FINTEL
INSPIRING BETTER OUTCOMES

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Fintel plc
ESG report 2023

Our impact

Highlights

Meaningful progress in embedding our bespoke ESG strategy and advancing our objectives across all three pillars

Better future

Our promise
To empower our people and broader communities, creating opportunities for all

170
financial product education articles with Defaqto experts' input

27%
EDI data disclosure rate amongst staff (FY22: 15%)

#75
Best Large Company to Work For in the UK (FY22: #126)

→ Read more on pages 4 to 5

Better industry

Our promise
To improve the market, helping it operate more effectively and meet evolving customer needs

200
retail investment funds covered by our ESG research platform (FY22: 110)

>30%
of retail investment advisers and wealth managers have access to our ESG client profiler and fund filters

→ Read more on pages 6 to 7

Better business

Our promise
To manage our business responsibly and minimise our impact on the environment

0
notifiable data breaches

100%
renewable electricity procured at our two largest offices

1.7
tonnes of waste diverted from landfill

→ Read more on pages 8 to 9

Our impact continued

Inspiring better outcomes for all

Kate Kwiatkowska
Head of ESG and
Corporate Marketing

The launch of our strategy cemented our long-term commitment to sustainable value creation for all of our stakeholders, driving positive change in our business, our industry and broader communities.”

Introduction

As the leading provider of support services and fintech to the UK retail financial services sector, we play a crucial role in enabling the industry to operate more effectively. Our purpose of inspiring better outcomes underpins everything we do and was a key driver in defining our holistic environmental, social and governance (“ESG”) strategy, launched in 2022.

This bespoke strategy is structured around three pillars: better future, better industry, and better business, each forming a cornerstone of our ESG goals. The launch of our strategy cemented our long-term commitment to sustainable value creation for all of our stakeholders, driving positive change in our business, our industry and broader communities.

Our approach

Stakeholder-led

Engaging our stakeholders in a comprehensive materiality assessment, ahead of launching our strategy was a fundamental step to defining our priorities, and our progress to date has been driven by the outcomes of that assessment. To ensure we continue to reflect the evolving priorities of our stakeholders, we will conduct another assessment in the second half of 2024, with results published in early 2025.

→ Read more about the outcomes of our materiality assessment on: www.wearefintel.com/our-impact

Effective governance

To help us fully integrate ESG principles within our operations and ensure that the ESG strategy remains consistent with the Company’s purpose, culture and values, the Board ratified a new ESG and Wellbeing Committee in January 2022, chaired by Senior Independent Non-Executive Director Imogen Joss.

→ Full details of the Committee’s remit and activities undertaken in 2023 are set out in our 2023 Annual Report and Accounts on pages 53 and 54

Meaningful change

Our commitment to creating meaningful change is reflected in the deliberate actions we take and the strategies we implement. Our focus is not just on achieving short-term objectives but on driving long-lasting, positive impacts across our business, industry, and the communities we serve.

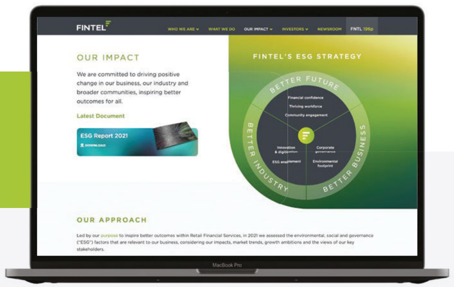
→ Read more about our progress across all three pillars of our ESG strategy on pages 4 to 9

Throughout 2023 we focused on further embedding the ESG strategy across the business and strengthening our foundations. A key focus for the year was to expand our ESG related data and KPIs, increasing precision and transparency of reporting, as well as enabling us to regularly monitor our performance.

We also formalised our approach within a number of focus areas, launching three new policies: Environmental policy, Equity, Diversity and Inclusion (“EDI”) policy and Charitable and Political Donations policy.

Increasing awareness and engagement across all levels of the Company was also a priority, as we embed a sense of ownership of our strategy more widely, with our new awareness and action calendar, educational content shared within our internal intranet platforms and newsletters, as well as the launch of an employee forum focused on EDI.

We are delighted to see these efforts recognised through our strategy being shortlisted as an “ESG Initiative of the Year” at the ICA Compliance Awards early in 2023.



→ Visit our website to find out more: www.wearefintel.com/our-impact

Our impact continued

Our approach continued

Transparent reporting

In our drive towards transparency and accountability, we align our ESG reporting with globally recognised frameworks. We continue to monitor the evolving reporting landscape and best practice, ensuring that we expand our disclosures where relevant.

For FY23, we continue to report in line with:

- Sustainability Accounting Standards Board ("SASB") Sustainability Accounting Standard for Professional and Commercial Services (see: www.wearefintel.com/our-impact/resource-hub/), which helps communicate financially material sustainability information focusing on issues most relevant to our industry and operational context.
- Streamlined Energy and Carbon Reporting ("SECR") requirements (see page 13), to enhance transparency around our energy use and carbon footprint, providing valuable insights into our operational efficiency.
- Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, (see pages 10 to 12), covering the strategic implications of climate-related risks and opportunities for our business.

We have been closely monitoring the evolution and consolidation of ESG disclosure standards under the International Sustainability Standards Board ("ISSB"). In particular, the newly issued IFRS Sustainability Disclosure Standards IFRS S1 and IFRS S2, which build on our existing frameworks, with a view of aligning our disclosures with these in the near future.

Positioning our impact in a global context

Understanding our role in the global ecosystem, we actively align our ESG strategy with the United Nations Sustainable Development Goals ("SDGs"). By mapping our ESG initiatives against specific SDGs, we demonstrate how our actions contribute to broader global objectives. This not only amplifies the impact of our efforts but also connects our stakeholders to a larger, shared vision of sustainable development.

