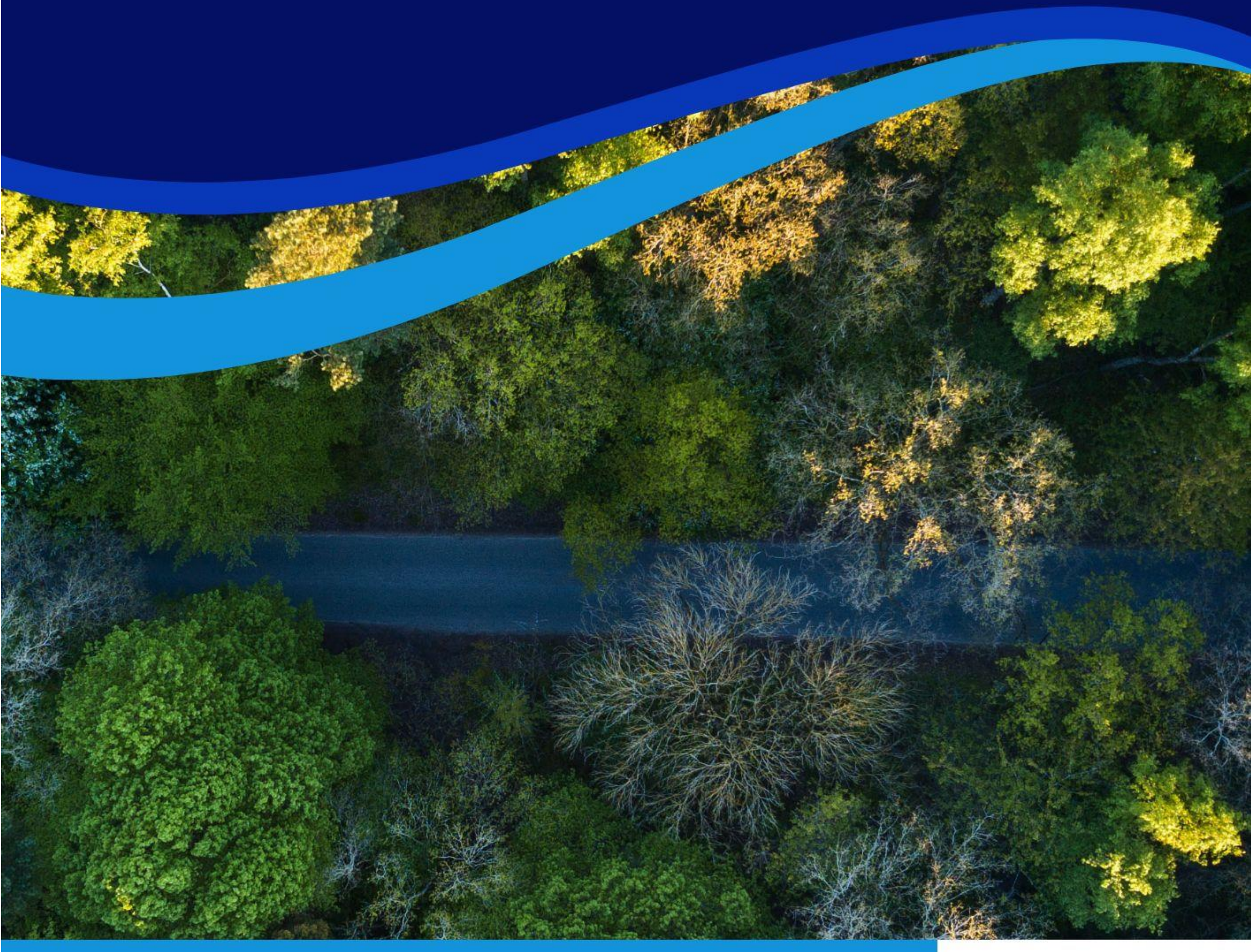
CLIMATE REPORT 2024

Mobius's approach to climate change and net zero
Taskforce for Climate-related Financial Disclosures (TCFD) Report



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Mobius Life

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Letter from our CEO

At Mobius Life, our five core values—look forward, think differently, aim high, stay agile and keep collaborating—guide everything we do, including our approach to climate action.

