS
THE GROUP

CONTINUING TO DELIVER IMPACTFUL
SOCIAL VALUE ACTIVITIES ACROSS
OUR GEOGRAPHIES

INCREASING OUR INVESTMENTS
IN POSITIVE SOLUTIONS

Sustainability continues to become more integrated in everything we do. This includes our policies, processes, remuneration and Governance Framework. Every employee in the UK business had a specific sustainability-related objective included in their annual performance review process. Local executive teams have also introduced reporting against our transition plans as part of their wider governance. Our acquisition processes also include consideration of sustainability including the carbon emissions associated with asset portfolios.

We have continued to deliver focused social value activities across the Group including volunteering, charitable partnerships and supporting the wellbeing of our colleagues.

We have continued to assess opportunities for directing capital into positive solutions and held £149m in these investments at the end of December 2025.



BUILDING A SUSTAINABLE CHESNARA

We are taking steps to further embed sustainability into how we think, act, and innovate, together with considering the impact on our stakeholders. Our goal is for sustainability to be owned by everyone at every level in the business, and for sustainability to be integral to every conversation we have and every decision we make. For a business used to thinking about how we deliver for customers, investors and wider stakeholders in the short, medium and longer term, we see this as a natural enhancement to what we do already.

We continue to integrate sustainability into our Governance Framework, policies and processes, with the aim of ensuring decision making across the Group reflects our commitment to becoming a sustainable Chesnara. We are pleased that in 2025, Chesnara plc has been included in the FTSE4Good Index Series. Created by the global index and data provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong environmental, social and governance (ESG) practices.

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OUR GOVERNANCE FRAMEWORK

We operate a well-established, robust Governance Framework which underpins everything we do. This framework allows us to respond to the needs of our stakeholders and evolving market conditions.

The Group Chief Executive Officer (Group CEO) takes overall accountability for sustainability at group level, with support from the CEOs of our UK, Swedish and Dutch business units and other executive management.

From a remuneration perspective, we seek to achieve strong alignment between the interests of stakeholders and executive directors. Chesnara plc operates two executive incentive schemes – the Short-Term Incentive Scheme (STIS) and Long-Term Incentive Plan (LTIP) – with the Rules for both approved by shareholders at the 2023 AGM. Sustainability is included in Chesnara’s executive directors’ annual objectives, which operate as a performance measure under the STIS. Chesnara’s 2026 LTIP targets have also been designed to incorporate a sustainability metric relating to the Group’s decarbonisation ambitions. This has a 10% weighting linked to quantitative achievement against key components of our externally communicated plan to reach our net zero ambition. For more information on directors’ remuneration, including the Directors’ Remuneration Policy, see the Directors’ Remuneration Report within the [2025 Annual Report and Accounts](#).

As part of our due diligence process for potential acquisitions, we perform an assessment of the target company’s sustainability-related risks and opportunities, including considering the emissions of their operations and investment portfolio. In July 2025, we reached an agreement to acquire HSBC Life (UK) Limited, a specialist life protection and investment bond provider in the United Kingdom, from HSBC Bank plc. The deal completed in January 2026 and the business has been rebranded as Chesnara Life (UK) Limited. In February 2026, we reached an agreement to acquire Scottish Widows Europe SA, a Luxembourg based closed life insurance business. Subject to regulatory approvals, the deal is anticipated to complete in late 2026. Sustainability formed part of the due diligence performed for both of these transactions.

Our approach is to embed sustainability governance into existing governance structures where appropriate. For a detailed overview of our Governance Framework, please see the corporate governance section of our [Annual Report and Accounts](#). To support our transition to net zero, we have also developed a dedicated governance structure to oversee climate matters. Details of this can be found within our [Climate Transition Plan](#).



■ Board ■ Board committee ■ Group executive committees ■ Group Sustainability Committee



OUR GOVERNANCE FRAMEWORK

CHESNARA BOARD	>
CHESNARA AUDIT & RISK COMMITTEE	>
CHESNARA NOMINATION & GOVERNANCE COMMITTEE	>
CHESNARA REMUNERATION COMMITTEE	>
SENIOR LEADERSHIP TEAM	>
CHESNARA ASSET & LIABILITY COMMITTEE	>
GROUP SUSTAINABILITY COMMITTEE	>





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CHESNARA BOARD

The Board defines the Group’s purpose, values and strategy, including with regards to sustainability. It ensures that necessary resources and structures are in place and oversees the Group’s progress towards achieving its purpose and delivering its strategy. The Board receives regular reporting on sustainability matters, including progress towards our sustainability commitments and targets. Significant decisions taken by the Board are detailed within the Strategic Report within the 2025 Annual Report and Accounts. In line with our commitment to become a sustainable Chesnara, the Board approved our first Climate Transition Plan, detailing our ambitions and the activities we will undertake to decarbonise our Group. The Board also considered enhancements to our climate change-related risk assessment to further understand the impact of climate change on our business.



OUR GOVERNANCE FRAMEWORK

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CHESNARA AUDIT & RISK COMMITTEE

The role of the Audit & Risk Committee (A&RC) includes overseeing the Group’s management of its material risks, including climate and wider sustainability-related risks, and considering the effectiveness of the internal control environment. The principal risks across the Group, including those relating to sustainability-related risk exposures, can be found in the 2025 Annual Report and Accounts. The A&RC considers the level of assurance required on sustainability-related data and reviews the Group's material external non-financial reporting.





OUR GOVERNANCE FRAMEWORK

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GROUP SUSTAINABILITY COMMITTEE	>

CHESNARA NOMINATION & GOVERNANCE COMMITTEE

The Nomination & Governance Committee plays a key role in ensuring that the composition of the Board and its committees is appropriate and members have the necessary skills, knowledge and experience to discharge their duties effectively, including with regard to climate change and sustainability. It is also responsible for reviewing the Group’s governance practices and procedures to ensure they remain appropriate and reflect best practices.





OUR GOVERNANCE FRAMEWORK

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CHESNARA REMUNERATION COMMITTEE

The role of the Remuneration Committee includes ensuring that the Directors' Remuneration Policy promotes the sustainable success of the Company. The Remuneration Committee is responsible for considering the appropriate inclusion of sustainability indicators in the Group's Remuneration Framework.





OUR GOVERNANCE FRAMEWORK

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SENIOR LEADERSHIP TEAM

The Senior Leadership Team (SLT) supports the Group CEO with the day-to-day management of the Group, including the implementation of the Group’s strategy, business plans and Risk Management Framework. It supports the identification and review of risks impacting the Group, including any material variations in the impact of climate change upon the Group. This feeds into the Group Risk Officer’s quarterly risk report to the Board.





OUR GOVERNANCE FRAMEWORK

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CHESNARA ASSET & LIABILITY COMMITTEE

The Asset & Liability Committee (ALCO) is in place to challenge and support the Group CEO and Group CFO on investment-related matters. The ALCO Terms of Reference specifically include consideration of sustainability factors, including overseeing the asset managers’ approach to ESG and climate change-related matters. Working with the Group Sustainability Committee (GSC), the ALCO will focus on the just transition of the Group’s asset portfolio in line with its net zero ambitions. The ALCO and GSC also work together to identify further potential areas of impact investing. The business units also have investment committees which are fundamental for their individual transition journeys and oversight of the asset managers used by their business unit.





OUR GOVERNANCE FRAMEWORK





LOOKING AFTER OUR STAKEHOLDERS

We consider the needs of our stakeholders in our decision making and will ensure that this continues.

OUR CUSTOMERS



OUR PEOPLE



OUR INVESTORS



THE PLANET



OUR REGULATORS



OUR SUPPLIERS, PARTNERS
AND ASSET MANAGERS





LOOKING AFTER OUR STAKEHOLDERS

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OUR CUSTOMERS >

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OUR CUSTOMERS

Our customers will keep receiving the same strong levels of financial security and quality service they have always done.

We will continue to provide sustainable investment choices for our customers and, for our closed-book operations, we will make sure we are managing policies in line with any sustainability choices that are made by our customers. We will continue to help customers to manage the risks to their investments posed by factors such as climate change.





LOOKING AFTER OUR STAKEHOLDERS

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- OUR PEOPLE >
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- OUR SUPPLIERS, PARTNERS AND ASSET MANAGERS >

OUR PEOPLE

Our people are our most valuable asset and they will be key to ensuring the success of our sustainability plans. Embedding sustainability into everyone’s roles and having specific sustainability-related objectives will help drive the change that is needed.

We will continue to be an inclusive and equitable environment where everyone feels valued and involved.





LOOKING AFTER OUR STAKEHOLDERS

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OUR CUSTOMERS



OUR PEOPLE



OUR INVESTORS



THE PLANET



OUR REGULATORS



OUR SUPPLIERS, PARTNERS
AND ASSET MANAGERS



OUR INVESTORS

Our proactive approach to addressing sustainability risks and opportunities will help protect the long-term interests of our investors and debt providers by safeguarding the Group and supporting us in our strategy to manage insurance books with efficiency and purpose, driving outcomes that benefit customers, investors, and wider stakeholders.

We will continue to engage with our equity investors and debt providers through current channels and will incorporate sustainability into those conversations as appropriate.





LOOKING AFTER OUR STAKEHOLDERS

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OUR CUSTOMERS



OUR PEOPLE



OUR INVESTORS



THE PLANET



OUR REGULATORS



OUR SUPPLIERS, PARTNERS
AND ASSET MANAGERS



THE PLANET

We will continue to develop our understanding of the impact of our business on the natural world and factor this into our decision making. We will contribute to reducing the impact of human-generated climate change and climate-related pressure on biodiversity by transitioning to be a net zero business.

We will look to accelerate the transition by directing capital toward investments that meet our definition of positive solutions.





LOOKING AFTER OUR STAKEHOLDERS

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- OUR PEOPLE >
- OUR INVESTORS >
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- OUR REGULATORS >
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OUR REGULATORS

In support of our long-term consolidation strategy, we continue to engage with our regulators on our ambitions and achievements, whilst demonstrably managing our sustainability-related risks. We will continue to meet regulatory and statutory requirements and comply with forthcoming legislation.





LOOKING AFTER OUR STAKEHOLDERS

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OUR CUSTOMERS	>
OUR PEOPLE	>
OUR INVESTORS	>
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OUR REGULATORS	>
OUR SUPPLIERS, PARTNERS AND ASSET MANAGERS	>

OUR SUPPLIERS, PARTNERS AND ASSET MANAGERS

We will continue to work with our key asset managers, suppliers and partners to ensure that they are factoring sustainability-related risks and opportunities into how they do business with us, including having credible transition plans. This will help ensure the resilience of our value chain.





TAKING CARE OF OUR CUSTOMERS



At Chesnara, we help to protect customers and their dependants by providing life, health, and disability cover, and by providing savings and pensions solutions to meet the future financial needs of our customers. Delivering good customer outcomes is core to our business and our UK business complies with the requirements of the FCA's Consumer Duty. We have processes in place to identify, assess and manage risks to customer outcomes and to ensure that our products continue to meet customers' needs.

We are taking action across the Group to continue to identify and implement potential enhancements, including opportunities to improve our customers' experience. Key activities we have undertaken across the Group for our customers include:

- In the UK, in support of our fair value commitments, we have enhanced customer terms with a range of actions including removing exit charges, capping charges on low value policies and reducing risk charges.

- We have continued to invest in digital technology and applications and made enhancements to our digital service offerings, with the aim of simplifying the customer experience and improving service delivery.
- We have continued to enhance our products and services to meet customer demands. For example, since 1 January 2025, Movestic has offered customers the possibility to pause withdrawal of their occupational pension within the first five years.

We aim to provide transparent and understandable information to our customers as well as making it as easy as possible for customers who wish to contact us. This involves ensuring that our customer contact staff are trained for telephony or email correspondence and making other technology available where feasible (such as the use of apps).

We obtain feedback on the way we engage with our customers through periodic market research or customer focus groups.

See [page 54](#) in Our Social Impact for more information on our customer care.