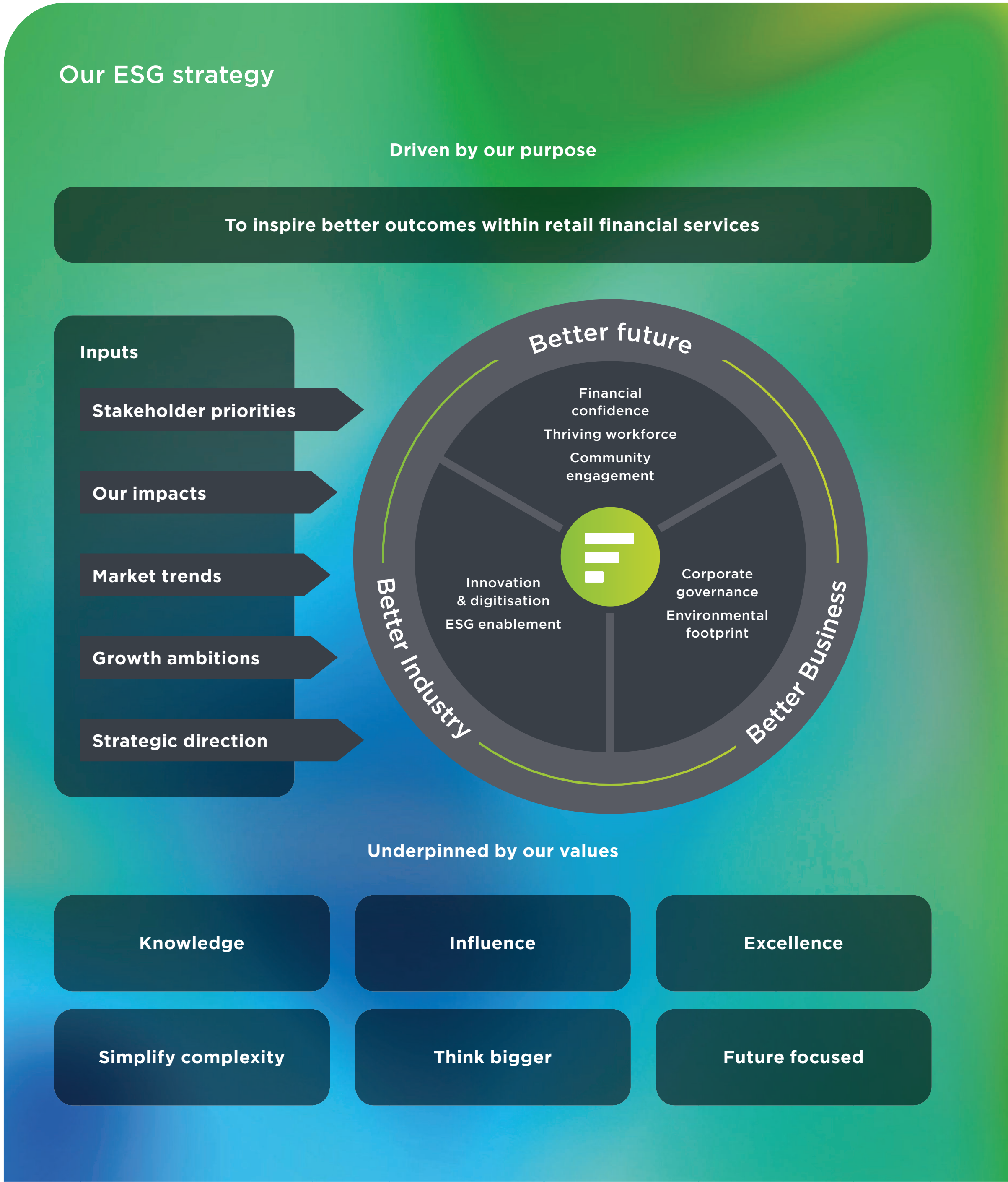
→ For details on how we contribute towards SDGs, please visit: www.wearefintel.com/our-impact/resource-hub/

Looking ahead to 2024

We will continue advancing our strategy at pace throughout 2024, actively engaging wider stakeholders to identify and implement further opportunities for driving positive change both internally and externally.

We will work to implement enhanced systems and processes to help us enrich our data sets, increasing understanding of our baseline and the impact of our initiatives, and enhance our communications with key stakeholders, increasing transparency and engagement.

A summary of key priorities across all three pillars of our strategy can be found on pages 4, 6 and 8.



Our impact continued

Better future

Our "better future" pillar reflects our commitment to fostering inclusive growth. We seek to empower and support our people and wider communities, promoting diversity, learning and financial confidence to create opportunities for all.

2023 achievements

Financial confidence

- Acquisition of Competent Adviser and VouchedFor, improving trust and access to financial advice
- Star Ratings reach and coverage expanded

→ See page 11 of our 2023 Annual Report and Accounts for further details

- Over 170 articles published bringing our expert financial product knowledge to consumers
- Launch of financial wellbeing and money management platform to support staff in building financial health

Thriving workforce

- Winner of 'Best Employer of the Year' at the FT Adviser Diversity in Finance awards
- Launched a new Equity, Diversity and Inclusion staff forum and policy
- Disability Confident Level 1 accreditation attained
- Reached top 75 Best Large Companies to Work For

Community engagement

- Raised over £6,000 for MyBNK charity, helping deliver financial education to young people
- Developed a new Charitable and Political Donations policy, introducing a new volunteering allowance for staff

Goals

50% **Achieve at least 50% EDI data disclosure rate by 2025 to develop a deeper understanding of our workforce and their needs**

Future planned activity

- Partner with the Times Money Mentor, with Defaqto providing its product features and rates data to the Times Money Mentor's editorial team to power its independent best buys and comparison tables across the site
- Explore further opportunities to extend our reach and support consumers with financial product insights
- Extend the pilot mentoring programme and incorporate diversity and social mobility in the design of our future career development and recruitment programmes
- Further enhance our people policies, including improved family leave and pay
- Support staff health and wellbeing with introduction of free basic annual health checks

Highlights

170
financial product education articles with Defaqto experts' input

52m
consumer financial decisions supported by Defaqto Star Ratings

27%
EDI data disclosure rate amongst staff (FY22: 15%)

#14
Best Financial Services Company to Work For in the UK (FY22: #20)

£21,695
raised for charities selected by our people

Priority level

Financial confidence	●●●
Thriving workforce	●●○
Community engagement	●○○

Material topics

Financial confidence
- Financial education and wellbeing
- Financial inclusion

Thriving workforce
- Diversity and inclusion
- Workforce development
- Engagement and wellbeing

Community engagement
- Charity support
- Sponsorship
- Volunteering

UN SDGs

4 QUALITY EDUCATION
5 GENDER EQUALITY
10 REDUCED INEQUALITIES

Frameworks

SASB

Memberships, collaborations and accreditations

Our impact continued

Better future continued

Financial confidence

Using our expertise and reach to improve levels of financial wellbeing and inclusion is not only a focus of our ESG strategy but is also integral to the social value we create as a business.