We're always working to improve, whether it's our client offering, how we operate, or how we manage climate-related risks and opportunities. This report builds on our first TCFD-aligned report and shows how our approach is evolving, and while our overall strategy and governance remain consistent, we continue to focus on improving data transparency and providing clients with meaningful ESG and TCFD insights.

We've also advanced how we calculate emissions from our operations and investments. As data availability improves, so will our reporting and disclosures.

I confirm that we remain committed to achieving net zero emissions in our own operations by 2030 for Scope 1 and 2, and by 2050 for Scope 3. Reducing emissions is a natural extension of our values and sustainability goals.

Introduction

Mobius Life Limited (Mobius Life) is an authorised unit-linked UK life insurance company. We are an independently owned business committed to helping institutional clients implement their investment strategies and meet their investment objectives. We offer clients access to an investment platform operating within a life company structure, supported by a wide range of investment services. Established in 1996, our roots stem from a multi-manager business and in 2014 we refocused our business as an independent institutional platform, whilst building on our solutions-orientated mindset. This fostered the development of our expertise in supporting solution design and execution for pension schemes. This capability, alongside an appetite to offer clients a bespoke experience has driven our growth.

Mobius Life aims to play a critical role in supporting sustainable investment by offering our clients a range of sustainable investment opportunities and the information they need to make informed choices. Our clients typically have a long investment horizon and a sustainable approach to investing is necessary to meet their goals and demonstrate good stewardship in their investments. We leverage our engagement in the marketplace and understanding of their needs to ensure we include investments in our fund universe that align with their investment strategy and beliefs. We give our clients freedom in determining their own approach to incorporating sustainability, including climate, in their investment strategies.

Our goal is to back this up by adopting sustainable practices throughout our own operations – including by achieving net zero emissions in our own operations by 2030 for Scope 1 & 2 and by 2050 for Scope 3 emissions.

This report covering the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), shown below, outlines the structures and processes in place to enable us to achieve these goals. It also provides information on the carbon footprint associated with our investment portfolio. The disclosures contained within this report are compliant with the requirements under Chapter 2 of the FCA ESG Handbook.

TCFD Recommendations

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organisation's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Disclose how the organisation identifies, assesses and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended Disclosures	**Recommended Disclosures**	**Recommended Disclosures**	**Recommended Disclosures**
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe manager's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	b) Describe the organisation's process for managing climate-related risks.	b) Disclose Scope 1, Scope2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
	c) Describe the resillience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	c) Describe the targets used by the organisation to manager climate-related risks and opportunities and performance against targets.

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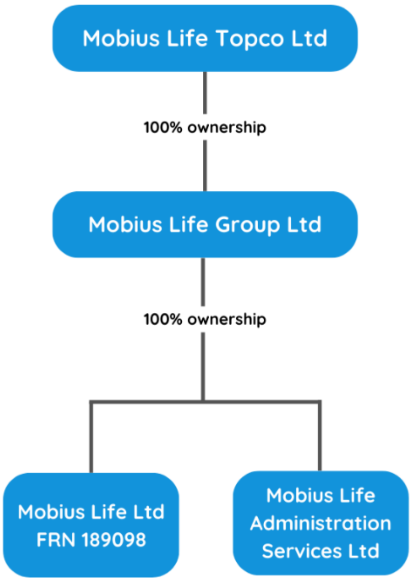
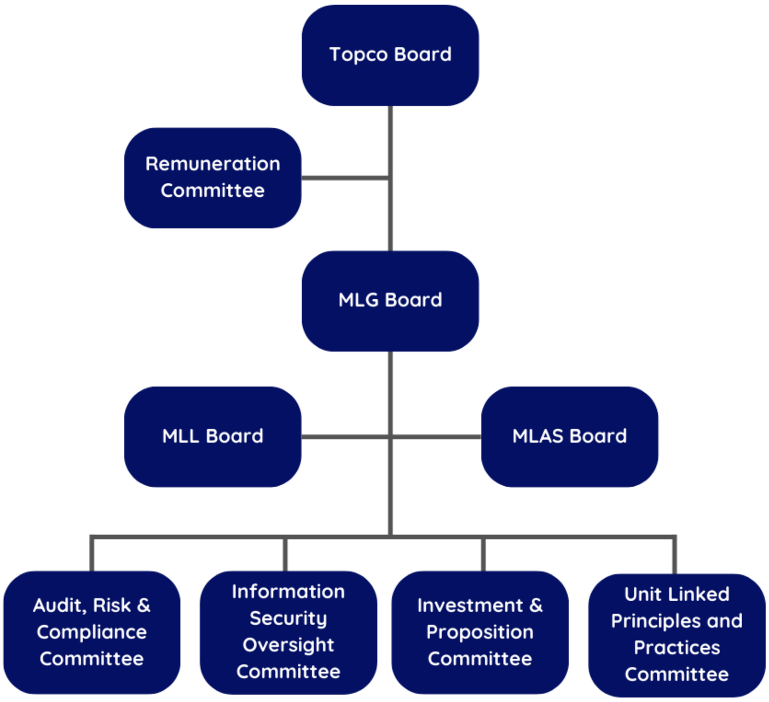
Governance