OUR POLICIES AND PRINCIPLES

We have a number of policies and principles that underpin the work we do and the way we do it. Our fundamental duty is to look after our stakeholders and these policies and principles are designed to ensure that we do. Some of the key areas are shown to the right:

BUSINESS ETHICS	FINANCIAL CRIME, BRIBERY AND CORRUPTION	HUMAN RIGHTS AND MODERN SLAVERY	TAX	DATA PRIVACY	CYBER CRIME
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BUSINESS ETHICS	FINANCIAL CRIME, BRIBERY AND CORRUPTION	HUMAN RIGHTS AND MODERN SLAVERY	TAX	DATA PRIVACY	CYBER CRIME
Our Board of Directors has ultimate responsibility for shaping and overseeing our ethical business culture and is committed to addressing any issues that may arise. Our Governance Framework is supported by a suite of principles and policies designed to encourage high standards of ethical and business conduct. As well as promoting compliance with relevant laws and regulations, our risk and HR policies set ethical boundaries and guidelines which require each of our colleagues to act responsibly and with integrity. Every employee takes personal responsibility for working within the framework, with employee behaviours forming part of regular performance review processes. Whistleblowing We promote a culture where anyone can speak up about any concerns they may have within our business. There is a Whistleblowing Policy in each business unit, which promotes compliance with local regulatory requirements and facilitates the communication of wrongdoing or suspected wrongdoing in a safe and confidential matter. We are committed to ensuring that individuals who raise concerns in good faith are provided protection from		retaliation, harassment or unfair treatment. We review these policies on an annual basis. Read more about the key elements of our whistleblowing practices and procedures on our website. In the UK, the Chesnara A&RC Chair is appointed as a Whistleblowing Champion, whose responsibilities are aligned to the requirements set out in the PRA's Senior Managers Certification Regime. The Whistleblowing Policy is shared with all new joiners and is re-circulated to all employees whenever it is updated. We have similar arrangements within our overseas business units and any outsource service providers. In 2025, a whistleblowing awareness campaign was delivered to our UK staff. This covered whistleblowing principles and reporting mechanisms. In 2025, there were no whistleblowing incidents in any of our business units and we are happy to report that our policies and related control systems have been operating effectively.			



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We are committed to preventing financial crime and protecting individuals and society. We act fairly and ethically, and our policies are designed to help us effectively manage any financial crime matter which may occur. Sitting alongside our policies and our Gifts and Hospitality Register, we provide regular mandatory training on anti-bribery and corruption, anti-money laundering and conflicts of interest. Our compliance teams prepare and monitor this training which is designed to safeguard against financial crime, bribery or corruption in line with local regulation and legislation. In 2025, we reviewed our fraud risk management policies and processes in line with the requirements of the Economic Crime and Corporate Transparency Act 2025. Following this review, we implemented a number of incremental enhancements to strengthen our control environment, including refinements to our annual third-party assessment questionnaire to better assess fraud and financial crime risks. The Audit & Risk Committees across the Group have oversight of the controls in place to prevent and identify any instances of financial crime, including money laundering, fraud and bribery and corruption. Our anti-money laundering and anti-bribery & corruption principles can be found on our website.					



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BUSINESS ETHICS	FINANCIAL CRIME, BRIBERY AND CORRUPTION	HUMAN RIGHTS AND MODERN SLAVERY	TAX	DATA PRIVACY	CYBER CRIME
		We are committed to ensuring our Group is an inclusive environment for all employees, customers and stakeholders. We are signatories to the UN Global Compact and, in 2026, will submit our first annual Communication on Progress Report setting out specific actions taken, including for human rights. Chesnara has zero tolerance to the abuse of human rights and to modern slavery and is committed to acting ethically and with integrity in all of its business dealings and relationships. We seek to avoid causing or contributing to adverse human rights impacts and are developing and enforcing effective systems and controls to ensure human rights abuse and modern slavery are not taking place anywhere in the Group or its supply chains. We comply with the requirements of the UK Modern Slavery Act 2015 and maintain policies and procedures designed to ensure compliance with applicable anti-slavery, human rights and labour laws in the jurisdictions in which we operate. As required under the UK Modern Slavery Act, we have published a Modern Anti-Slavery Statement which sets out our approach to assessing and mitigating the risk of modern slavery through our operations, supply chain and investments and is available here.			



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BUSINESS ETHICS	FINANCIAL CRIME, BRIBERY AND CORRUPTION	HUMAN RIGHTS AND MODERN SLAVERY	TAX	DATA PRIVACY	CYBER CRIME
We believe that tax plays a pivotal role in our overall approach to a sustainable Chesnara and we strive to ensure that we pay our fair share. Fulfilling our tax obligations and maintaining a transparent and cooperative relationship with HMRC is integral to the Group’s tax strategy which sets out how we conduct our tax affairs responsibly and in a trustworthy manner. It consists of three main principles: • Commitment to tax compliance; • Responsible attitude to arranging our tax affairs; and • The effective management of the risks associated with tax compliance. More detail of our tax strategy can be found on our website. We recognise that tax is an important component of our contribution to the jurisdictions in which we operate. Accordingly, we focus on transparent, high-quality tax reporting that enables stakeholders to understand our tax position.					



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We have a number of policies and principles that underpin the work we do and the way we do it. Our fundamental duty is to look after our stakeholders and these policies and principles are designed to ensure that we do. Some of the key areas are shown to the right:

BUSINESS ETHICS	FINANCIAL CRIME, BRIBERY AND CORRUPTION	HUMAN RIGHTS AND MODERN SLAVERY	TAX	DATA PRIVACY	CYBER CRIME
			We handle substantial volumes of personal information every day and take our data protection responsibilities seriously. We are committed to safeguarding customer privacy and we actively co-operate with regulators and authorities to maintain our compliance with the latest data protection legislation. Each of the local Data Protection Officers (DPOs) has ownership of their policies, and the Chief Risk Officers within each business unit are responsible for ensuring that the policies align with the Group’s data security principles. Local DPOs guide and assist the broader business, including our outsourced partners, in meeting the Group’s data protection obligations. The DPOs also actively engage in and support group assurance activities, ensuring we are aligned with the relevant data protection legislation. Acting as a liaison with regulatory bodies like the Information Commissioner and individual data subjects, the DPOs address concerns related to the processing of personal information. Our robust processes are designed to prevent data breaches from occurring and, in the event that such a data breach does occur, to identify, report, and resolve it promptly. For more details please visit our website.		



OUR POLICIES AND PRINCIPLES

We have a number of policies and principles that underpin the work we do and the way we do it. Our fundamental duty is to look after our stakeholders and these policies and principles are designed to ensure that we do. Some of the key areas are shown to the right:

BUSINESS ETHICS	FINANCIAL CRIME, BRIBERY AND CORRUPTION	HUMAN RIGHTS AND MODERN SLAVERY	TAX	DATA PRIVACY	CYBER CRIME
We prioritise keeping our customers, colleagues and partners safe. Throughout 2025, we continued to strengthen and enhance our security across the Group with a rolling improvement programme and continuous investment in security services, alongside mature controls and principles. Cyber crime is a relentlessly sophisticated and pervasive challenge for firms, where tactics are constantly adapting to exploit vulnerabilities. We work with external subject matter experts to validate and evolve groupwide security principles to protect clients, colleagues, and commercially sensitive information across the Group. We review principles at least annually and we often leverage regional regulatory changes to benefit everyone involved. Our strategy is to operate a layered security model to ensure that there is no single point of reliance. This includes preventing and detecting threats and responding to them. As part of this, we continue to invest in supporting our colleagues to prevent and detect threats, through regular mandatory training and simulating sophisticated phishing attacks. Market trends are regularly assessed to ensure that		training and simulated phishing attacks are designed to prevent and detect evolving threats to the Group and/or our customers. We oversee material third parties that support the delivery of services to our customers. Our third-party risk management and operational resilience frameworks align with applicable regulatory requirements, including PRA expectations on outsourcing and third-party risk management in the UK and the EU Digital Operational Resilience Act (EU 2022/2554) in respect of our European operations. The Chesnara Board of Directors oversees the effectiveness of our cyber security controls. Our Board receives training from external subject matter experts on a range of topics each year, with cyber resilience training having taken place in Q4 2024 and Q1 2026. We have implemented a Group Cyber Response Framework which sets out the procedure to be followed in the event of such an incident, and which is tested at least annually.			
				We engage with third party subject matter experts to review and assess our security approach. We assess the efficacy of our security defences, by leveraging third parties to simulate cyber threats and scan internal and external resources for vulnerabilities. Our testing approach stress-tests technical protective controls, detection and response processes and the operational resilience of our key business services through our cyber response arrangements.	



TRAINING AND ENGAGEMENT

INVESTING IN THE DEVELOPMENT OF OUR PEOPLE BENEFITS OUR STAKEHOLDERS.

We provide our workforce with regular opportunities to develop their skills, knowledge and performance. By building employee competency and engagement, we are also building a resilient business.

FROM COMPLIANCE TO PERSONAL JOURNEYS

As a responsible business, we review employee competence and training needs regularly. To ensure our employees understand industry regulations, ethical standards and risk management, every employee across the Group is required to complete a suite of mandatory training on an annual basis. This includes training on anti-bribery and corruption, anti-money laundering, conflicts of interest, cyber threats, and whistleblowing. Advanced training is provided to match employees' roles where necessary and is strengthened by professional learning platforms, which employees have access to all year round.

Employees can also pursue learning to advance personal development and company goals. In 2025, Movestic provided management and coaching training for emerging leaders, blending technical experience with the soft skills needed for effective leadership. From this, five employees transitioned into manager positions by the end of the year. In Scildon, the HR team completed a two-day training programme with the Association of Insurers on workplace equality, learning about how to develop practical strategies to embed diverse and inclusive practices across the organisation.

CAREER DEVELOPMENT

During 2025, we provided opportunities for people to grow alongside the business, with access to fully funded university programmes. Colleagues across the Netherlands and UK have received assistance with course fees and time to study alongside their roles, helping them to work towards postgraduate qualifications in finance, human resources and sustainability-related subjects.

In the UK, we have nurtured emerging talent with employees participating in the Association of British Insurers 'Future Leadership Programme'. This programme is designed to equip individuals with the skills, knowledge, and expertise needed to manage or lead within an insurance and long-term savings firm. We are also proud to support individuals through their professional chartership journeys, with colleagues working towards Chartered Global Management Accountant status during 2025.

ALIGNING EMPLOYEE EFFORTS WITH BUSINESS GOALS

Employees benefit from annual personal objectives and performance review processes, including regular one-to-one performance meetings throughout the year. These structures provide clarity and focus for both the business and the employee, and ensure individual efforts contribute directly to Chesnara's strategic goals.





38	Our plan to reach net zero	49	Investing in positive solutions
39	Our 2025 operational emissions	50	Sustainable product choices
43	Our 2025 financed emissions	51	Looking beyond climate
47	Assessing climate risk		

SUPPORTING A SUSTAINABLE FUTURE

We generate emissions from our operations, such as our offices and travel (operational emissions) and from the assets we and our customers invest in (financed emissions). Our financed emissions represent the significant majority of our total emissions.

We are committed to transitioning to become a net zero group by 2050. According to the UN, net zero means 'cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions

re-absorbed from the atmosphere, by oceans and forests for instance.'

We are also committed to offering our customers sustainable product choices and seeking investments in positive solutions that provide the Group and its stakeholders with an appropriate balance of risk, return and impact.

Source: www.un.org/en/climatechange/net-zero-coalition





OUR PLAN TO REACH NET ZERO

We published our first Climate Transition Plan (CTP) in September 2025. This plan includes the steps we will take to decarbonise our operations and investments in line with our ambitions.

Take a look at our CTP for more information.

OUR IMPACT	OUR AMBITIONS	KEY ACTIONS	CORE OBJECTIVES	
Investments Over 99.9% of our emissions come from the companies we and our customers invest in ¹	• Net zero by 2050 • 50% reduction from our 2023 baseline in scope 1 and 2 emissions intensity² by 2030 for listed equity and corporate fixed income investments we can influence or control³ • £125m of shareholder funds invested in climate solutions by 2030	• Engage asset managers and investee companies to support decarbonisation and transition planning • Increase exposure to green bonds, net-zero aligned funds, and nature-based partnerships • Consider divestment where engagement has not been successful, or exclusion principles are breached	ALIGNING OUR PORTFOLIO WITH NET ZERO	DRIVING CHANGE THROUGH ENGAGEMENT
Operations While smaller in scale, our ambition to reduce operational emissions reflects our commitment to lead by example	• Net zero by 2050 • 60% reduction from our 2023 baseline in scope 1 and 2 emissions by 2030⁴	• Procure renewable energy to power our business • Improve building efficiency • Set travel emissions target by 2027	REDUCING OUR OPERATIONAL FOOTPRINT	
Supply chain Our supply chain is the largest source of operational emissions, driven by purchased goods and services	• Net zero by 2050 • 90% of material⁵ suppliers with science-based targets by 2030	• Embed sustainability criteria into the supplier selection process and onboarding • Seeking or procuring quality data from suppliers • Develop environmental, social and governance (ESG) supply chain standards and engage suppliers on their own decarbonisation plans		

DEPENDENCIES THAT IMPACT OUR TRANSITION						
Policy and regulation Our ability to set and deliver credible targets depends on clear, stable and long-term policy frameworks. Clarity and stability can increase our options and accelerate progress.	Asset managers Most of our investments are externally managed. Influencing our external asset managers on their climate ambition, data quality and engagement practices can positively impact our ability to meet our ambitions.	Data and methodology Reliable and comparable data is essential for setting targets and tracking progress and consistent data across the market can help improve precision and comparability.	Customers Aligning our climate ambition with delivering long-term value and financial security and taking into account customer needs and risk preferences can progress our ability to decarbonise.	Peers & industry norms Collective action strengthens our influence. If peers are aligned, it can enhance our engagement impact and create clear, consistent signals for companies.	Acquisitions As a consolidator, our portfolio and emissions profile will evolve. Consistent and transparent reporting and rebaselining procedures will enable us to demonstrate how acquisitions are being factored into our plans.	Macro-economic factors General economic conditions and movements, together with the effects of a changing climate, will impact the wider societal and policy shifts that underpin our transition.