Promoting professional financial advice

We passionately believe in the value of professional financial advice, and we are dedicated to improving trust in and access to this crucial sector.

In 2023 we acquired two businesses sharing this mission; Competent Adviser, the UK's fastest growing digital knowledge and competence management system, and VouchedFor, a business dedicated to increasing confidence in, and generating demand for, professional financial advice.

→ You can read more about our acquisitions on pages 18 to 19 of our 2023 Annual Report and Accounts

Helping consumers to make smarter decisions

We use our deep understanding of financial products to support consumers in making smarter financial decisions.

Combining the most comprehensive product database in the UK with expert research methodology, Defaqto Star Ratings are the most trusted expert assessment of the products and policies in the market. In 2023 we expanded the reach of our Star Ratings with a new partnership with MoneySupermarket and expanded our risk mapping and ratings portfolio to include tax advantaged products.

Since April 2023, our team of experts have contributed to more than 170 consumer press articles, sharing valuable insights into financial products ranging from mortgages and savings accounts to home, travel and motor insurance policies.

For 2024, we are delighted to have partnered with The Times, increasing the reach of our financial product insights and education. Utilising the UK's largest financial product database spanning 45,000 financial products and 4 million product features, Defaqto will provide weekly data for the Best Buys section in the Money pages of the Saturday edition of The Times, as well as in The Sunday Times. This will span current accounts, savings, mortgages, loans, and credit cards.

Supporting the financial wellbeing of our people

We understand that the financial wellbeing of our employees is fundamental to their long-term financial security.

Recognising this, in 2023, we launched a financial wellbeing and money management platform to empower our staff to take charge of their financial health. This initiative provides our team with the tools, insights and knowledge to effectively manage their finances.

Additionally, we host regular drop-in sessions with a pensions expert to provide professional guidance on pensions-related matters, supporting our employees' long-term financial health and confidence.

Thriving workforce

Our people are our driving force, and we are committed to continuously evolving and improving our approach to ensure we meet their needs.

Fostering an inclusive culture

We believe that fostering an inclusive culture is instrumental in harnessing a diverse range of perspectives, creating a happier, more engaging, and productive working environment for all of us. This is why a key focus for 2023 was formalising our approach to Equity, Diversity and Inclusion ("EDI"). The Board ratified a new EDI policy and framework, reaffirming our aim to have a thriving workforce that authentically reflects the world around us, where every person feels respected and empowered to give their best.

→ The policy is available from: www.wearefintel.com/our-impact/resource-hub/

We also launched a new "Better Together" EDI staff forum to promote equity, diversity, and inclusion within our business, enabling employees to collaborate, share ideas, and drive initiatives that foster an inclusive and equitable workplace.

We are committed to actively taking steps to attract, recruit and retain disabled workers, and to strengthen this commitment, we are delighted to have attained the Disability Confident Committed employer accreditation Level 1 from the Department for Work and Pensions and are planning to achieve Level 2 in 2024.

In Q4, we launched a "This is Me" campaign encouraging our people to share their EDI data in a confidential manner. By better understanding the makeup of our workforce we hope to identify areas where we can tailor our programmes to the specific needs of our people, creating a more inclusive workplace. Our Q4 campaign almost doubled our disclosure rate to 27% and expanded our data set to include socio-economic background in line with recommendations of Progress Together, a membership body focused on creating a UK financial services sector in which everyone is enabled to achieve their full potential.

We are delighted to see these efforts recognised, seeing us win the 'Best Employer of the Year' award at the FT Adviser Diversity in Finance awards 2023.

→ For further details on our approach to EDI see page 21 of our 2023 Annual Report and Accounts

Meeting the needs of our people

We continued to focus on employee feedback and enhancing our people proposition which resulted in an improved ranking in the prestigious Best Companies to Work For league tables, including promotion to #75 best large company (from #126 in 2022) and #14 in financial services (from #20 in 2022), With these accolades being awarded based on employee engagement surveys, we are incredibly proud of this achievement as a reflection of the culture we have built together.

Fostering growth

With a focus on internal progression, we piloted a mentoring programme with three high potential women mentored by executive team members, and plan to extend this programme to the wider business. Alongside this we launched a new career development hub, and we will continue to scale our development support via a formal Leadership Development programme, providing tools and support to facilitate a strong internal talent pipeline.

Community engagement

Our charity and social committees worked tirelessly throughout the year to support charitable causes chosen by our people. Over £20,000 was raised, including over £6,000 for charity MyBNK, which helps deliver financial education to young people. During the year we held a Mortgage Showcase Charity Dinner, supported by lenders and service providers operating in the UK's mortgage market, raising £12,500 in support of three charities, Prostate Cancer UK, Breast Cancer Now and Dementia UK.

We also implemented a formal Charitable and Political Donations policy, and a new volunteering allowance, prioritising causes that contribute towards UN SDGs.

In line with our commitment to the growth of the professional financial advice sector, we continued to support the Verve Foundation's We Are Change initiative, designed to attract new talent into the industry, and we were delighted to see the trainees progressing well towards their Level 4 Diploma in Regulated Financial Planning with the CII.

Our impact continued

Better industry

Our "better industry" pillar reflects our commitment to improving the retail financial services sector. Working at the heart of the market, we use our knowledge, insights and technology to inspire better outcomes for all.