Our governance arrangements enable us to embed sustainability in the central forums for decision-making across the group. The following diagram is a simplified illustration of Mobius Life's group structure. The group consists of two operating companies: Mobius Life and Mobius Life Administration Services (MLAS). Mobius Life Topco (Topco), the holding company, is 100% owner of Mobius Life Group (MLG) and in turn both Mobius Life and MLAS. Mobius Life is regulated by the Financial Conduct Authority and Prudential Regulation Authority.



Mobius Life is committed to a strong governance framework. This is supported by a formal committee structure, set out below, with clearly defined roles and responsibilities apportioned across the directors and senior management team.



Further details of Mobius's wider governance framework can be found in the Solvency & Financial Condition Report available on our website.

Boards of group companies

Sustainability is embedded in the boards of all group companies: each has a defined responsibility for ensuring that each company is a responsible corporate citizen by having regard to the impact that its operations have on the environment and society. To reflect this, the quarterly board meetings of Mobius Life, MLAS, MLG and Topco have a standing agenda item to discuss sustainability developments and progress against agreed actions. This includes considering the group's climate targets and ambitions.

Mobius Life's Sustainability Strategy is built around three pillars: our internal operations; our funds and client reporting; and our supply chain. It sets out the group strategy and overarching principles in respect of sustainability. It also sets out planned actions to further the group's sustainability objectives, including regarding climate. It is annually reviewed and approved by the boards of Mobius Life and Topco.

The Mobius Life board also reviews and approves this annual Climate Report.

Audit, Risk & Compliance Committee

The Audit, Risk & Compliance Committee (ARC) is composed of Mobius Life non-executive directors and is responsible for oversight and maintenance of the risk framework. This includes the framework for management of climate-related financial risks. ARC annually reviews the approach to management of climate-related financial risks as part of the Own Risk and Solvency Assessment exercise and considers the adequacy of management's response to key risks on an ongoing basis.

Investment & Proposition Committee

The Investment & Proposition Committee (IPC) is composed primarily of management with one non-executive member and reports regularly to the ARC and Boards. It has a particular role in considering the second pillar of Mobius Life's sustainability strategy: the fund range and reporting that Mobius Life offers to clients to support them in meeting their sustainability and climate objectives. It considers sustainability developments relating to that pillar as part of its quarterly standing agenda.

The IPC also reviews and approves the annual Stewardship Policy Report. This provides details of Mobius Life's engagement with asset managers on topics including climate change.

Management

Our Chief Risk Officer, Rowena Scarbrough, is the designated executive sponsor for sustainability with day-to-day responsibility for ensuring that agreed activities to achieve Mobius Life's objectives and climate targets are being progressed and reporting on them to the executive team and boards. She is also responsible for the management of climate-related financial risks.

The executive team are responsible for ensuring our climate strategy is delivered within their remit, including identifying climate-related opportunities and risks and ensuring that they are appropriately addressed.

An internal group of staff sustainability champions support the development and implementation of initiatives including measures to address our green-house gas emissions, ensuring that sustainability is embedded throughout the organisation and that our plans reflect the realities of our business operations.