On page 45, we give more detail on how our emissions metrics are calculated, including the reliance on the data used and the inherent limitations in the results.

¹Emissions generated from investments are those categorised as scope 3 category 15 of the GHG Protocol.
²The absolute greenhouse gas emissions associated with an asset class or portfolio divided by the loan and investment volume, expressed in tonnes CO₂e/USD M invested.
³‘Investments we can influence or control’ as defined in our CTP.
⁴Calculated using market-based methodology for the electricity that we procure.
⁵Suppliers that generate 1% or greater of our total scope 3 category 1 emissions are classified as material.



OUR 2025 FINANCED EMISSIONS

Our 2025 calculations, which are based on the data at the end of September 2025, show we made good progress against our targets once again.

We assess our financed emissions, which are those which are generated by our investments, using several metrics.

1

ABSOLUTE FINANCED CARBON EMISSIONS (TONNES OF CO₂e)

This shows our absolute greenhouse gas emissions (GHG) and allows us to establish the emissions baseline of our portfolio by measuring financed scope 1, 2 and 3 emissions.

2

FINANCED EMISSIONS INTENSITY (TONNES OF CO₂e/ \$M INVESTED)

This shows the total carbon financed emissions of a portfolio normalised by the market value of the portfolio. The metric enables us to compare the emissions of different portfolios.

3

WEIGHTED AVERAGE CARBON INTENSITY (WACI)

a. WACI Corporate

This shows our exposure to carbon intensive companies (tonnes CO₂e by \$M sales).

b. WACI Sovereign

This shows our exposure to a country's transitional risks and physical and economic vulnerability to climate change (tonnes CO₂e by \$M GDP nominal).



OUR 2025 FINANCED EMISSIONS

Financed emissions (Tonnes of carbon dioxide equivalent (tCO₂e)

	Scope 1 and 2					Scope 3				
	2025	2024	Movement since PY	2023 baseline	Movement since baseline	2025	2024	Movement since PY	2023 baseline	Movement since baseline
2050 Ambition Absolute financed emissions ¹	468,071	515,298	(9)%	533,073	(12)%	4,905,646	4,764,459	3%	4,345,991	13%
2050 Ambition Financed emissions intensity ² (absolute emissions/\$m invested)	27	34	(21)%	39	(31)%	282	313	(10)%	315	(10)%
2050 Ambition % coverage ³	71%	59%	12%	58%	13%	70%	59%	11%	56%	14%
2030 Ambition Absolute financed emissions ¹	221,723	n/a	n/a	246,056	(10)%	n/a	n/a	n/a	n/a	n/a
2030 Ambition Financed emissions intensity ² (absolute emissions/\$m invested)	27	n/a	n/a	32	(16)%	n/a	n/a	n/a	n/a	n/a
2030 Target % coverage ³	78%	n/a	n/a	73%	4%	n/a	n/a	n/a	n/a	n/a

Weighted Average Carbon Intensity (WACI)

	Corporate constituents ⁴ (tonnes CO ₂ e/\$M sales)					Sovereign constituents ⁵ (tonnes CO ₂ e/\$M GDP nominal)									
	Scope 1 and 2					Scope 3					GHG Intensity				
	2025	2024	Movement since PY	2023 baseline	Movement since baseline	2025	2024	Movement since PY	2023 baseline	Movement since baseline	2025	2024	Movement since PY	2023 baseline	Movement since baseline
2050 Ambition Chesnara Group	60	69	(13)%	72	(17)%	593	645	(8)%	654	(9)%	195	221	(12)%	207	(6)%
2050 Ambition % coverage ³	71%	63%	8%	62%	9%	71%	63%	8%	59%	12%	8%	9%	(1)%	11%	(3)%
2030 Ambition Chesnara Group	61	n/a	n/a	65	(6)%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2030 Ambition % coverage ³	78%	n/a	n/a	73%	4%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

¹The absolute greenhouse gas emissions associated with an asset class or portfolio (expressed in tCO₂e).

²The absolute greenhouse gas emissions associated with an asset class or portfolio divided by the loan and investment volume, expressed in tonnes CO₂e/USD M invested.

³Coverage represents the share of our assets for which data is available in order to calculate emissions. The data from these covered assets is then extrapolated to calculate the emissions for the non-covered assets. A higher coverage percentage indicates the accuracy of the data used for the calculations is higher.

⁴Exposure to carbon intensive companies (expressed in tCO₂e/\$M sales).

⁵A country’s exposure to transitional risk and physical and economic vulnerability to climate change (expressed in tCO₂e/\$M GDP nominal).



OUR 2025 FINANCED EMISSIONS

For our total portfolio, we saw financed emissions intensity for scope 1 and 2 reduce by 31% since our 2023 year end baseline and 21% since last year end.

We also saw a reduction in our scope 1 and 2 absolute financed emissions of 12% since baseline and 9% since the last year end.

Whilst we saw progress in reducing our scope 3 financed emissions intensity by 10% since baseline, our scope 3 absolute financed emissions rose by 13% during the same time period. This is largely because we have approximately 20% more assets due to organic growth and acquisition activity for which we are now reporting emissions compared to our baseline. There have also been improvements in scope 3 data collection since baseline.

We will see our 2026 absolute emissions increase as a result of the assets acquired through the completed Chesnara Life acquisition and the proposed acquisition of Scottish Widows Europe SA.

Our WACI corporate exposure to carbon intensive companies decreased by 17% (scope 1 & 2) and 9% (scope 3), compared to 13% and 8% respectively in 2024. Similarly, our WACI sovereign exposure decreased by 6% since baseline.

For the assets included in our 2030 ambition to reduce the financed emissions intensity by 50%, the scope 1 and 2 intensity emissions of those assets reduced by 16% since baseline and our scope 1 and 2 absolute financed emissions have reduced by 10%.

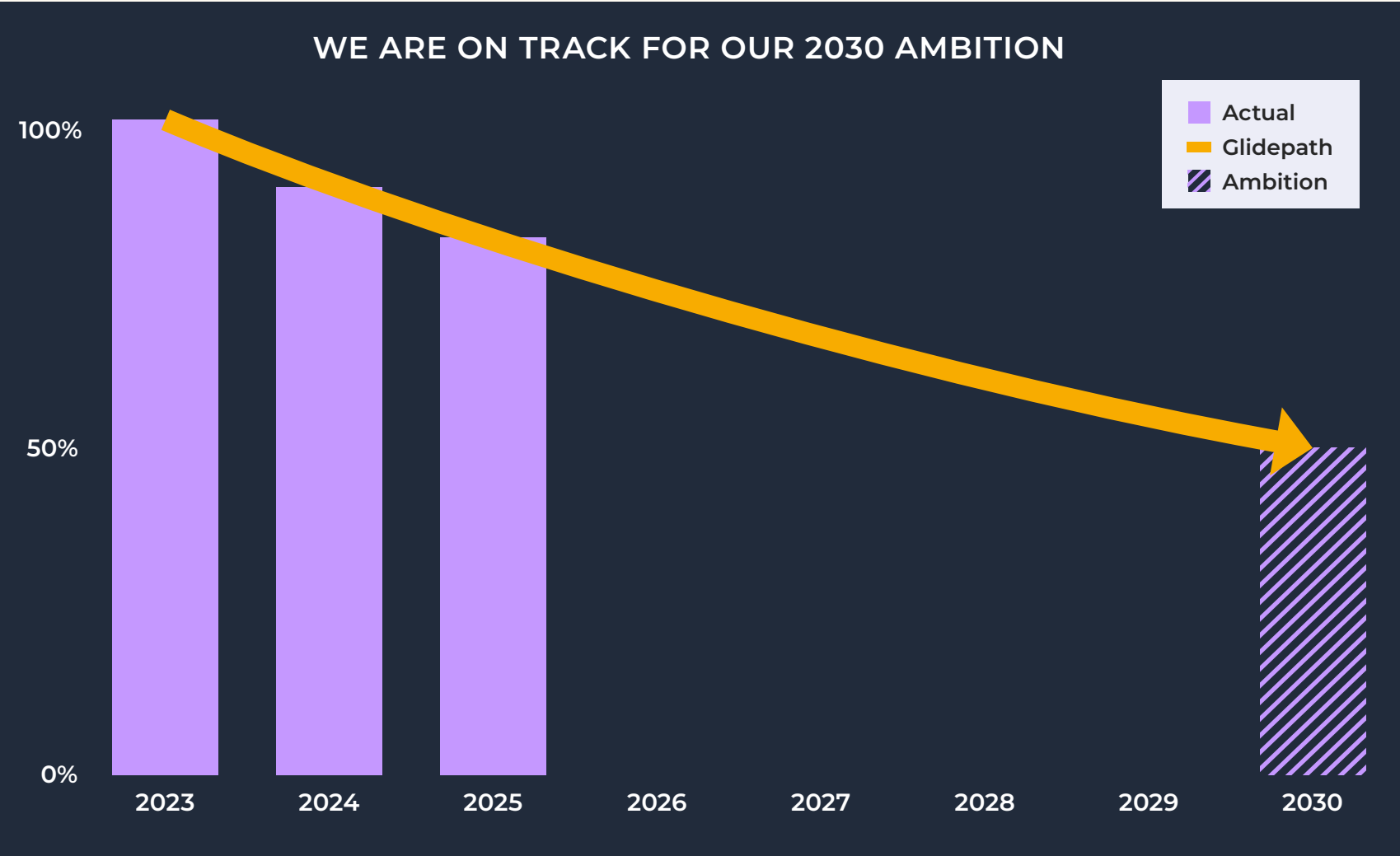
We are progressing against our 2030 ambition in line with a glide path that is calculated on a straight line from our baseline year of 2023.

Overall, we are making positive progress towards our 2030 ambition and reaching net zero by 2050.

When opportunities have arisen to rebalance our portfolios, we have been careful to integrate our financed emissions objectives into our decision making process. Analysis shows that redemptions within our portfolios have also contributed to the change in our financed emissions figures. Improvements in our data provider’s methodology, data or any updates that our investee companies have made in the reporting of their own financed emissions have all played a part in the changes we see.

Our climate data comes from an external provider and just as we baseline and monitor our financed emissions figures, we do the same for data coverage. Except for WACI sovereign, the data coverage has improved across all our measures this year. We are eager that this continues to improve and so we will continue to work with our external data provider to identify any assets that are not covered to help ensure that they are added to coverage within expected timeframes. This will allow us to increase the accuracy of our financed emissions and exposures.

For more information on how these figures are calculated, please see [page 45](#) and our [2025 Climate-Related Financial Disclosures Report](#).





ANALYSING OUR INVESTMENTS

As part of considering our impact, we analyse our direct investment in companies that have been determined to have the biggest impact on climate and nature. We have broadened the scope of our review to not only include our direct equity investments but to also consider our direct debt investments.

We assess our exposure to companies that are identified by Climate Action 100+ and Nature Action 100. We have also identified our exposures to the largest producers of per- and polyfluoroalkyl substance (PFAS or ‘forever chemicals’)¹.

Of these 276 companies, we held equity and debt investments of £223.6m in 133 at the end of Q3 2025.

Analysis of our investments shows that we hold investments in some of the world’s 164 biggest emitters, as identified by Climate Action 100+. At the end of Q3 2025, we held direct investments of £144m (2024: £122m) in 87 (2024: 58) of those 164 companies.

Nature Action 100 is a global investor engagement initiative, focused on reversing nature and biodiversity loss, which has identified 100 companies to engage with that have a high potential impact on nature. At the end of Q3 2025, we held direct investments of £106m (2024: £74m) in 62 (2024: 40) of those 100 companies.

Holding these investments does not necessarily mean we will divest from them because funding the transition, including for those companies that have the biggest impact on climate and nature, is a critical part of the wider transition. We will continue to track our exposure to these companies and consider their nature and climate strategies and how they are seeking to mitigate their impact. This will be used to inform our strategy, engagement, and investment decision making.

¹Chemsec



OUR 2025 OPERATIONAL EMISSIONS

The second element of our decarbonisation journey relates to our operations. Though these emissions represent a small number in comparison to our financed emissions, they remain a priority. At a time where the effects of climate change are becoming increasingly evident, we remain committed to leading by example.

In our Climate Transition Plan, we communicated our interim operational net zero ambitions. To meet these, we will focus on three strategic levers to reflect our systematic approach to operational decarbonisation:

REDUCE: Reduce our reliance on fossil fuels throughout our direct and indirect operational activities.