2023 achievements

Innovation and digitisation

- Extension and enhancement of our technology platform to improve adviser efficiency and deliver better consumer outcomes
- Expansion of our technology capabilities with acquisition of Synaptic Software, expanding our financial planning tools
- Launch of Fintel Labs to foster technology innovation in the sector
- Real time analytics included within the provider portal, enabling product providers to align product design and distribution with adviser and consumer preferences

ESG enablement

- Supported development of a net zero protocol for advisers in partnership with Net Zero Now
- Expanded the ESG research platform, enabling advisers to assess and select retail investment funds from an ESG perspective
- Conducted an assessment of ESG investing and thematic impact solutions, resulting in publication of an ESG investing case study for intermediaries
- Led Mortgage Climate Action Group to support intermediaries in helping homeowners make UK housing stock more efficient
- Partnered with AdviserAction, to provide a platform for advisers and clients to actively participate in steering companies towards sustainable practices

Future planned activity

- Develop further software solutions and integrations to empower the market
- Enhance data and insight services for financial product providers, as a result of recent M&A
- Market launch of Fintel IQ knowledge and technology platform, distributing integrated, innovative products to the wider market
- Continue digitisation of our core services for intermediaries, increasing the value and efficiency for our customers
- Promote the Net Zero Now platform to SimplyBiz member firms
- Work with AdviserAction, fostering industry collaboration to develop sustainable working practices

Highlights

200
retail investment funds covered by our ESG research platform (FY22: 110)

>30%
of retail investment advisers and wealth managers have access to our ESG client profiler and fund filters

Priority level

Innovation and digitisation	●●●
ESG enablement	●●○

Material topics

Innovation and digitisation

- Product and process innovation
- Product and process digitisation

ESG enablement

- ESG facilitation
- ESG thought leadership

UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

Memberships, collaborations and accreditations

MORTGAGE CLIMATE ACTION GROUP

net zero now

Our impact continued
Better industry continued

Innovation and digitisation
Promoting innovation and digitisation in the financial services sector is not only a part of our social value creation strategy, but also core to our overall strategic direction.

→ Find out more about our strategy on pages 16 to 19 of our 2023 Annual Report and Accounts

In 2023 we continued to build a strong multi-year innovation pipeline, enhancing and expanding our technology platform.

Building an integrated technology platform for financial intermediaries
During 2023 we delivered further upgrades to our proprietary advice technology with the launch of new modules, including Cashflow Modelling and Product and Platform Switching and Consumer Duty Profiles, enabling advisers to benchmark products and funds and evidence fair value. We also completed a new integration with new CRM system Plannr, building a more complete workflow for adviser to help them serve their clients more efficiently.

In addition to this we increased our technological capabilities inorganically, with the acquisition of Synaptic Software expanding our suite of financial planning tools into protection quote and apply software. This strategic expansion helps us provide a wider choice of quality, integrated tools, supporting intermediaries in delivering vital services across a range of areas.

→ Find out more about acquisitions on pages 18 to 19 of our 2023 Annual Report and Accounts

Supporting financial product providers to build better products
Our dynamic, whole of the market competitor intelligence software leverages Defaqto's deep market insights and product expertise, enabling financial product providers to build financial products that reflect consumer needs. In 2023 we developed a new Customer Appeal module. This innovative module uses enhanced data sets and functionality to show which elements of an insurance product are most important to consumers based on their demographics, helping providers evidence suitability during the product design process and design more targeted products.

Early in 2023 we also upgraded the analytics within our partner portal, an interactive platform offering insights and campaign management. The 13 new features introduced added live insights and granular campaign data, enabling financial product providers to align their product development and distribution strategies to specific adviser cohorts, as well as adviser and consumer preferences.

Fostering innovation in the sector
2023 saw the launch of Fintel Labs, a new venture designed to strengthen our technology proposition and support innovation in the sector. An initial investment was made into Plannr Technologies Ltd, a CRM provider and fintech challenger approaching software development in a modern, agile and collaborative way, enabling it to rapidly evolve to meet adviser needs.

ESG enablement
In recent years, ESG has evolved from a niche interest to a strategic necessity, transforming the financial landscape by linking ethical considerations with long-term profitability and resilience. We use our central role in the financial services sector to inform the market on the emerging ESG landscape and offer tools that enable the inclusion of ESG criteria within the financial planning and product development processes. Using our reach, we also partner with other organisations to drive positive change in the sector, increasing engagement with and awareness of wider sustainability considerations.

Expanding our ESG research platform
Our expert insights team deliver comprehensive ESG fund reviews, combining qualitative and quantitative methodology. This provides impartial insight to help advisers consider specific ESG issues throughout the investment process, helping them serve clients interested in ESG investing. In 2023 we further expanded the coverage of these to 200 funds.

During the year, we also assessed ESG investing and thematic impact solutions, which resulted in the publication of a CPD accredited ESG investing case study. This publication aims to help intermediaries understand multiple aspects of ESG, including ESG as a concept, the different forms of ESG investing, the recent performance of ESG funds, the role and mechanisms of investor stewardship, voting and engagement, the main global ESG initiatives and the recent UK and EU regulation around ESG investing.

→ To access the publication go to: www.defaqto.com/resources/esg-investing-case-study

Driving positive change in the sector through industry partnerships
Alongside Liontrust, we joined forces with Net Zero Now, a carbon accounting and climate action platform, becoming the founding development partners for an industry initiative empowering advisers to take climate action. In collaboration we developed a sector-specific protocol for reaching net zero, with input from academics, climate experts and a pilot group of financial advisers. This protocol is aligned with the latest global climate science, including the Science Based Targets Initiative and the Greenhouse Gas Protocol, which set standards and best practice for measuring and managing emissions. Whilst we are working on mapping and reducing our own emissions, this initiative enables us to use our influence to help drive emissions reductions in the sector, with an estimated 175,000 tonnes of emissions generated by financial advisory firms annually. We are committed to promoting Net Zero Now's dedicated, sector-specific digital platform, providing a complete solution for firms to calculate, report and reduce their emissions using tailored reduction plans, amongst our member firms.

Across 2023, our team at SimplyBiz Mortgages worked with the wider mortgage sector as part of the Mortgage Climate Action Group with the aim of providing resources, training and representation for the mortgage intermediary sector as we navigate the net zero transition. Our colleagues represented this initiative at a number of industry events, including the Green Mortgage Summit and Reset Connect, held as part of the London Climate Action Week.