Strategy

Mobius Life's Sustainability Strategy is to play a critical role in supporting sustainable investment by offering our clients a range of sustainable investment opportunities and the information they need to make informed choices. And then to back this up by adopting sustainable practices throughout our own operations – particularly in respect of our staff, who are at the heart of our business.

We acknowledge the significant impact of climate change on our business, policyholders, and the broader economy. Therefore, we have integrated climate considerations into our overarching business strategy, ensuring resilience and sustainability amidst various climate scenarios. Climate impacts are considered across a range of business decisions and demand for climate-focused products and reporting is shaping our future business.

The following sections outline how climate is embedded in each of the three pillars of our sustainability strategy and the opportunities that the climate transition may offer for Mobius:

Internal operations

We have established targets for reducing greenhouse gas emissions and achieving net zero in our own operations, as set out in more detail later in this report. As well as reflecting our sustainability strategy and contributing to mitigating the potential adverse effects of climate change, this is also an opportunity to reduce our operational costs and enhance our resilience by adopting sustainable operational practices such as lower energy consumption.

During 2024 climate considerations were incorporated into decision-making on our office move: our new location benefits from a renewable electricity tariff and better availability of data that will allow us to monitor and manage our carbon footprint.

Climate and sustainability more broadly were also taken into account in the selection of a new pension provider for our staff.

Funds and client reporting

Our clients typically have a long investment horizon and beyond the moral drivers to ensure good stewardship in their investments, a sustainable approach to investing is necessary to meet their goals. We actively engage with our clients and consultant partners to ensure we understand their requirements, adding their requested investments to our fund universe. We are dedicated to empowering investment opportunities, facilitated through a fund range that allows trustees to select funds that align with their values, goals and policies. These include a range of active and passive funds with specific ESG or climate objectives, and bespoke funds where clients are advising managers to invest in a specific way relative to their own sustainability strategy.

The shift in the market environment, transitioning from an era of low inflation and relatively stable growth to one marked by increased market volatility, underscores the importance of prudent risk

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diversification. We have been focusing on the integration of illiquid assets for DC schemes and Master Trusts. We have harnessed our systems and expertise to address and overcome the operational challenges that traditionally hinder DC schemes from venturing into private markets. In doing so, we have worked with asset managers and clients to provide access to investments such as renewable energy and sustainable infrastructure. Access to these areas of private markets allow clients to have a more direct and measurable impact from a climate perspective.

Positioned uniquely between asset owners and asset managers, we leverage our position to provide trustees with the essential information they need from their managers, enabling them to create both compliant and meaningful disclosures. Transparent data has historically been difficult to come by, so our stewardship journey has centred around our ambition to empower schemes to report with more confidence through better data.

A key area of activity for us is developing our ESG and TCFD reporting capability. Our ESG questionnaire tackles this directly at the fund level, asking asset managers for a breakdown of votes made for and against management while identifying when asset managers have abstained from votes or used a third party. We also ask for more detailed information around some of the key votes and engagements to provide further context to our clients.

We have then focused on helping our clients understand the climate position of their portfolios. Since the introduction of our TCFD reports for our clients in 2021, we have continued to support our clients with measuring and monitoring climate-related metrics. These range from the foundational metrics of Scope 1,2 & 3 emissions to extending this to reflect data quality which includes reported, estimated and unavailable data. While asset managers are generally less progressed in providing TCFD data versus general ESG data, we have seen an increase in the volume of meaningful metrics received. We have engaged with asset managers on the units, methodology and sources used in the production of metrics. We found that this standardises the data more and reduces subjectivity in interpretation and enhanced the quality of the data received, although there remain significant challenges in this area as set out later in this report.

Supply chain

Our third-party management framework mandates consideration of suppliers' climate impact and sustainability policies and goals as part of due diligence. As we develop our plans to reduce the greenhouse gas emissions associated with our supply chain, we expect to increase our engagement with specific suppliers on their own efforts to reduce emissions and ensure that they align with our climate targets.

Risks

Climate change presents a spectrum of physical and transition risks (see box on the following page for details). However, Mobius has only limited exposures to climate-related risks due to its business model. In particular, Mobius's clients bear the market risk associated with their investments - and therefore any impacts on the value of financial assets from climate change or the transition to a low-carbon economy. The following describes the areas where Mobius may have exposure to climate-related risks: later in this report we set out how these risks are managed.