IMPROVE: Improve our policies, processes and procedures to align with our ambition to become a sustainable business, ensuring our transition is considered in everyday decision making.

ENGAGE: Work collaboratively with our suppliers and our workforce to ensure they understand our expectations around net zero and that we are working towards a shared vision of the future.

Category	2025 total (tCO ₂ e)	2024 total (tCO ₂ e)	2023 baseline (tCO ₂ e)	Variance 25 v 24 (tCO ₂ e)	Variance 25 v 23 (tCO ₂ e)	Movement 25 v 24	Movement 25 v baseline
1.1 Generation of electricity, heat or steam	35	38	61	(3)	(26)	(8)%	(43)%
1.2 Transportation of materials, products, waste, and employees	17	12	14	5	3	42%	21%
1.4 Fugitive emissions	12	12	8	-	4	-	50%
Scope 1 total	64	62	83	2	(19)		
2.1 Electricity related indirect emissions	47	64	97	(17)	(50)	(27)%	(52)%
Scope 2 total	47	64	97	(17)	(50)		
3.1 Purchased goods and services	4,467	2,907	4,034	1,560	433	54%	11%
3.2 Capital goods	439	66	98	373	341	565%	348%
3.3 Fuel- and energy-related activities not included in scope 1 or scope 2	27	28	54	(1)	(27)	(4)%	(50)%
3.4 Upstream transportation and distribution	108	147	224	(39)	(116)	(27)%	(52)%
3.5 Waste generated in operations	12	81	32	(69)	(20)	(85)%	(63)%
3.6 Business travel	166	121	184	45	(18)	37%	(10)%
3.7 Employee commuting	157	192	108	(35)	49	(18)%	45%
3.8 Upstream leased assets	311	49	48	262	263	535%	548%
Scope 3 total	5,687	3,592	4,782	2,095	905		
Total operational emissions	5,798	3,718	4,961	2,080	837	56%	17%

SUMMARY

Our 2025 results show an increase in our operational emissions, against our 2023 baseline and 2024 results. As a growing business, we anticipated our absolute operational emissions increasing in the short term. For example, we have seen a rise in emissions from capital goods, needed to support the successful integration of our two Dutch businesses, alongside our acquisition of Chesnara Life (UK) Limited in the UK. Emissions from purchased goods and services have also increased from 2024 and against our baseline, largely due to our engagement with professional services to support our M&A strategy.

Alongside the continued growth in the Group, we are delivering real world reductions in areas of absolute emissions. We continue to see reductions from our gas-related emissions as a result of energy efficiency initiatives and positive behaviour change. Our upstream transportation and distribution emissions are also reducing year-on-year, driven by the digitalisation of our services and customer communications.

Whilst we remain focused on driving emission reductions from our operations and investments, we also support high quality, verified carbon offsetting projects via Carbon Footprint Ltd, which have both environmental and social benefits. We have offset 1,331 tonnes of CO₂e from our 2025 operational emissions, excluding purchased goods and services.



OUR 2025 OPERATIONAL EMISSIONS

ON THE MOVE

Ahead of our 2030 target, we aim to decarbonise our buildings through energy efficiency measures, purchasing renewable electricity contracts and removing gas where possible. In 2025, Cheshnara explored options for decarbonising its head office in Preston. We found the social and environmental benefits of moving premises greatly outweighed the benefits of retrofitting our existing space and, in January 2026, we relocated to our new head office in Winkley Square, Preston. The recently upgraded historic building has an energy efficiency rating B, established recycling facilities and is within short walking distance of multiple public transport links. We acknowledge our new premises is powered by gas and expect our 2026 scope 1 emissions to increase as a result; however, we will work with our new landlord to assess the potential for electrifying the building and to further align their sustainability ambitions with ours. This move highlights the complex and often conflicting reality of becoming a sustainable business. In the Netherlands, we continued to assess the options for removing the existing gas heating system from the Scildon head office.

REFURBISHMENT AND REUSE

As part of our efforts to reduce waste related emissions, we have established a new partnership with the IT refurbishment charity Turing Trust. Due to the nature of our business and our reliance on digital infrastructure, the frequency of our hardware replacement cycles is high. That is why in the UK, our Waste Electronic and Electrical Equipment (WEEE) that would otherwise be recycled, is refurbished by the Turing Trust and donated to its partner schools in Malawi. In 2025, our WEEE has supported 720 students with IT skills development. Alongside our support of the Turing Trust, we will continue to explore options for leasing and take-back models with our equipment providers.

SUPPLIER EMISSIONS

Our supplier emissions have increased as we continue to grow our business. Alongside our growth, improvements to our data collection and reporting processes, as well as enhanced data quality from increased public disclosures, have likely contributed to the rise.

Whilst being the largest source of our operational emissions, we acknowledge there are limitations to the progress we can make in this category alone, as we rely on our material suppliers making progress against their own net zero ambitions, as well as real changes to the economy and society. That is why we want 90% of our material suppliers to have science-based targets in place by 2030. To help us achieve this, we will develop ESG supply chain standards for our Group, continue to embed sustainability criteria into our supplier selection and onboarding processes within each business unit, and engage suppliers on their own decarbonisation plans.

NEXT STEPS

We will continue to work towards reducing our absolute operational emissions, in line with our ambition to become a net zero business. Whilst this is our primary focus, our next report will feature operational emissions intensity metrics to allow us to more accurately report on performance whilst we continue to grow. We will also further develop our methodology and controls to ensure a robust approach to the calculation and monitoring of our operational emissions across the Group.



HOW WE CALCULATE EMISSIONS

METHODOLOGY, DATA AND ASSUMPTIONS

The preparation of climate-related disclosures requires the application of a number of key judgements, assumptions and estimates to be made, in particular, for the calculation of emissions and forming an assessment of the climate scenario analysis. The methodology relies on the quality of the underlying data used, which is expected to improve over time. As a result, the reported figures are best estimates and should be treated with caution. As quality and coverage of data evolves, together with the development of best practice methodologies for metrics, we expect that certain disclosures are likely to be amended or restated in the future.

In line with our rebaselining policy, we have trigger points for recalculating the baseline of our emissions calculations. As well as material changes in the size and scale of our business as a result of acquisitions or disposals, these triggers also include material changes in data availability or the inclusion of additional asset classes in our calculations.

FINANCED EMISSIONS

We have calculated our financed emissions using the MSCI platform. For more information on the MSCI methodology, please visit [msci.com](https://www.msci.com). Due to the timing of the publication of the accounts, we have used data as at 30/09/2025 to calculate our 2025 financed emissions. We acknowledge that this is not in line with PCAF guidance; however, we believe this will not result in a material difference to the results and allows us to perform and publish more in-depth analysis of change each year. The calculations use reported carbon emissions from investee companies from 2024, which is the latest year for which emissions data is readily available.

This reported climate data is considered to be higher quality than modelled data but as the data is evolving and changing, this is an inherent limitation.

Financed emissions calculations are our proportion of the emissions generated by the companies in which we invest and are calculated using available data and the MSCI tool and methodology. Investments included are primarily corporate fixed income, listed equity, sovereigns and funds. As noted, data is not complete for all our investments and so we extrapolate the results for the companies we do have data for to determine the emissions for the portfolio. This assumes that the investments for which data is not currently available have the same emissions profiles as those included in the data coverage percentage. As data availability increases for those investments not currently included, any variances in their emissions profiles will result in a difference to the total financed emissions and financed emissions totals. Assets that do not currently form part of the calculations for the portfolio are structured notes, collateralised securities, cash and deposits, mortgages and loans, and property. This means that if our portfolio moves from assets included in the calculations to those that are not, we may see movement in the absolute emissions reported; however, this would be as a result of the availability of data rather than true decarbonisation activities.

As data and methodology becomes available for our remaining asset classes, we will expand our calculations and targets to capture them.

OPERATIONAL EMISSIONS

We have calculated our operational emissions using the Greenly platform. Greenly has detailed methodology for each category and we can interrogate the Group's accounting data to generate the results. Greenly has integrated thousands of emission factors from government publications and Life Cycle Assessment (LCA) dashboards as reliable sources of data. No further data and assumptions have been included for the calculation of non-financed emissions outside of the use of the Greenly platform. For further information on Greenly, and its methodology, please visit www.greenly.earth/en-gb.

For more information on how these figures are calculated, please see our [2025 CRFD](#).





HOW ACQUISITIONS CAN IMPACT EMISSIONS

As an acquisitive group, it is important to understand the potential impact of acquisitions on our operational and financed emissions.

Acquisitions will increase absolute operational emissions at all stages of the process. These emissions will be incurred in relation to due diligence irrespective of whether a process is successful or not.

Absolute financed emissions are impacted at the point that new assets are raised and acquired.

Intensity metrics provide a consistent view of the impact on both operational and financed emissions throughout any process.

- Expected reduction or no impact
- Potential variation in either direction
- Expected increase

		STAGE OF THE ACQUISITION PROCESS		
EMISSIONS AND METRIC TYPE		DUE DILIGENCE	ANNOUNCEMENT OF ACQUISITION TO COMPLETION	POST COMPLETION
Operational	Absolute	Increased absolute emissions from additional spending during the due diligence process	Increased absolute emissions from additional spending during the pre-completion integration process	Increased absolute emissions due to larger operational footprint, for example from building, employees and additional operational spending
	Intensity	Emissions intensity could fluctuate in either direction depending on the emissions profile of the additional spend with suppliers relative to our current mix		Emissions intensity could fluctuate in either direction depending on the profile of the additional emissions, arising from the larger operational footprint, relative to our current mix
Financed	Absolute	No impact	Potential increased absolute emissions if additional funding is secured and that funding is invested until completion	Increased absolute emissions due to additional assets under administration/management (net of the impact of the additional funds raised and invested pre-completion)
	Intensity		Emissions intensity could fluctuate in either direction depending on the emissions profile of additional assets relative to our current mix	



ASSESSING CLIMATE RISK

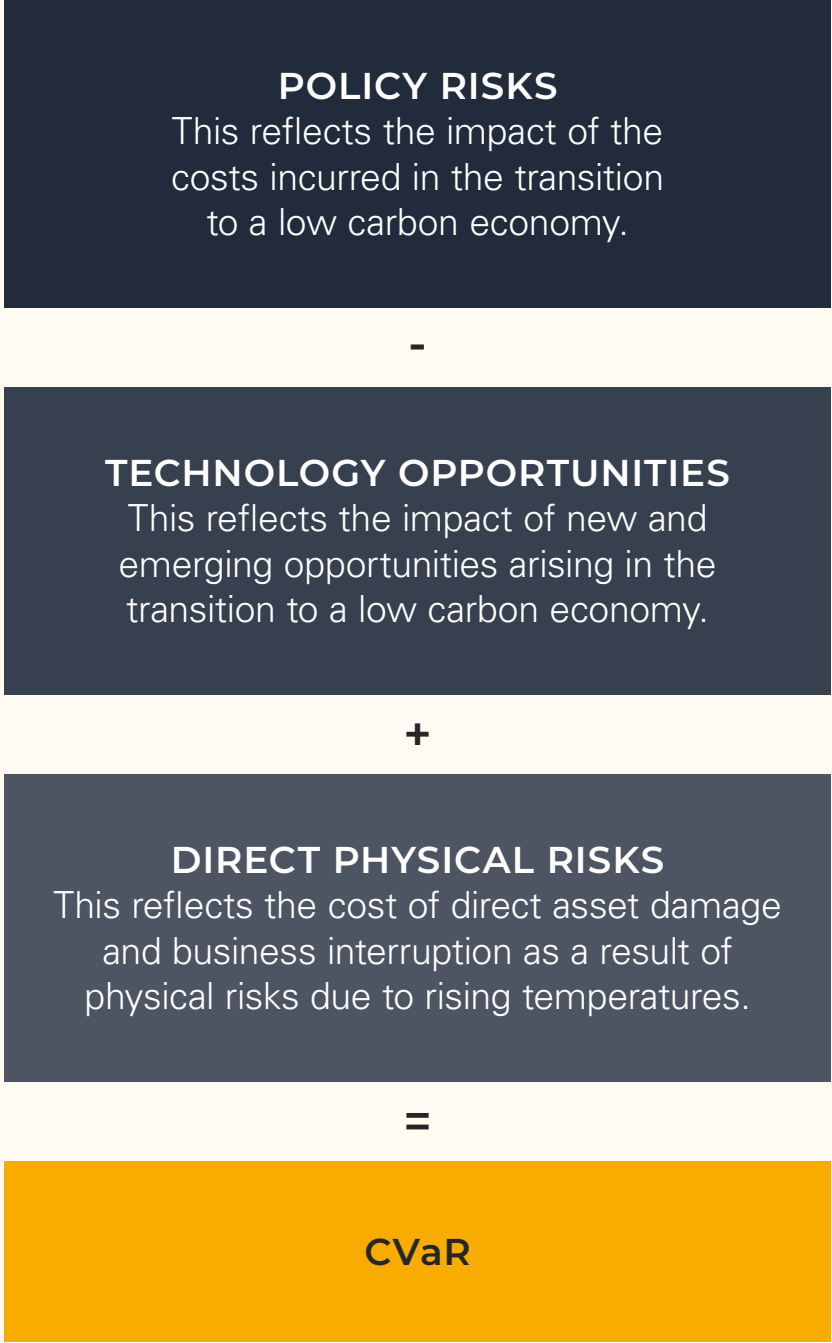
Climate scenario analysis is a critical tool for assessing the resilience of our business to climate risk and the success of our net zero strategy. The diagram to the right demonstrates how climate scenario analysis is used in the overall process of managing climate risk and the implementation of our net zero strategy.