In November we also partnered with AdviserAction a new sustainable investment network that brings adviser firms together to collaborate on delivering a meaningful approach to sustainable investment. The AdviserAction initiative provides a vital platform for advisers and their clients to actively participate in steering companies towards sustainable practices, fostering a shared commitment to positive change, and we are looking forward to supporting this initiative throughout 2024 and beyond.

Our impact continued

Better business

Our "better business" pillar reflects our commitment to managing our business responsibly and continually improving our operations.

2023 achievements

Corporate governance

- Strengthened data security and cyber risk framework following a Fintel-wide audit
- Strengthened risk management processes and enhanced tracking and visibility of risk exposure
- Conducted initial climate-related risks analysis, in line with the recommendations of the Task-Force for Climate-related Financial Disclosures ("TCFD")

Environmental footprint

- Implemented a new Environmental policy, including a travel hierarchy
- Conducted an Energy Savings Opportunities Scheme assessment
- Launched a Fintel-wide environmental awareness campaign
- Transitioned two largest offices to renewable energy supply and implemented energy saving initiatives resulting in a 60% scope 2 emissions reduction compared to 2022
- Implemented waste management and plastic avoidance initiatives

Goals

5% **Reduce scope 1 and 2 intensity ratio by at least 5% in 2024 compared to 2023**

Future planned activity

- Conduct capability and maturity assessments across digital functions
- Bolster compliance with ISO27001 and ISO27701 accreditations across SimplyBiz infrastructure
- Strategic review of principal risks taking into consideration the evolving risk profile of the business following recent acquisitions and wider market changes
- Implement a travel management solution, supporting scope 3 emissions accounting and prompting our people to make greener travel choices
- Develop an energy savings action plan, supporting our emissions intensity ratio reduction target, and informing future emissions reductions plans

Highlights

0 notifiable data breaches

£0 monetary losses as a result of legal proceedings associated with professional integrity

100% renewable electricity procured at our two largest offices

1.7 tonnes of waste diverted from landfill

34.6kg of plastic avoided p.a.

Priority level

Corporate governance	●●●
Environmental footprint	●○○

Material topics

Corporate governance

- Data security
- Business ethics and governance
- Supplier relations

Environmental footprint

- Energy management
- Greenhouse gas emissions
- Waste management

UN SDGs

13 CLIMATE ACTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Frameworks

SASB, TCFD, SECR

Our impact continued

Better business continued

Corporate governance

Strong governance is a critical enabler for Fintel's operations, ensuring that our business not only thrives, but also retains the confidence and trust of our stakeholders. Our commitment to responsible business conduct is delivered through adherence to a framework of processes, procedures, and safeguards, designed to protect stakeholder interests, mitigate risks, and oversee the ethical integrity of our operations. By prioritising strong governance, we ensure a solid foundation for sustainable business growth, risk management, and the assurance of our corporate responsibilities.

Preserving confidentiality, integrity and availability of stakeholder data

Following a Fintel-wide audit and gap analysis across data security and compliance, we have significantly strengthened our data security over the past year to ensure a consistent approach to information security across our family of brands.

This focus resulted in the enhancement of our internal cyber and data security framework across SimplyBiz, with the appointment of a Head of Cyber and Infrastructure, development of an ISO27001 and ISO27701 roadmap, and deployment of advanced security technologies such as Microsoft Sentinel SIEM, Defender XDR, and Information Protection. These actions have fortified our control and visibility over information assets, aligning us with industry best practices and frameworks, such as the CIS Critical Security Controls and the National Institute of Standards and Technology ("NIST") Cybersecurity Framework. We are committed to continuous improvement in this crucial area, ensuring that Fintel remains at the forefront of data security and compliance.

Increasing resilience with robust risk management

Effective risk management is a cornerstone of our governance, driving sustainable business performance and operational excellence. During 2023 we streamlined our risk management processes with a new central system, enabling precise monitoring and rapid response to potential risks. Key features include a heat map for increased visibility of risk levels, comprehensive risk statistics for an overview of all risks by department, and a detailed risk view for tracking risk-related activities. Any overdue tasks are escalated, ensuring robust oversight and accountability within our proactive risk management framework.

We also conducted an initial analysis of climate-related risks and opportunities in accordance with the recommendations of the Task-Force for Climate-related Financial Disclosures ("TCFD"). As the first step in our strategic response to climate change, this analysis ensures that we understand and can address any potential impacts on our business whilst advancing our alignment with TCFD recommendations.

→ See our climate-related financial disclosures on pages 10 to 12

Environmental footprint

We recognise that to build a more sustainable future, we all have a role to play, and we are committed to reducing the environmental impact of our operations. This commitment is reflected in our proactive measures to reduce energy consumption, enhance waste management and promote sustainable practices across our operations.

Formalising our commitments

In 2023 our Board ratified a new Environmental policy to formalise our approach to reducing our environmental footprint, committing to ongoing enhancement of our environmental performance, and seeking innovative solutions to minimise our impact. The policy outlines our commitments in the areas of carbon footprint reduction, resource efficiency, waste management, sustainable transportation, employee education and compliance with environmental laws and regulations.

→ The policy is available from: www.wearefintel.com/our-impact/resource-hub/

Increasing energy efficiency

As a key enabler to identifying actionable opportunities for increasing our energy efficiency, in 2023 we conducted an Energy Savings Opportunities Scheme ("ESOS") assessment.

Over the past year, we have also to refined the air conditioning controls and settings within our Huddersfield office, leading to enhanced operational efficiency. By adjusting the heating and cooling schedules and narrowing the temperature parameters for manual adjustments to reduce user error, we have effectively reduced energy consumption.

Reducing our emissions

A significant step in reducing our emissions in 2023 has been the transition of our two largest offices to renewable energy supply. In 2024 we will conduct an assessment of energy sources at our other offices, transitioning to renewable wherever possible, and liaising with our landlords to encourage them to shift the energy sources for offices where we do not directly control the supply.

→ See our Streamlined Energy and Carbon Reporting on page 13

Managing our waste responsibly

In 2023, we partnered with a responsible IT asset disposal provider, which resulted in estimated 1.6 tonnes of electronic waste being redirected from landfill, equivalent to CO_2e emissions avoidance of c.72.4 tonnes. Through a partnership with Xerox, we also prevented over 75kg of depleted toner cartridges and waste toner cartridges from going to landfill.