Financial risks

Since some of Mobius Life's charges are a percentage of Assets under Administration (AuA), Mobius does have an indirect exposure to impacts on the value of financial assets from physical and transition risks as its revenues could be impacted by any falls in AuA. These could primarily occur as a result of transition risks, as the value of investments in companies adversely affected by the transition adjusts over time. They could also reflect physical risks such as falls in the value of property funds whose underlying assets are damaged by extreme weather.

However, Mobius Life's clients are all either pension schemes or insurance companies and are subject to regulatory requirements to manage their climate-related financial risks: for this reason Mobius Life revenues are unlikely to develop undue exposure to climate-risky assets.

Mobius's expenses could also be impacted by climate change: they might be directly affected by changes to tax and regulation associated with the transition and there could also be inflationary impacts in some scenarios with broader implications for expenses. In a scenario where physical risks are high, there could also be costs associated with reinforcing operational resilience arrangements.

Physical risks relate to the acute and chronic impacts of climate change on extreme weather events and the climate. Acute risks include floods, storms, and heatwaves, which can affect the value of assets such as property and the business operations of companies. Chronic physical risks, such as rising average temperatures and sea level, pose long-term challenges to economic stability and investment performance.

Transition risks are those arising from the transition to a low-carbon economy, including legal and policy changes and the consequences for businesses of the economic shift and technological change. Regulatory changes, such as carbon pricing and emissions reduction targets, may alter operating costs and financial outcomes for businesses. Developments in low-carbon solutions may disrupt existing industries, affecting market values. Additionally, growing stakeholder awareness and concern about climate change can impact business performance.

Operational risks

It is possible that physical risks (such as flooding or other extreme weather events) could impact Mobius Life operationally: either directly or via third-party providers. The risk of direct impacts is inherently low given the group's central London location in an area with a low probability of flooding and our embedded and effective use of remote working across all business areas.

Strategic risks

Given strong client demand for climate-focused solutions, the key risk for Mobius Life is the strategic and reputational risk if we do not keep pace with continuing market developments in this area and if our proposition does not continue to meet client needs.

Like other businesses, Mobius Life is also exposed to the risk that new climate regulations may impose additional costs in the future.

Scenario analysis

Scenario analysis is an important tool to test the resilience of our strategy and assess the scale of our risk exposures. We consider three climate scenarios representing a range of potential policy and environmental paths:

- Orderly Transition
  This scenario assumes strong policy action that commences at an early stage and builds over time, likely limiting global warming relative to pre-industrial averages to below 2°C. In this scenario our clients, particularly given their access to professional investment advice and sophisticated investment opportunities, are well-positioned to anticipate and adapt to shifts in markets, technologies and policy that arise from the transition. This supports the effective execution of our strategic plans to grow AuA. An orderly transition may boost demand for specialist investment solutions that can provide exposure to opportunities related to the transition to a low-carbon future: as outlined above, Mobius Life is in a good position to facilitate access to those solutions through our proposition.

  Orderly Transition
  - Limited impacts on asset values
  - Limited impacts on expenses

  We would expect that in this scenario Mobius Life would have the opportunity to adapt in an orderly fashion to new regulations that might increase its costs in future (such as carbon taxes or additional reporting requirements) and incorporate these into its business plans and budgeting.

In this scenario it is critical that Mobius Life continues to develop its range of funds to meet clients' evolving investment requirements. If we fail to do so, there is a strategic risk as described above that we might lose or fail to win clients, if other partners could better meet their investment needs in the transition period. This underlines the importance of our continuous work to ensure our fund range satisfies our clients' needs.

- Disorderly Transition
This scenario anticipates delayed or inconsistent policy action, leading to a disorderly transition characterised by abrupt regulatory changes and market shifts. Sudden changes occur in the regulatory and economic landscape; global warming is limited to below 2°C, but the required emission reductions are achieved more sharply, at higher costs and with greater physical risks along the transition path.