Our climate risk analysis focused on a metric called Climate Value at Risk (CVaR). This is a forward-looking measure of the potential impact of climate on our portfolio of invested assets and is used to help us understand and manage climate risks.

For this analysis, we continue to use a climate risk model provided by MSCI which, in turn, uses data from the Network for Greening the Financial System (NGFS) scenarios. Both the methodology and data will continue to evolve over time reflecting the fact that the industry approach to modelling climate change is continuing to develop.



Source: MSCI





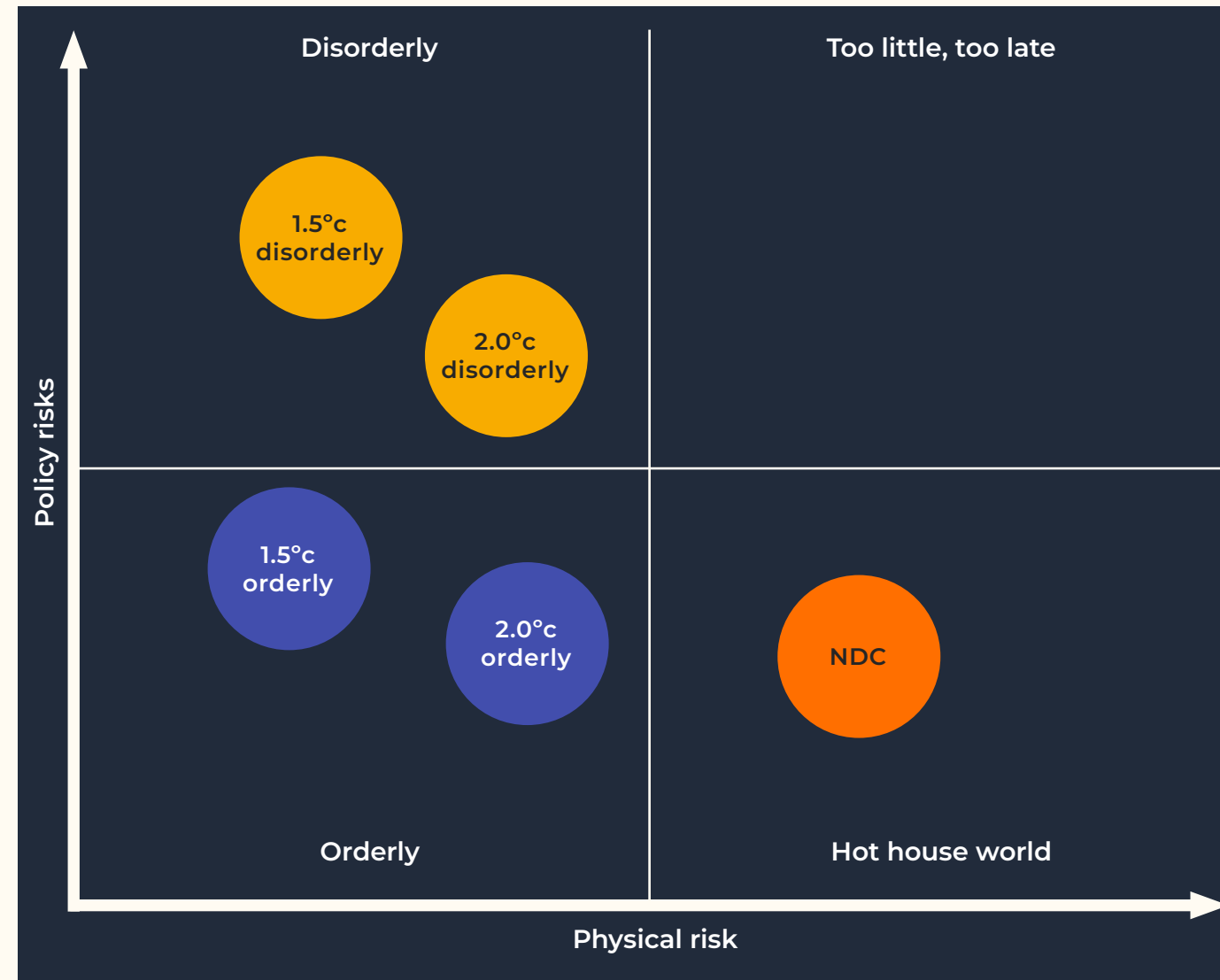
CLIMATE RISK MODELLING

SUMMARY

In summary, climate risk remains a material financial risk and as such Chesnara is focused on the implementation of the CTP in order to manage our exposure to climate risk. The use of climate scenario analysis is a key tool in the delivery of the CTP and in meeting both the net zero target in 2050 and the interim ambitions in 2030.

Our climate scenario analysis will continue to be developed and enhanced to ensure that we can monitor our climate-related exposures and to identify management actions to mitigate against climate risk.

In December 2025, the Prudential Regulation Authority (PRA) issued Supervisory Statement SS5/25 setting out updated enhanced supervisory expectations for the management of climate-related financial risks. We are assessing our current approach against the expectations and, by June 2026, we will develop a plan to address any enhancements that are required.



Source: Adapted from NGFS material

KEY FINDINGS

The CVaR is considered under different scenarios to help us understand how the climate risk might change in different circumstances. We then go on to use the CVaRs to estimate the potential impacts on the Solvency II balance sheet in the following two scenarios, should these scenarios be borne out in practice:

– 1.5° DISORDERLY

– NDC

1.5° DISORDERLY SCENARIOS:

warming is limited to less than 1.5° above pre-industrial averages; however, the transition is achieved via divergent or delayed policy changes across countries and sectors.

2.0° DISORDERLY SCENARIOS:

warming is limited to less than 2.0° above pre-industrial averages; however, the transition is achieved via divergent or delayed policy changes across countries and sectors.

1.5° ORDERLY SCENARIOS:

warming is limited to less than 1.5° above the pre-industrial averages and the transition is achieved via immediate and smooth policy changes.

2.0° ORDERLY SCENARIOS:

warming is limited to less than 2.0° above the pre-industrial averages and the transition is achieved via immediate and smooth policy changes.

NATIONALLY DETERMINED CONTRIBUTIONS (NDC) SCENARIO:

countries implement climate-related pledged policies, even if these are not supported by effective policies, which results in warming exceeding 2.0° above the pre-industrial averages.



INVESTING IN POSITIVE SOLUTIONS

As an insurance company, we have to account for liquidity and capital requirements to make sure we are running our business effectively, benefitting all our stakeholders and operating within our risk tolerances.

To address the risks and opportunities presented by a changing planet, society and economy, it is necessary to not only look at decarbonising our investments but also at where we can direct capital to have a positive impact whilst managing liquidity, capital and return requirements. The need for this is clear; UN-commissioned research, conducted in 2021, highlighted that \$125tn of climate investment is needed by 2050 to reduce emissions and meet Paris Agreement goals. Whilst we may not be able to move the dial far in this respect but we can take responsibility for the assets we control. We can invest some of our capital into positive solutions, covering climate, social and nature-based investments. These are investments that generate specific, measurable environmental or social outcomes alongside financial returns – including areas such as renewable energy, sustainable infrastructure, and nature-based solutions.

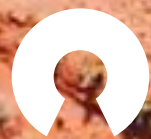
Impact investing is where financial returns meet the power to create lasting, positive change in the world. We are committed to investing in positive solutions to fund positive change which takes into account these wider factors.

Within our CTP, we have stated that in addition to reducing exposure to high-carbon assets, we are actively increasing our allocation to investments that deliver measurable environmental and societal benefits. This reflects our commitment to aligning capital with the transition to a low-carbon economy, while meeting our obligations as a long-term insurer. We have set a groupwide ambition to invest £125m of shareholder funds in climate solutions by 2030 as part of a subset of our wider ambitions to direct capital into positive solutions. As we expand our climate solutions portfolio, we will continue to assess opportunities that align with our investment principles and deliver long-term value for our stakeholders.

At the end of 2025, our investments in positive solutions totalled £149m. This total consisted of investments in green, social and sustainability bonds. We also held £219m in mortgage funds in the Netherlands.

We are delighted that the actions we have taken have significantly increased our investments in climate solutions during 2025. At the end of 2025, the £133m of green bonds we are holding is more than our 2030 ambition of £125m of shareholder funds in climate solutions. We will seek to maintain this level and as we progress to 2030, we will take steps to reassess and, where possible, increase our ambitions.





SUSTAINABLE PRODUCT CHOICES

Alongside investments in positive solutions, we will keep offering sustainable product choices.

This includes our Easy B product in our Dutch business, Scildon. Together with our asset manager, Cardano, we believe that sustainability, financial returns, and positive social impact go hand-in-hand and are mutually beneficial. By the end of 2025, we held over €245m invested in these funds with Cardano.

In addition, Scildon has also continued its partnership with Justdiggitt – a non-governmental organisation working to regreen degraded land in Africa by restoring the vegetation that helps cool the planet – and makes a donation to Justdiggitt for each Easy B product sold.

Movestic continues to offer sustainable products including:

- an Article 9 green bond fund, replacing another green bond fund that closed last year;
- an Article 8 equity fund focusing on climate investments;
- an Article 8 fund investing in European defence and security;
- an Article 8 gold fund; and
- a solar energy fund.

In total at the end of 2025, across our Dutch and Swedish divisions, we held £4.1 billion in funds that are labelled as Article 8 and £260 million in funds that are labelled as Article 9 under the SFDR.

These alternative fund options give customers a chance to make pension contributions and capital investments that generate returns and make a positive impact on society.

Image: Water bunds in Tanzania, used to capture rainwater.



LOOKING BEYOND CLIMATE

Becoming a sustainable business is not just about decarbonising or tackling climate risk. Human rights, nature and climate are deeply intertwined and all need to be considered, alongside topics such as responsible use of artificial intelligence.

As with understanding climate-related risks and opportunities, it is necessary for a business to consider the impact of nature-based and human rights-related impacts and dependencies on our operations and our investments.

In 2025, we assessed one of our material funds and the assets it holds to consider its nature-related impact. We have considered the most significant sectors of the fund and used the ENCORE database to evaluate the potential impacts on nature. This initial high-level analysis identified that at least 60% of the assets in this portfolio depend on at least one ecosystem service. This shows the criticality of protecting nature and our ecosystems.

We will continue to factor these areas into our work and will further our analysis and understanding of the impacts and dependencies.





HELPING TO CREATE A FAIRER WORLD

We are committed to being an inclusive business – considering our stakeholders in everything we do.

For our team, this means a working environment that makes every employee feel valued, supported and able to thrive, regardless of who they are or what they do, while also acknowledging their

differences. For our customers, this means providing financial security and quality service. For the communities in which we operate, this means supporting them to deliver lasting positive change. Inclusivity and sustainability go hand in hand, and we are continuing to embed both within our business.





OUR SOCIAL IMPACT

At the heart of our social value work is our commitment to support the development of a fairer and more inclusive society.

We focus our efforts on delivering a social impact using our six priority social sustainability themes.



CUSTOMER CARE

Our customers are at the heart of everything we do



EQUAL OPPORTUNITIES

We are creating workplaces where everyone feels welcome, valued and can thrive



HEALTH AND WELLBEING

We are supporting our colleagues inside and outside of the workplace



COMMUNITY IMPACT

We are making a positive contribution to our communities and supporting inspiring charities to help make a difference



CLIMATE AND NATURE

We are taking steps to help safeguard the natural environment



SUSTAINABLE SUPPLY CHAINS

We will continue to engage across our supply chain and to embed sustainability into our conversations

CUSTOMER CARE



3.96/5

customer satisfaction rating achieved by Movestic.

8.4/10

customer satisfaction rating achieved by Scildon.

GOOD CUSTOMER OUTCOMES

GOING DIGITAL

In 2025, our UK business launched our new Advisor Hub, to support the onboarding process of Onshore Bond customers. The hub ensures advisors have all the tools required to explain the product to the customer, helping them to make informed decisions. Resources are available for every step of the journey, ensuring trust, transparency and regulatory compliance.

In the Netherlands, as part of an ongoing programme to digitalise its services, Scildon recently launched a new online portal for customers and independent financial advisors. This move has helped to streamline communications, increase transparency and enhance customer autonomy.