In aggregate, these initiatives helped us redirect c.1.7 tonnes of waste from landfill.

Avoiding plastic waste

In our effort to combat plastic pollution, we implemented initiatives aimed at avoiding plastic waste. This included removal of plastic packaging from our SimplyBiz IT supply chain, generating estimated annual plastic waste avoidance of 12.6kg. We also removed plastic film used to package our printed adviser magazine publications, resulting in estimated annual plastic waste avoidance of 20kg. Replacement of plastic bottles with aluminium alternatives within the vending machines at Huddersfield and Haddenham offices resulted in further annual avoidance of c.2kg. These initiatives generated aggregate estimated annual plastic waste avoidance of 34.6kg.

Raising awareness

We have also launched a company-wide environmental awareness campaign to educate and engage our employees, highlighting Earth Day, plastic free July and Earth Overshoot Day.

Our impact continued

Climate-related financial disclosures

→ Reporting
→ Informing

Aligning with TCFD

The Task Force on Climate-related Financial Disclosures ("TCFD") provides a consistent methodology for climate-related disclosures. This is our second report in line with the TCFD recommendations and as we build the internal processes and capabilities, we will continue improving our compliance with all recommendations, including the ones not currently covered.

Within this report we have made disclosures consistent with the following TCFD recommendations:

- governance: (a) and (b);
- risk management: (a), (b) and (c);
- strategy: (a) and (b); and
- metrics and targets: (a), (b) and (c).

Further work is underway to enhance the identification, impact measurement and reporting for climate-related risks and opportunities, and to map the impacts over the short, medium and long term, considering a range of scenarios in line with the TCFD strategy disclosure (c).

Governance

Board oversight of climate-related risks and opportunities

Fintel's Board of Directors holds the ultimate responsibility for overseeing the management of all risks, including climate-related risks and opportunities, which are firmly embedded within our enterprise risk management processes. All principal risks, including climate-related risk, as well as Fintel's risk management framework are outlined within the Risk management section of the annual report (pages 41 to 44 of our 2023 Annual Report and Accounts). The Board delegates certain matters to its Committees, as outlined within the diagram.

Climate considerations form part of the ESG strategy development process, with metrics and targets aligned to the Company's current maturity level and supported by appropriate budget allocation. Whilst the Board is mindful of the importance of climate change in the context of the Company's long-term sustainable growth, the physical and transition risks identified are not deemed to be material and therefore are not currently considered by the Board when reviewing and guiding wider strategy, major plans of action, budgets or business plans.

Management's role in assessing and managing climate-related risks and opportunities

Fintel's management team ensures that suitable processes, systems and training are in place to enable the effective identification and assessment of risk by the operational risk owners and assigns resources to support implementation of ESG targets and goals, including those related to climate. At management level, the Enterprise Risk and Business Performance steering group ("ERBP"), chaired by the People and Operations Director, meets quarterly to develop and support execution of enterprise risk management processes and oversee implementation of unit-specific risk response plans. The ERBP members include the Chief Financial Officer and members of the Executive Leadership Committee. The ERBP regularly reports to the Audit Committee and the Board and liaises with the members of the ESG and Wellbeing Committee on climate-related matters.

Fintel plc Board of Directors

- Oversees all aspects of ESG, including climate-related risks and opportunities with ultimate responsibility for determining strategy and prioritisation of key focus areas
- Provides rigorous challenge to management on progress against goals and targets
- Ensures Fintel maintains an effective risk management framework, including over climate-related risks and opportunities
- Sets risk appetite, impact matrix and definitions

The Board delegates certain matters to its Committees

ESG and Wellbeing Committee

- Oversees the embedding of the Group's ESG strategy on behalf of the Board
- Sets ESG goals and metrics, including climate-related ones
- Monitors climate-related KPIs and performance against goals
- Oversees Fintel's ongoing ESG disclosures

Meeting frequency in 2023: four times

→ See ESG and Wellbeing Committee report on pages 53 to 54 of our 2023 Annual Report and Accounts for further details

Audit Committee

- Assesses effectiveness of the risk framework and internal controls
- Reviews the risk register, including climate-related risks

Meeting frequency in 2023: three times

→ See Audit Committee report on pages 55 to 56 of our 2023 Annual Report and Accounts for further details

Joint Chief Executive and the management team

- Matt Timmins is responsible for implementation of Fintel's ESG strategy, including climate-related issues, with support from the executive management team

Enterprise Risk and Business Performance steering group

- Monitors implementation of risk response plans, controls and divisional risk exposure, including for climate-related risks on a quarterly basis

Business units

- Support implementation of Fintel's ESG strategy, including that relating to climate

Our impact continued

Climate-related financial disclosures continued

Strategy

Climate-related risks

Fintel recognises the significance of climate change to our stakeholders, and we are committed to identifying, addressing and managing resulting risks and opportunities both now and in the future.

This year, to develop our understanding of climate-related risks, we conducted a review to identify Fintel's top climate-related risks. The review was based on the risk categorisation proposed by the "Recommendations of the Task Force on Climate-related Financial Disclosures", (2017). Two risk categories were considered:

- transition risks: the regulatory, legal, technological and market shifts that may occur as the world transitions to a lower-carbon economy; and
- physical risks: disruptions caused by increased intensity and frequency of extreme weather events, climate patterns, and other consequences of climate change.

The TCFD recommendations encourage companies to analyse how climate-related risks and opportunities affect their financial position over specified time periods. We have begun to consider the impact timeframes, aligning these to how we analyse financial viability and assess the useful life of the organisation's assets, defined as:

- short term: 1–3 years;
- medium term: 3–10 years; and
- long term: 10 years+.

The nature of our business, as a UK-based professional services and technology provider, means that, in the short term, we are more exposed to transition risks such as regulatory change, market uncertainty, or increased stakeholder expectations.