Disorderly Transition
- Moderate impacts on asset values
- Moderate impacts on expenses
- Limited impacts on operational continuity

In this scenario we would expect to experience some falls in our Assets under Administration, and therefore in our revenues, due to the impacts of physical and transition risks on the funds selected by our clients. Policy uncertainty would lead to a higher investment premium across numerous asset classes. We might also see increased volumes of operational activity as market volatility could lead our clients to restructure their investments more frequently and there could be a higher rate of fund closures.

Mobius Life might also incur additional costs unexpectedly or without notice relating to policy and regulatory changes, impacting us financially until it was possible to adjust business plans to compensate for the new costs. In addition, carbon pricing might be introduced precipitately in this scenario and have an inflationary impact.

As noted above, our operational exposure to extreme weather events would be limited. However, in this scenario it is possible that power supplies might be disrupted or rationed at times or that some of our suppliers might experience disruption due to the physical risks of climate change. Our operational resilience framework is designed to ensure that where we have suppliers who are critical to the important services we provide to our clients, we have alternative arrangements available in case of disruption or have assured ourselves that they have sound operational resilience arrangements in place to provide continuity of service in extreme weather events.

- Hothouse World
This scenario assumes limited mitigation efforts in which only current implementation policies are achieved and current commitments are not met. The result would be high greenhouse gas emissions, leading to severe physical risks associated with rising temperatures, as well as severe social and economic disruption.

Hothouse World
- Material impacts on asset values
- Moderate impacts on expenses
- Limited impacts on operational continuity

This scenario could have severe impacts on asset values, with damage to property and the dampening of economic prospects for companies across a range of sectors. Mobius Assets under Administration and revenues would be impacted accordingly. Management actions would be required to adjust our strategy and ensure expenses remained commensurate with revenues.

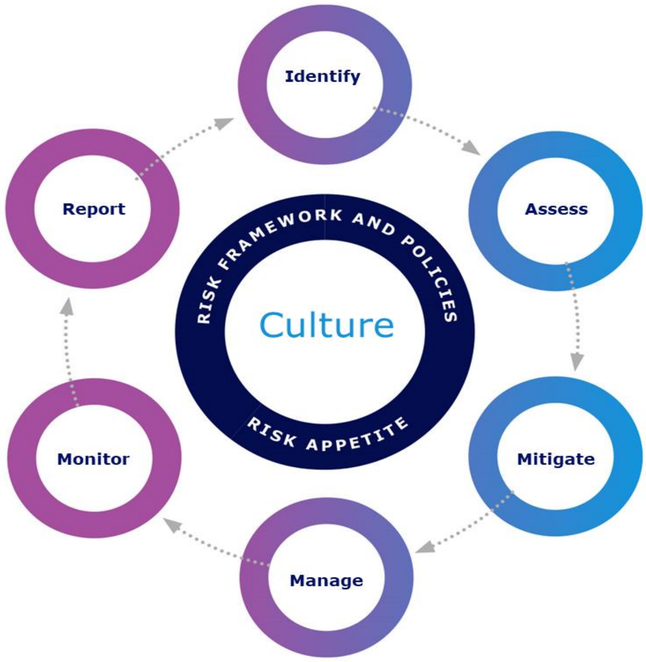
As in the previous scenario, Mobius Life's suppliers might experience disruption from extreme weather events. In this scenario the disruption might be more frequent and increasingly severe. It could be that existing operational continuity arrangements would need to be upgraded or enhanced to respond to the changing environment, leading to additional one-off or ongoing costs.

In addition to the above qualitative analysis, we quantify a range of scenarios as part of our annual Own Risk and Solvency Assessment (ORSA), analysing the potential financial impacts over our business plan period. Given the limited materiality of climate risks for our business we do not perform quantitative analysis of specific climate scenarios. However, some of the scenarios that we test assume there are falls in our Assets under Administration which could reflect the impact of physical or transition risks on our investments, and another assumes increases in our expense base that could be the result of climate transition-related costs.

Our climate-related scenario analysis informs our assessment of operational resilience. Our investment allocation is predominantly determined by our clients' fund selection choices; however, our efforts to ensure a range of sustainable solutions are made available to them enables our clients to mitigate their climate risks and, by extension, the indirect exposure we have to falls in asset values.