In Sweden, where customers can already access details online, we have extended our digital offerings with a new free to use, confidential online planning tool, meaning customers and prospective customers can learn how different choices may impact their long-term savings goals.

PRODUCT GOVERNANCE





3.96/5

customer satisfaction
rating achieved by Movestic.

GOOD CUSTOMER OUTCOMES



Across the Group, we use a range of engagement methods to monitor our service levels and customer satisfaction, leading to good outcomes for our customers. Our in-house customer service departments in Sweden and the Netherlands run annual customer experience surveys. In 2025, Movestic scored 3.96 out of 5 for customer satisfaction, whilst Scildon achieved an NPS score of +34, a customer satisfaction rating of 8.4 out of 10 and, in 2025, won the Adfiz award in the Customer Interest category. Feedback from these surveys is used to support the continuous improvement of our customer service.

Our customer sales, customer service and product specialist employees receive training and assessments related to responsible sales and marketing, as part of their ongoing development. This training is mandatory and takes place annually.

In the UK, where we operate an outsourced service model, we regularly engage with our outsourced service providers (OSPs) on service delivery. Our OSPs provide us with monthly Customer Outcomes Monitoring (COM) reports, underpinned by over 60 customer and service delivery metrics. Action is taken where the COM report indicates an area for improvement.

We have made considerable progress in embedding the FCA’s Consumer Duty into our operations, ensuring the customer is kept at the heart of everything we do.

Since last year we have progressed with the following initiatives:

- Exit charges have been removed and backdated to July 2024; letters have been issued to customers to inform them of their rebate where applicable.
- We have written to customers and advisors to ensure ongoing advice is being provided where an ongoing advice fee is being paid. If advice is no longer provided, these fees have been switched off, ensuring customers are getting value for the price they pay.

Various aspects of our customer support journey have been enhanced, such as:

- We now accept Origo transfer requests for Occupational policies.
- We have introduced a Verbal Lapse procedure, removing the requirement to write in to cancel policies.
- We have introduced language line access for call handlers to support non-English-speaking customers.
- Our call centre welcome messages have been adapted to encourage disclosure of vulnerabilities, further enabling increased support to those who need it.
- We have conducted research into whether outcomes for vulnerable customers differ to those experienced by non-vulnerable customers. We are reviewing the results to understand where action is needed.

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3.96/5
customer satisfaction
rating achieved by Movestic.

8.4/10
customer satisfaction
rating achieved by Scildon.

GOOD CUSTOMER OUTCOMES	<
GOING DIGITAL	✓
PRODUCT GOVERNANCE	✓
The Group’s approach to product design, distribution and governance is centred around the customer and our adherence to regulatory requirements. In the UK, the Product Governance Framework outlines our approach to regular product reviews, which are required to deliver good outcomes for customers and avoid foreseeable harm. As well as being a valuable exercise for our business, these product reviews form part of the work required to demonstrate compliance with Consumer Duty regulations. In Sweden, our business follows its Instruction Regarding the Development of Products, Services and Offerings, which is designed to ensure the interests of policyholders and other beneficiaries are taken into account when developing and providing new or amended products, offerings and services. In the Netherlands, product development and product management complies with Scildon’s Product Governance Policy. Approval of all new products is governed by the executive board, and existing selling and closed-book products are periodically reviewed. Such measures ensure products match customer needs and action is taken where changes or improvements are identified. Both Scildon’s policy and Movestic’s instruction supports compliance with applicable statutory requirements and takes into account supervisory expectations issued by EIOPA.	

EQUAL OPPORTUNITIES =

We recognise that diversity and inclusion are essential for creating healthy workplace cultures and better decision making, and delivering better outcomes for all our stakeholders.

47.6%
of leadership roles held by women.

6 intern positions were supported across the Group in 2025.

¹FTSE Women Leaders Review

SUPPORTING POLICIES AND PRACTICES ^

Across our business, we have structured guidelines and commitments in place to help create an equitable culture, including an Equal Opportunities and Diversity Policy in the UK, a Diversity Policy in the Netherlands, and a policy for equal rights and opportunities in Sweden. To further support a healthy work-life balance, everyone who works for the Group has access to flexible working opportunities from the day they start. Additionally, enhanced maternity leave in the UK and enhanced paternity leave in Sweden helps those who work for us take longer periods of meaningful, paid time off to be with their families.

The UK also has mandatory annual diversity and inclusion training in place for all employees, which in 2025 was bolstered with a workshop on allyship, delivered by the Association of British Insurers.

A CONTINUED FOCUS ON GENDER ^



REMOVING BARRIERS FOR INDIVIDUALS FROM UNDERREPRESENTED BACKGROUNDS

We are taking steps to widen access, drive social mobility and change cultural norms in regards to Black representation. That is why we partnered with the 10,000 Black Interns Foundation to deliver development opportunities for underrepresented Black talent across the UK. Our interns worked across a variety of departments and teams, making meaningful contributions to our business, whilst acquiring the skills, knowledge and networks needed to launch their careers.

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SUPPORTING POLICIES AND PRACTICES

A CONTINUED FOCUS ON GENDER

Our Group leadership team continues to demonstrate our commitment to female representation in leadership roles, with 47.6% of the team being women. We are delighted to have been featured in the 2025 FTSE Women in Leadership review, published in February 2026, as one of the companies in the FTSE and across listed insurers with the highest representation of women in leadership roles. The report, which uses our figures from 2025 reporting, places Chesnara first in our sector and second in the FTSE 250 and FTSE as a whole¹.

We want to ensure gender equity is embedded within the business, so we have been taking steps to better understand how we do this. Our Swedish and Dutch colleagues have been proactively preparing for incoming EU Pay Transparency legislation and completing gender pay gap assessments. Our focus on gender pay gap reporting will continue to evolve, helping our group to understand what actions we can take.

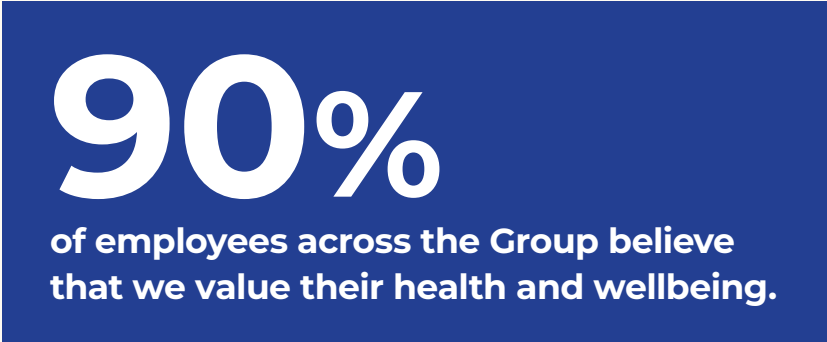


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HEALTH, WELLBEING AND COLLEAGUE ENGAGEMENT

We provide both permanent and temporary contract employees with access to a range of benefits, resources and advice services to support physical, mental and financial wellbeing.



*Question asked: "My line manager cares about my overall wellness, including health and mental wellbeing."

CHAMPIONING WELLBEING

In 2025, in the UK, we launched our first Wellbeing Engagement Programme. Led by a team of Wellbeing Champions, we took steps to further build a positive and supportive environment for everyone, including raising awareness of specific wellness topics. This new initiative kicked off with a session delivered by Andy’s Man Club, a men’s suicide prevention charity working to end the stigma surrounding men’s mental health. The talk discussed the power of conversation and supporting each other, both inside and outside of the workplace.

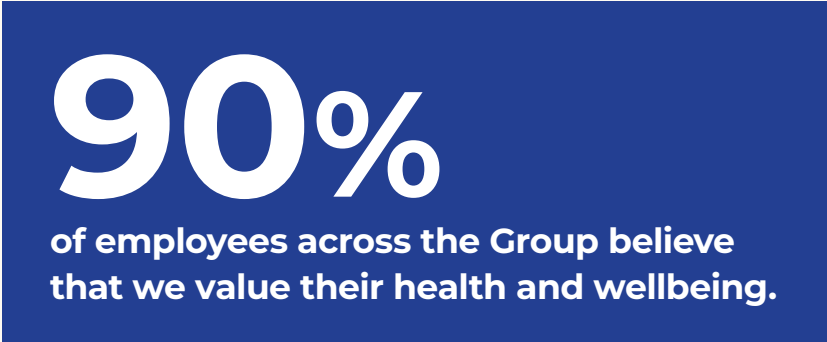
TAKING CARE OF OUR COLLEAGUES

LISTENING TO OUR COLLEAGUES



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CHAMPIONING WELLBEING

TAKING CARE OF OUR COLLEAGUES

We have a range of policies and guidelines in place to fortify a culture where wellbeing matters, including policies on health and safety, flexible working and anti-bullying and harassment. Wellbeing is also discussed in employees’ regular one-to-one discussions. In the UK, mental wellbeing and stress management training forms part of the business’s mandatory annual training programme.

Our ongoing support for our colleagues’ wellbeing also includes access to benefits for all, regardless of contract type, such as health insurance, annual health checks, gym discounts, life assurance, income protection and employee assistance programmes (EAPs). Our EAPs provide access to confidential, employer-funded therapy, alongside other online tools and helplines.

LISTENING TO OUR COLLEAGUES



HEALTH, WELLBEING AND COLLEAGUE ENGAGEMENT

We provide both permanent and temporary contract employees with access to a range of benefits, resources and advice services to support physical, mental and financial wellbeing.

90%

of employees across the Group believe that we value their health and wellbeing.

*Question asked: "My line manager cares about my overall wellness, including health and mental wellbeing."

CHAMPIONING WELLBEING	▼
TAKING CARE OF OUR COLLEAGUES	▼
LISTENING TO OUR COLLEAGUES	▼
We report on colleague engagement via our employee Net Promoter Scores (eNPS). In 2025, Movestic, Scildon and the UK business scored 49, -53 and 37, respectively; an average of 11 across the Group. We are working hard to address any issues identified through these processes and will make changes where necessary. In 2025, Scildon completed its merger with the Waard Group. We recognise the impact of this change and the eNPS score in the Netherlands being lower than our other locations. We will continue to engage and support our colleagues following the merger of our two businesses. We know that colleague engagement should be multi-faceted, and a single score cannot tell the whole story. That is why we engage with our employees throughout the year. Both Scildon and our UK business units survey colleagues on a range of topics twice per year, whilst Movestic surveys its employees on different themes four times per year. Additionally, all business units are supported by active employee forums and committees made up of representatives from different departments and grades meeting multiple times throughout the year, to discuss topics relevant to our workforce at the time.	



COMMUNITY IMPACT



Supporting our local communities and the causes that resonate with the unique identities of our business units is part of our group culture. Through our charitable partnerships and corporate volunteering policies, we are making a positive difference.

£89k+

donated to charitable causes across the Group.

229 days

of volunteering to support good causes in 2025.

1,386

adults and young people across the UK were reached through 59 financial literacy workshops supported by our funding.*

*Through our partnership with The Money Charity.

ANNUAL SUSTAINABILITY REPORT 2025

IMPROVING FINANCIAL LITERACY AND INCLUSION

In 2025, we joined forces with the financial capability charity, The Money Charity. As part of a three-year partnership, our business will provide vital funding towards the delivery of financial education workshops, to empower people of all ages and backgrounds with the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives. As a responsible business, and one that aims to provide financial security to our customers and their families, this new partnership is a great opportunity to support wider conversations around the importance of financial management and to increase financial wellbeing for all.

In 2025, our funding has enabled The Money Charity to reach 1,386 adults and young people across the UK.

ONGOING IMPACT

COMMUNITY VOLUNTEERING DAYS



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IMPROVING FINANCIAL LITERACY AND INCLUSION

ONGOING IMPACT

Our partnership with The Money Charity adds to the positive impact made by the existing charitable partnerships of our overseas business units. Movestic’s ongoing support of UNICEF has helped to provide young people in areas of conflict and instability with access to education, whilst its new relationship with the Swedish Childhood Cancer Fund has helped to raise vital funds and awareness.

Scildon’s longstanding relationship with the social inclusion charity, Sherpa, means more children who require specialist care have access to everyday social experiences and opportunities. Scildon also continued its sponsorship and participation in the annual LoveLife Run in support of Stitching Fight Cancer.

In addition to these partnerships, the UK business provides access to a Give As You Earn programme to all of its employees.