In the medium term, we would expect to see some impact from increased pricing of GHG emissions or costs associated with transitioning to lower emissions technologies or buildings. In the longer term, we can expect to see more physical risks from extreme weather events impacting our direct operations. Whilst a full scenario analysis has not yet been completed, we have indicated potential scenario impact based on the following scenarios, which were selected due to their close alignment with TCFD requirements: Paris Agreement aligned (<1.5°C warming), 2°C warming and business as usual (no action taken to mitigate climate change).

The table below outlines the top climate-related risks and our mitigating actions, with the current level of exposure to these deemed to be low.

TCFD category	Risk	Description	Timeframe	Scenario impact	Building resilience – what we are doing
Transition risk					
Policy and regulation	Regulatory change	Evolving Government policy and regulatory requirements developed in response to the climate crisis, leading to increased operational or disclosure requirements or increase in environmental taxes (e.g. fuel duty or carbon taxes).	Short to medium	<1.5°C ●●● 2°C ●●○ BAU ●○○	We closely monitor the evolving regulatory requirements to proactively prepare for upcoming changes. We currently meet all climate focused regulatory requirements, including reporting our emissions in line with Streamlined Energy and Carbon Reporting ("SECR"), disclosing our approach to managing climate-related risks and opportunities in this TCFD report, and undertaking periodic Energy Savings Opportunities Scheme ("ESOS") assessments.
Market	Uncertainty in the energy market	Abrupt and unexpected shifts in energy prices, resulting in higher operating costs.	Short to medium	<1.5°C ●○○ 2°C ●●○ BAU ●●○	We conduct periodic ESOS assessments to identify energy savings opportunities in our operations. As part of regular facilities inspections, we also proactively identify and implement energy use optimisation strategies.
Reputation	Negative stakeholder perception	Reputational damage caused by not meeting stakeholder expectations or our commitments, leading to lower customer demand or reduced access to talent or finance.	Short to medium	<1.5°C ●●○ 2°C ●●○ BAU ●●○	We continue enhancing our processes to further embed ESG principles into our operations. We also conduct a regular ESG materiality assessment to understand and respond to customer needs. We provide regular, transparent updates on our progress to all key stakeholders.
Technology	Transition to lower emissions technologies or buildings	Transition to lower emissions technology or buildings, leading to requirement to upgrade our infrastructure.	Medium	<1.5°C ●●● 2°C ●●○ BAU ●○○	We conduct periodic ESOS assessments to identify how we can increase the efficiency of our infrastructure. In 2023 we implemented a new Environmental policy designed to guide our approach to reducing our environmental impact.
Physical risk					
Acute	Damage to physical assets from extreme weather events (e.g. floods)	Extreme weather conditions resulting from changing climate may cause damage to physical assets, leading to asset impairment and increased costs.	Long	<1.5°C ●○○ 2°C ●●○ BAU ●●●	We have implemented a robust business continuity process; all our staff members are able to work and service our clients remotely; insurance is in place for physical assets and we regularly assess and maintain key systems within our facilities to ensure optimum operating efficiency and resilience.

Key: ●○○ Low ●●○ Medium ●●● High

Our impact continued

Climate-related financial disclosures continued

Strategy continued

Climate-related opportunities

We recognise that the transition towards low carbon economy also brings strategic opportunities for our business.

Increased regulatory change, such as the recent FCA Sustainability Disclosure Requirements, impacting our intermediary and product provider customers, may generate opportunities for further product development and increase demand for existing products. Relevant services could include regulatory support services, ESG filters within our proprietary financial planning software or increased demand for our ESG reviews service.

The Government net-zero target also creates an opportunity for us to use our reach to influence and support our intermediary clients as they move their own operating models towards net zero. In this context we have partnered with Net Zero Now to develop a new sector-specific tool to help advisory businesses measure, report and reduce greenhouse gas emissions.

We also expect that our work on the energy and resource efficiency initiatives will generate opportunities to reduce our operational costs, as well as improving our resilience to disruptions.

Scenario analysis

We acknowledge that there is further work to be done to better understand the potential financial impacts of climate change on our business based on a range of climate change scenarios. We intend to complete this analysis over the next 12 months and aim to continually monitor and refine this framework as our knowledge and experience of climate change impacts grow.

Risk management

The process for identifying, managing and assessing climate-related risks is fully embedded into our enterprise risk management process. Our methodology combines a bottom-up approach of engaging individual business areas and risk owners, as well as a top-down approach, conducting a strategic review of the risks and considering both the prevailing and emerging risks.

The following process describes how we approach climate risk management.

Step 1: Identification

We identify potential climate-related risks and opportunities based on TCFD guidance, the World Economic Forum Global Risks Report, disclosures by peer companies and observation of market trends and regulation in our sector, as well as any other existing or emerging climate-related regulatory requirements. All of our risks are captured within a central risk register with individual risk owners assigned.

Step 2: Assessment

We evaluate materiality of identified risks at least annually, by multiplying a value based on the potential impact of the risk by a value based on the likelihood of its occurrence and assessing suitability of existing controls. The impact and likelihood assessment gives us a net risk score, which is then adjusted based on controls in place, to generate a residual risk score. The residual score is plotted on a heatmap of all business risks, enhancing visibility of our overall risk exposure and allowing us to prioritise our response plans.

We will further enhance how we assess climate risks by conducting a scenario analysis to help us quantify our exposure and vulnerability in the short, medium and long term.

Step 3: Risk response

Based on the gross score, we decide to either accept the risk exposure or develop controls to reduce the residual risk further. Our responses to our top climate-related risks are outlined in the table on page 11.

Step 4: Reporting and monitoring

We monitor the climate-related risks and opportunities via the climate risk governance structure, outlined on page 10. We report our top climate-related risks and opportunities within our annual report and accounts on pages 11 and 12.

Metrics and targets

We measure and regularly monitor our energy consumption, scope 1, scope 2 and limited scope 3 emissions, and associated carbon intensity ratio. Our emissions are reported in accordance with the Greenhouse Gas ("GHG") Protocol. The details can be found on page 13.

We aim to increase our energy efficiency to reduce our environmental footprint, which also contributes to mitigation of two transition risks relating to the market and technology, as outlined on page 11.

For 2024 we have set a target of reducing our scope 1 and 2 emissions intensity ratio by 5%, compared to 2023. For further details please see page 13.