Risk Management

Management recognises the global significance of the climate change threat: however, as described above due to its business model Mobius's exposure to climate-related risks is limited compared to most other insurers. Given the low materiality of climate-related risks for Mobius, the current approach is to manage the risks in line with the broader risk management framework and not to adopt climate risk-specific measures. We give them specific consideration as part of our annual Own Risk and Solvency Assessment (ORSA) exercise to validate that this approach remains appropriate and in line with their materiality.



The following sections describe Mobius Life's over-arching risk management framework as it applies to climate risks.

The Group is committed to a strong control environment and operates a three line of defence model in the management of its risks. The first line of defence is the responsibility of the owners and managers of the risks associated with the day-to-day business activities. The second line of defence is the risk and compliance functions in providing oversight and assurance of the first line of defence. The third line of defence is internal audit and tests the effectiveness of the control environment.

Risk identification and assessment

We identify risks primarily through reporting from relevant business areas. This is supplemented by Risk function activities such as review of business proposals, analysis of incidents and risk reviews, which may also result in the identification of risks. Finally, we carry out an annual emerging risk review where we consider developments in the external environment and within our business.

A specific review of climate risks was carried out in 2021 which identified the climate risks described earlier in this report. These risks are managed within broader risk categories identified through these ongoing processes.

Mobius assesses and documents risks in a risk register, which includes a description of the risks to which the Group is exposed and risk rating pre- and post-mitigation. Risks are broken down to a granular enough level to facilitate clear ownership and visibility of important risk drivers. The risk rating is based on the scoring of impact and likelihood. The impact score covers not only financial impacts, but also reputational and regulatory impacts and any disruption to business operations.

The Risk function is responsible for periodically reviewing the first line assessments of risks, and where appropriate challenging their conclusions. Risk will monitor the position against relevant limits and KRIs to support this review and challenge.

The climate risks are assessed in the same way as other risks to the business.

Risk management

First line business areas are responsible for managing risk exposures within the appetites, limits and KRIs set out in the risk management framework and risk policies by implementing and operating appropriate processes and controls. Where risks exceed risk appetite, actions should be identified by the risk owner to mitigate the risk.

The following table sets out Mobius Life's management of the climate-related risks described earlier in this report:

Financial risks Indirect exposure to fall in AuA due to climate risks	Unit-linked assets are selected by policyholders rather than by Mobius Life. Mobius' initiatives to provide clients with more information and reporting on the climate risks in their portfolio should help to mitigate this risk. Mobius requests evidence of fund managers' adherence to funds' ESG policies during onboarding and ongoing reviews.
Financial risks Expense increases due to climate risks	All expenses, including any which may arise from climate risks, are monitored and controlled on an ongoing basis and any anticipated increases are taken into account in annual business planning processes.
Operational risks Impact on Mobius or supplier operations	Mobius Life's operational resilience framework ensures that continuity planning and contingency arrangements are in place for all third parties that support our important business services, mitigating the impact of disruption to their operations. In the case of climate-related events such as extreme weather events we have considered the following scenarios and how to mitigate the respective disruption to the business: • Unavailability of the office or power outage at the office: all staff are able to work from home and access all necessary resources. • Failure of internet connection at the office: backup internet line is in place and could be switched to if the main line is down; staff are also able to work from home. • Unavailability of staff home internet connections: staff can work from the office. Where suppliers are critical to the delivery of important services, we incorporate them into our operational resilience framework and ensure that they have appropriate continuity arrangements in place or that we have contingency options available.
Strategic risks Mobius fails to meet client demand for climate-focused solutions	As described earlier in the report, we actively engage with our clients and consultant partners on an ongoing basis to ensure we understand their requirements. In addition, an annual assessment of Mobius' ESG maturity is carried out by an external consultancy to help ensure that we are continually identifying and implementing actions to maintain the sustainability of our business, including with respect to climate.
Strategic risks Introduction of new climate regulations	Mobius monitors legal and regulatory developments on an ongoing basis to ensure that any changes are identified and implemented appropriately.

Risk measurement, monitoring and reporting

Given the materiality of climate-related risks the current approach is qualitative, and no quantitative metrics have been put in place. However, as these risks are part of broader risk categories, they are

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implicitly monitored through the wider framework for risk measurement, monitoring and reporting, including monthly Management Information.