COMMUNITY VOLUNTEERING DAYS



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IMPROVING FINANCIAL LITERACY AND INCLUSION	▼
ONGOING IMPACT	▼
COMMUNITY VOLUNTEERING DAYS By leveraging our skills and knowledge through volunteering, we are playing our part in creating a more inclusive and sustainable society. Our UK Corporate Volunteering Policy gives all staff up to 2 days’ paid leave per year to participate in an event organised by the business, or to spend time supporting a cause that is close to our employees’ hearts. Scildon’s Corporate Volunteering Policy and Movestic’s volunteering commitments provide employees with similar opportunities. Through its newly established relationship with education initiative ‘Zero the Exclusion’, Movestic colleagues have been using their skills to support school children between the ages of 14 and 18 with out-of-school learning. Participants were welcomed into Movestic’s head office in Stockholm, where they received one-to-one help to develop their skills in maths, essay writing and more. Scildon volunteers have also been busy supporting its charitable partner with some hands-on work. Working alongside Sherpa, our Dutch colleagues supported children with complex needs, and their families, with room painting, baking activities and local outings. Meanwhile, our UK workforce volunteered with a range of good causes throughout the year, including wrapping Christmas presents at the Royal Preston Hospital, collecting and sorting donations for Edinburgh SE Foodbank, and helping the Lancashire Wildlife Trust to tackle invasive plant species that pose a risk to the local ecosystem.	▼



CLIMATE AND NATURE



The natural environment is critical to our business and our stakeholders, so we have partnered with expert organisations to help restore biodiversity, regreen degraded land and give nature a helping hand.

LOCAL HABITAT RESTORATION

In 2025, Chesnara partnered with the Lancashire Wildlife Trust to help fund a significant habitat restoration project at Brockholes Nature Reserve, a hugely important ecological site in Chesnara’s home town, Preston. By supporting this work, Brockholes Nature Reserve will see improvement of reedbed and floating vegetated island habitats, for the benefit of a huge range of bird species. The local community and site visitors will also benefit from the visible improvements to the habitats and the increased birdlife the site will support. This work will be ongoing throughout 2026.

“The work we do will help nature thrive whilst also providing a well maintained local and accessible green space for communities to enjoy”

Lorna Bennet, Project Manager.



BRINGING BACK VEGETATION

Scildon’s partnership with Justdiggitt supports the annual regreening of degraded land in Tanzania, helping to restore nature and contribute to climate cooling. The collaboration combines financial support with raising awareness of nature-based climate solutions, making sustainability a talking point for clients and advisors. Donations are generated through the sale of Scildon’s ‘Easy B’ product, which, since the partnership began in 2023, has helped to restore 206 hectares of degraded land and regenerated over 14,000 native trees.

SUSTAINABLE SUPPLY CHAINS



Building sustainable supply chains is for the benefit of all our stakeholders. We know we have a long way to go before we have a comprehensive view of our supply chain’s environmental and social performance, but we are committed to putting in the work to get there.

ENGAGEMENT AND EMBEDDING ARE KEY

During 2025, we continued to engage with material suppliers, including in our UK business through its ESG Supplier Questionnaire. We are also pleased to have our key partners engage with us on our plans too. This engagement will help us demonstrate to our partners that we are supporting them with their own sustainability plans and ambitions. We will keep working to enhance our engagement and turn our learnings into actionable insights.

At the same time, we continued to improve our internal knowledge and understanding of the evolving human rights and modern slavery landscape. We will use this learning to develop a roadmap for improving the ways we embed ESG into our procurement and supplier relationships, including how we identify, assess, mitigate and track human rights and modern slavery risks across the Group.



REAL LIVING WAGE

We are proud to be a Living Wage employer and pay the real Living Wage in the UK. We are also working to engage our suppliers on social sustainability standards, which includes the real Living Wage. We are members of the Living Wage Action Group for Preston and working alongside Preston City Council and other locally accredited businesses, we have developed a plan to increase the number of residents that are paid a wage that enables them to live a healthy and fulfilling life.



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COLLABORATION AND REPORTING



ENGAGEMENT AND COLLABORATION

Engaging with other organisations and bodies lets us share learnings and get involved in relevant discussions. Embracing and encouraging a spirit of collaboration will help deliver real-world impact.

We are members of and take part in a range of initiatives that relate to us as a business and the journey we are on:		
INSTITUTIONAL INVESTOR GROUP ON CLIMATE CHANGE	LIVING WAGE FOUNDATION	INSURANCE SWEDEN
ASSOCIATION OF BRITISH INSURERS	FINANCE FOR BIODIVERSITY FOUNDATION	INSURESEC
UK SUSTAINABLE INVESTMENT AND FINANCE ASSOCIATION	CLIMATE COMMITMENT FINANCIAL SECTOR	SWEDEN'S SUSTAINABLE INVESTMENT FORUM
PRINCIPLES FOR RESPONSIBLE INVESTMENT	DUTCH ASSOCIATION OF INSURERS	SWEDISH INVESTMENT FUND ASSOCIATION
UN GLOBAL COMPACT	PAY YOUR PENSION SOME ATTENTION	SWEDISH INSURANCE ASSOCIATION
To find out more on our memberships and accreditations please visit the dedicated page on our website .		





REPORTING ON OUR PROGRESS

Providing transparent updates on our progress in line with recognised reporting frameworks is a critical part of our journey to become a sustainable group.

The reporting road ahead is busy and complex across the UK and Europe. This complexity has been shown most recently through the changes made to reporting regimes such as CSRD, CSDDD and the EU Taxonomy. These changes have resulted in the Group no longer being captured by the frameworks.

We welcome the various frameworks that will apply to our business and provide transparent and consistent sustainability-related disclosures.

UK SUSTAINABILITY REPORTING STANDARDS (UK SRS)

In February 2026, the UK Government published UK SRS S1 and S2. These standards are UK-endorsed versions of the International Sustainability Standards Board’s IFRS S1 and IFRS S2, adapted for use in the UK context.

On 30 January 2026, the Financial Conduct Authority (FCA) published a consultation on aligning listed issuers’ sustainability disclosures with UK SRS S1 and UK SRS S2. The FCA consultation proposes that making climate disclosures using UK SRS S2 will be mandatory for accounting periods beginning on or after 1 January 2027 although companies can continue to make scope 3 emissions disclosures on a ‘comply or explain’ basis.

Wider sustainability (non-climate) disclosures using UK SRS 1 can also be made on a ‘comply or explain’ basis. Transitional reliefs will apply to delay mandatory scope 3 and non-climate

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES

disclosures by a year and two years respectively. During 2026, we will be monitoring the FCA’s consultation process and putting in place implementation plans, in line with the expected mandatory reporting for the Group for the year ending 31 December 2027.

The FCA is not proposing to set Transition Plan (TP) requirements for listed companies beyond the requirements in S2. Nevertheless, it will be replaced with a requirement to make a ‘comply or explain’ disclosure regarding the existence of a TP.

The UK Government will also introduce legislation to take forward its proposals on developing a sustainability assurance oversight regime. The Financial Reporting Council (FRC) will establish an interim voluntary register for sustainability assurance practitioners by mid-2026.

CARBON DISCLOSURE PROJECT

PRI UN GLOBAL COMPACT

We will monitor progress and consider the impact on the Group of these two areas.





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**UK SUSTAINABILITY
REPORTING
STANDARDS
(UK SRS)**

**TASKFORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES**

**TASKFORCE ON
NATURE-RELATED
FINANCIAL
DISCLOSURES**

**CARBON
DISCLOSURE
PROJECT**

**PRI
UN GLOBAL
COMPACT**

The Taskforce developed a framework of recommendations to help public companies and financial institutions more effectively disclose climate-related risks and opportunities. Our 2025 report is included in our [Annual Report and Accounts](#) and as a separate document.

These disclosures will be replaced by those required by UK SRS S1 and UK SRS S2.





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**UK SUSTAINABILITY
REPORTING
STANDARDS
(UK SRS)**

**TASKFORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES**

**TASKFORCE ON
NATURE-RELATED
FINANCIAL
DISCLOSURES**

**CARBON
DISCLOSURE
PROJECT**

**PRI
UN GLOBAL
COMPACT**

We understand the importance of expanding our disclosures to consider nature-related impacts, risks and opportunities. The TNFD Framework provides a framework for how organisations can assess, report and act on their nature-related dependencies, impacts, risks and opportunities. Its effective date and how the recommendations will be embedded into UK SRS are still to be determined but in 2026 we will continue to factor the assessment of nature-related risks and opportunities into our work.





REPORTING ON OUR PROGRESS

Providing transparent updates on our progress in line with recognised reporting frameworks is a critical part of our journey to become a sustainable group.

The reporting road ahead is busy and complex across the UK and Europe. This complexity has been shown most recently through the changes made to reporting regimes such as CSRD, CSDDD and the EU Taxonomy. These changes have resulted in the Group no longer being captured by the frameworks.

We welcome the various frameworks that will apply to our business and provide transparent and consistent sustainability-related disclosures.

UK SUSTAINABILITY REPORTING STANDARDS (UK SRS)	TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES	CARBON DISCLOSURE PROJECT	PRI UN GLOBAL COMPACT
CDP runs the global environmental disclosure system. Each year, we submit our responses to the CDP questionnaire and receive a score based on our disclosures.				



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**UK SUSTAINABILITY
REPORTING
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(UK SRS)**

**TASKFORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES**

**TASKFORCE ON
NATURE-RELATED
FINANCIAL
DISCLOSURES**

**CARBON
DISCLOSURE
PROJECT**

**PRI
UN GLOBAL
COMPACT**

We are members of the PRI and the UN Global Compact. These voluntary initiatives promote embedding sustainability within the decision making of an organisation. In 2026, we will complete reporting against the two frameworks for the first time providing details on the steps we are taking to embed sustainability.





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WHAT'S NEXT?



2026 AND BEYOND

Driving change means staying focused on our commitments and bringing along our stakeholders on the journey. It is, after all, our stakeholders and their interests that are driving our action.

We are optimistic for the future and truly believe we can make a real difference. We will continue to balance the pace at which we progress with the level of resource we have, and we will be transparent with the challenges we are facing.

Our 2026 focus areas are significant and include:

Take steps to decarbonise in line with our climate transition plan

Continue to deliver impactful social value activities

Align our growing group with our ambitions and plans

Continue to embed sustainability into our Governance Framework and decision making at all levels

Engagement with our stakeholders to embed sustainability into our conversations and activities

Deliver our external and membership reporting to provide transparency and clarity on our progress to our stakeholders



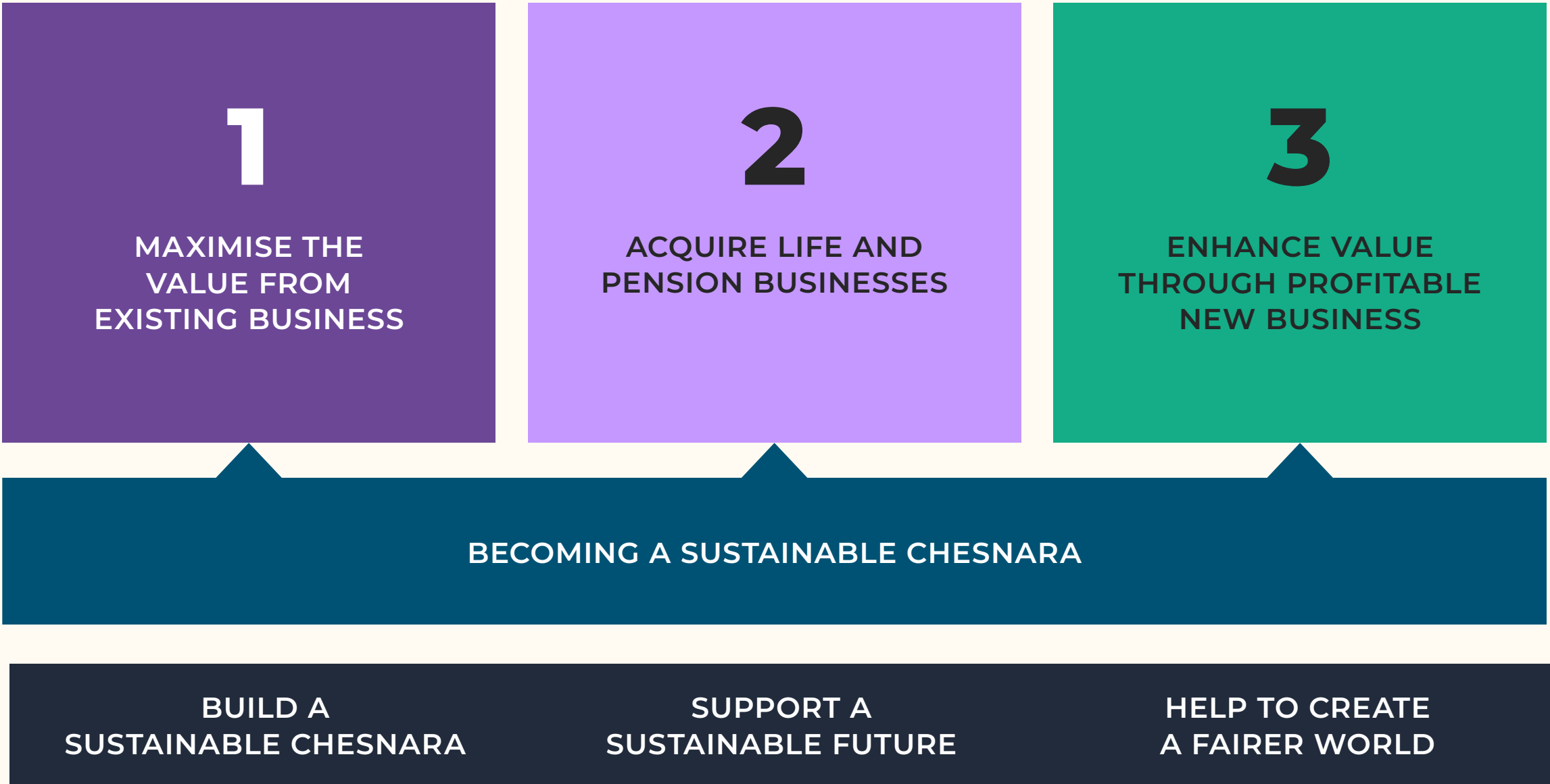


A SUSTAINABLE CHESNARA

Our mission is to become a sustainable group.
Our core principles are:

DO NO HARM.
DO GOOD.
ACT NOW FOR LATER.