Our climate-related strategy roadmap

We are committed to fully embracing the recommendations of the Task Force for Climate-related Financial Disclosures and will continue enhancing our disclosures until full compliance is achieved.

2024

Conduct a scenario analysis to determine resilience of our strategy against different climate-related scenarios

2025

Set climate-specific targets

Consider establishing third-party verification for GHG emissions data

Our impact continued

Streamlined Energy and Carbon Reporting

Methodology

Our Streamlined Energy and Carbon Reporting ("SECR") statement for FY23 was prepared in line with the Greenhouse Gas Protocol to ensure comprehensive and standardised data calculations.

In order to calculate the carbon emissions, from stationary combustion, purchased electricity (for the location based method) and mobile combustion, we have used the emission factors from the UK Government's "GHG Conversion Factors for Company Reporting 2023".

To better reflect the impact of our efforts to shift to 100% renewable electricity where possible, we commenced application of a market-based methodology for scope 2 emissions, where electricity supplier and tariff data was available, utilising the provider fuel mix data to calculate emissions. Where this wasn't available, a location-based method was used.

The calculations were based on utility bills, landlord supplied information (scope 1 and 2), employee claimed mileage (scope 3 – business travel) and Microsoft emissions dashboard (scope 3 – purchased goods and services – cloud data storage). Where detailed data was not available for scope 1 and scope 2 emissions, we estimated usage based on the floor space occupied, on a like-for like basis in comparison with our other offices.

Coverage

The Company solely operates in the UK and as such the emissions stated are UK emissions only. Our emissions reporting encompasses all entities in our operational control, with emissions apportioned based on ownership level, where appropriate.

Our scope 1 emissions cover natural gas consumption for the office locations which utilise gas heating and our scope 2 emissions cover electricity usage within all office facilities. For facilities acquired during the year we only included emissions accrued from the date of acquisition, as detailed on pages 18 to 19 of our 2023 Annual Report and Accounts.

Due to data availability, the scope 3 emissions we voluntarily report on currently exclude emissions from the businesses acquired during the year. We aim to expand the coverage of our scope 3 emissions in the future.

Intensity ratios

When choosing our carbon intensity ratio we explored different options, and considered revenue to be most reflective of the business performance. To improve comparability, we also included an additional intensity ratio this year, in relation to average staff number for the year, which was restated for previous periods.

We also report on scope 1 and 2 emissions intensity ratio in relation to revenue, against which we set a reduction target of 5% for 2024.

Performance

Our focus in 2023 was on shifting towards renewable electricity supply and optimising energy efficiency at our largest office in Huddersfield, which resulted in a 60% scope 2 emissions reduction and a 41% reduction in scope 1 and 2 intensity ratio per £1m of revenue. Further details of our 2023 progress in this area can be found on page 9 and our goals related to reduction of our environmental footprint can be found on page 8.

Our continued adoption of cloud-based technology resulted in c.0.86 tCO_2e (c.98%) data storage emissions reduction in 2023, compared to on-premise alternative.

Our environmental focus and policy

The Board is committed to minimising the environmental impact of our operations, and in 2023 a new environmental policy was ratified to support this commitment.

→ Our environmental policy is available from: www.wearefintel.com/our-impact/resource-hub/

UK greenhouse gas emissions and energy use data between the period 1 January and 31 December

	2023	2022	2021	2020	% change (from 2022)
Energy consumption (kWh)					
Natural gas*	111,676	122,161	135,808	135,718	
Electricity**	307,266	331,499	345,244	270,170	
Transport fuel	837,350	899,421	568,434	648,193	
Cloud data storage	6	7	—	—	
Total UK energy consumption	**1,256,298**	1,353,089	1,049,485	1,054,080	**(7%)**
Carbon emissions (metric tonnes of CO_2e)					
Scope 1	**24.05**	22.30	24.87	24.95	**8%**
Stationary combustion – natural gas	24.05	22.30	24.87	24.95	
Scope 2	**25.61**	64.11	73.31	62.99	**(60%)**
Purchased electricity – location based	3.00	64.11	73.31	62.99	
Purchased electricity – market based	22.62	—	—	—	
Scope 3	**203.67**	221.91	139.85	160.71	**(9%)**
Business travel	201.92	221.91	139.85	160.71	
Purchased goods and services – cloud data storage	1.75	2.07	—	—	
Total gross emissions	**253.33**	310.38	238.03	248.65	**(18%)**
Intensity ratios (tonnes of CO_2e per unit)					
Scope 1 and 2 tCO_2e emissions per £1m of revenue	**0.77**	1.30	1.54	1.44	(41%)
Scope 1, 2 and 3 tCO_2e emissions per £1m of revenue	**3.90**	4.66	3.73	4.08	(16%)
Scope 1, 2 and 3 tCO_2 per avg. employee count	**0.51**	0.63	0.50	0.43	(20%)

* Electricity usage from Competent Adviser office included from 14 July 2023; from AKG office from 25 October 2023; and from VouchedFor office from 1 November 2023.

** Gas usage from AKG office included from 25 October 2023; and from VouchedFor office from 1 November 2023.

Our impact continued

Non-Financial and Sustainability Information Statement

Under the amended Companies Act 2006, Fintel is now required to present a non-financial and sustainability information statement, and as an AIM listed business with more than 500 employees, this statement is only required to contain the disclosures set out within section 414CB(2A). These disclosures are based on of the Task Force on Climate-related Financial Disclosures ("TCFD"), a framework which Fintel has been working towards compliance with since the previous year. There are eight specific disclosure requirements under the revised legislation, organised under the same four pillars as TCFD ("Governance", "Strategy", "Risk Management" and "Metrics and Targets") and Fintel's disclosures against these can be found on pages 10 to 12.

Companies Act 414CB(2A) compliance summary

Disclosure	Page reference
A description of the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities	page 10
A description of how the company identifies, assesses, and manages climate-related risks and opportunities	pages 10 and 11
A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management process	page 12
A description of: (i) the principal climate-related risks and opportunities arising in connection with the company's operations, and (ii) the time periods by reference to which those risks and opportunities are assessed	pages 11 and 12
A description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy	pages 11 and 12
An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios	page 11
A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets	page 11
A description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based	page 12

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