This is reflected in our sustainability commitments. These commitments will shape our plans and activities, and we look forward to continuing to report against them.



DO NO HARM. DO GOOD. ACT NOW FOR LATER.



GET IN TOUCH

Please get in touch with us if you have any feedback, questions or comments.

Andy Meek, Group Head of Sustainability
sustainability@chesnara.co.uk

Or if you want to read more about what we do and how we do it, here are some links to where you will find that.

[Chesnara plc](#)

[Reports & Presentations 2025 – Chesnara plc](#)

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PR1 3JJ

Registered number: 04947166



GLOSSARY

ADFIZ

Adfiz is the trade association of independent financial advisors in the Netherlands.

ASSET OWNER VERSUS ASSET MANAGER

Asset owners are institutions or people who own the underlying assets but entrust the management of those assets to an asset manager. Chesnara and its business units are asset owners and we employ a number of asset managers across the Group to manage our assets.

BIODIVERSITY

Biodiversity, also called biological diversity, is the variety of life found in a place on Earth or, often, the total variety of life on Earth.

CARBON FOOTPRINT

A carbon footprint is the total greenhouse gas emissions caused by an individual, event, organisation, service, place or product, expressed as carbon dioxide equivalent.

CARBON FOOTPRINT LTD

Carbon Footprint Ltd provides tools and consulting services to support companies to measure, reduce and offset their carbon emissions. It offers a range of carbon offset projects which comply with international verification standards.

CARBON NEUTRAL

When a company's CO₂ emissions are fully balanced by a combination of CO₂ reductions and/or offset by removals without necessarily reducing any of its greenhouse gas emissions.

CARBON OFFSETTING

The action or process of compensating for carbon dioxide emissions, arising from industrial or other human activity, by participating in schemes designed to make equivalent reductions of carbon dioxide in the atmosphere.

CLIMATE ACTION 100+

Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. Their benchmark focuses on 166 companies that are critical to the net zero emissions transition.

CLIMATE-RELATED FINANCIAL DISCLOSURES

The Task Force on Climate-Related Financial Disclosures has developed a framework to help public companies and other organisations more effectively disclose climate-related risks and opportunities through their existing reporting processes.

CONSUMER DUTY

Consumer Duty is a piece of regulation which applies to financial services firms in the United Kingdom. It sets high standards of consumer protection, requiring financial services firms to consider the needs, characteristics and objectives of their customers in order to deliver good outcomes for customers.

CVaR

Climate Value at Risk (CVaR) is a forward looking metric used to estimate the potential impact of climate related risks on a company, portfolio or investment. Chesnara's use of CVaR in its climate risk modelling is outlined on page 47.

DECARBONISATION

An organisation's approach to reducing its production of greenhouse gas emissions.

DORA

The Digital Operational Resilience Act (DORA) came into force in January 2025 and sets new requirements on financial institutions and their service providers in the European Union with regards to digital resilience.

ENCORE

ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a tool that helps financial

institutions to identify nature related risk and understand their dependencies and impacts on nature.

EU OMNIBUS REGULATION

The EU Omnibus I package, finalised in February 2026, revises the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) to simplify rules on sustainable finance reporting, sustainability due diligence and taxonomy.

FCA

The Financial Conduct Authority (FCA) is a regulatory body responsible for overseeing and regulating financial services firms and financial markets in the United Kingdom.

GREENHOUSE GAS PROTOCOL OF 2021

Greenhouse Gas Protocol provides standards, guidance, tools and training for business and government to measure and manage climate-warming emissions.

GREENLY

Greenly is a carbon accounting data provider and supports companies to track and analyse their carbon emissions.



GLOSSARY

GREENWASHING

Greenwashing is false, misleading or untrue actions or claims made by an organisation about the positive impact that a company, product or service has on the environment.

IIGCC

Institutional Investors Group on Climate Change (IIGCC) is the European membership body for investor collaboration on climate change. Their mission is to support and enable the investment community in driving significant and real progress by 2030 towards a net zero and resilient future.

INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE

The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change.

ISSB

The International Sustainability Standards Board (ISSB) sets global, consistent, and comparable standards for sustainability-related financial disclosures. It aims to provide investors with high-quality, decision-useful information regarding risks and opportunities.

JUST TRANSITION

The term used to describe the transition to a climate-neutral economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind.

LIVING WAGE

The Living Wage Foundation is an organisation at the heart of the campaign for a wage for all based on the real cost of living.

MSCI

MSCI is a leading provider of investment decision support tools. Many companies use MSCI data, tools and methodologies to support the integration of sustainability considerations into their investment process and portfolios.

MSCI WORLD CLIMATE PARIS ALIGNED INDEX

The MSCI World Climate Paris Aligned Index is an index developed by MSCI to track the financial performance of large and mid-cap companies (across 23 developed market countries) that are aligned to the climate goals of the Paris Agreement. By incorporating climate-aligned considerations, it provides a financial benchmark for investors interested in climate-aligned companies.

NATURAL CAPITAL

Natural capital describes the natural assets in the world around us, such as soil, air, water and all living things. From this, humans derive a wide range of services which make human life possible.

NATURE ACTION 100

A global investor engagement initiative mobilising institutional investors to establish a common high-level agenda for engagements and a clear set of expectations to drive greater corporate ambition and action to stem nature and biodiversity loss.

NET ZERO

Cutting greenhouse gas emissions to be as close to zero as possible and doing things that absorb carbon dioxide from the atmosphere too.

NET ZERO INVESTMENT FRAMEWORK

The Net Zero Investment Framework provides a common set of recommended actions, metrics and methodologies through which investors can maximise their contribution to achieving global net zero emissions by 2050 or sooner.

NGFS

The NGFS (Network for Greening the Financial System) is a group of central banks and supervisors committed to sharing best practices, contributing

to the development of climate and environment related risk management in the financial sector and mobilising mainstream finance to support the transition toward a sustainable economy.

PARIS CLIMATE AGREEMENT

A legally binding treaty adopted by 196 countries at the climate change conference in Paris in 2015. The main goal of the agreement is to cut global greenhouse gases in order to limit global temperature increases as close as possible to 1.5 degrees Celsius above pre-industrial levels.

POSITIVE SOLUTIONS

Investing with the aim of generating specific beneficial social or environmental effects in addition to financial gains. For us, this means intentionally directing capital into activities that deliver (or enable) the achievement of the UN Sustainable Development Goals.

PRA

The Prudential Regulation Authority (PRA) is a part of the Bank of England. Its primary responsibility is to regulate and supervise financial institutions in the UK to ensure the stability and soundness of the financial system.



GLOSSARY

PRA SS5/25

PRA SS5/25 is a supervisory statement issued by the PRA. This supervisory statement sets out the PRA's expectations for firms' approaches to managing climate-related risks. It aims to ensure that firms build the capabilities and resilience needed to effectively manage these risks.

PRI

The Principles for Responsible Investment (PRI) is a global organisation, set up with the United Nations and the world's largest institutional investors in 2005. The organisation aims to boost investors' financial returns and drive positive social impact through promoting the incorporation of sustainability- and governance-related factors into investment strategies.

SCOPE 1, 2 AND 3 EMISSIONS – EMISSIONS / FINANCED AND OPERATIONAL EMISSIONS

Scope 1, 2 and 3 is a way of categorising the different kinds of carbon emissions a company creates in its own operations, and in its wider value chain.

Scope 1 emissions – greenhouse gas emissions that a company makes directly – for example, while running its boilers and vehicles.

Scope 2 emissions – the emissions a company makes indirectly – like when the electricity or energy it buys for heating and cooling buildings is being produced on its behalf.

Scope 3 emissions – all the emissions associated, not with the Group itself, but that the organisation is indirectly responsible for, up and down its value chain. For example, from buying products from its suppliers, and from its products when customers use them.

The big one for insurance companies is a sub-section of scope 3 which relates to emissions from the investments you make.

This sub-section is called financed emissions; everything else above is called operational or non-financed emissions.

SCIENCE-BASED TARGETS INITIATIVE (SBTi)

More than a thousand businesses around the world are already working with the SBTi. Science-based targets provide companies with a clearly-defined path to reduce greenhouse gas emissions in line with the Paris Climate Agreement goals.

SDGS

17 Sustainable Development Goals (SDGs) were set by the United Nations in 2015 with the aim of creating a more inclusive, sustainable and equitable world, and addressing a wide range of global challenges, by 2030.

SENIOR MANAGERS AND CERTIFICATION REGIME

The Senior Managers and Certification Regime is a regulatory framework in the United Kingdom which ensures that senior managers and individuals in key roles within financial services firms are held responsible for their actions.

TCFD

The Taskforce on Climate-related Financial Disclosures (TCFD) is a mandatory framework to promote consistent, comparable, and transparent reporting of climate-related risks and opportunities.

TNFD

The Taskforce on Nature-related Financial Disclosures (TNFD) is a global, market-led initiative providing a voluntary framework for organisations to report and act on nature-related risks, dependencies, and impacts.

TRANSITION PLANS

A transition plan shows stakeholders how an organisation will reach net zero in line with its targets across the organisation's operations and value chains.

UN GLOBAL COMPACT

The United Nations Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals.

WHISTLEBLOWING

Whistleblowing is the act of reporting or exposing wrongdoing within an organisation, typically by an employee or insider. A whistleblower is granted various protections under UK law in respect of certain disclosures made in good faith and in the public interest.



APPENDIX

FTSE4GOOD

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Chesnara plc has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

lseg.com/en/ftse-russell/indices/ftse4good

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CAUTIONARY STATEMENT AND FORWARD-LOOKING STATEMENTS

This document has been prepared for information purposes and should be read in conjunction with the other documents distributed by Chesnara plc through the Regulatory News Service. This document contains, and we may make other statements (verbal or otherwise) containing, forward-looking statements with respect to certain of the plans and current expectations relating to the future financial condition, business performance, results, strategy and/or objectives (including, without limitation, climate-related plans and goals) of Chesnara plc and /or its subsidiaries. References to the 'Group' in this document refer to Chesnara plc and its subsidiaries.

Statements, including without limitation those containing the words: 'believes', 'intends', 'will', 'expects', 'plans', 'aims', 'seeks', 'targets', 'continues' and 'anticipates' or other words of similar meaning, are forward looking.

By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of the Group including, amongst other things, UK domestic, Swedish domestic, Dutch domestic and/or global economic, political, social, environmental and business conditions, market-related risks such as fluctuations in interest rates, currency exchange rates, inflation, deflation, the impact of competition, changes in customer preferences, delays in implementing proposals, the availability of accurate, reliable and consistent data, the timing, impact and other uncertainties of future

acquisitions, the policies and actions of regulatory authorities, the impact of tax or other legislation and other regulations in the jurisdictions in which Chesnara plc and its subsidiaries operate.

As a result, Chesnara plc's actual future condition, business performance and results may differ materially from the ambitions, plans, goals and expectations expressed or implied in these forward-looking statements.

No representation is made with regard to forward looking statements, including that any future results will be achieved. In particular, achievement of the Group's climate-related ambitions cannot be guaranteed due to external factors and dependencies beyond the Group's control. Nothing in this document should be interpreted as a binding commitment or obligation on Chesnara plc or any of its subsidiaries to achieve any specific outcome. As a result, you are cautioned not to place undue reliance on such forward-looking statements contained in this document. Chesnara undertakes no obligation to update any of the forward-looking statements contained within this document or any other forward-looking statements we make. Forward-looking statements in this report are current only as of the date on which such statements are made.

ESG metrics, including greenhouse gas emissions data, rely on evolving methodologies and third-party data, some of which may

be subject to limitations or may change over time. As standards and data availability develop, metrics and historical data may be revised or restated. Climate scenario analysis included in this document are based on a number of assumptions. These are illustrative and do not represent predictions or guarantees as to future outcomes. Actual outcomes may differ materially from the scenarios presented.

The information in this document is unaudited.

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