The Risk function must carry out an ORSA at least annually, for which the requirements are set out in the ORSA Policy. The ORSA process links the group's risk framework to the business and capital planning projections, to produce a forward-looking assessment of the group's risk and solvency profile. The ORSA report must be approved by the Boards of MLL and Topco.

The ORSA process includes the performance of stress tests and scenario analysis to support the assessment and monitoring of risks. Ad hoc stress testing is considered in support of business decisions likely to have a material impact on capital and liquidity. This could include but is not limited to: acquisitions; the introduction of a new line of business; or changes to the investment strategy for corporate capital.

Being positioned between asset managers and asset owners Mobius leverages its position to deliver essential information to its clients. This includes data from fund managers on climate risk metrics and whether and how ESG practices are considered in their investment approach. One of the challenges Mobius has faced with the data was a lack of standardisation in methodologies. Mobius has undertaken work to look into the transparency of units, methodology and sources used in the production of metrics with a view to reducing subjectivity in interpretation and enhancing oversight. However, we recognise there is further work to be done and continue to improve our processes and engagement with asset managers.

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Metrics and Targets

In this section we set out the key climate metrics that we monitor in respect of our own operations and the investments that we hold in respect of our insurance business. We also set out the targets that we are aiming for in our own operations.

We do not set targets for the climate footprint of our investments, since the investment allocation is determined by our clients in selecting from our range of funds. MLL's clients are pension schemes and insurers, many of which are subject to their own regulatory requirements to consider and articulate their climate strategies and targets. We ensure that our fund range includes sustainability funds enabling our clients to implement those strategies and achieve their targets.

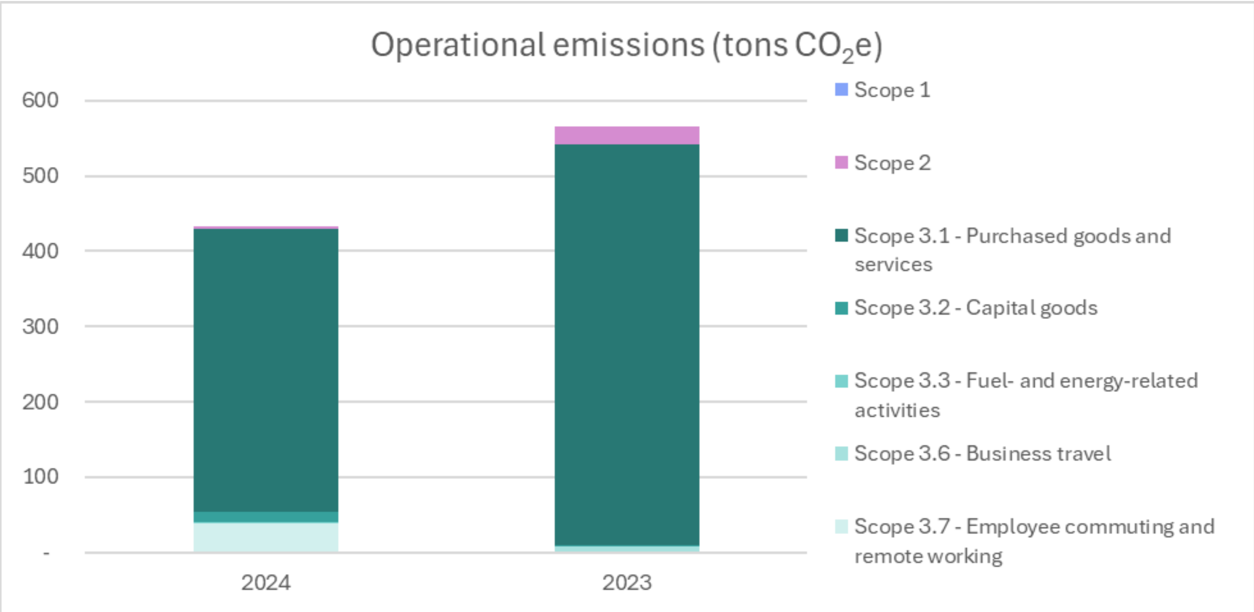
Our Operations

Our climate commitments

⇒ 2030: Net zero Scope 1 and 2 emissions
⇒ 2035: 50% reduction in Scope 3 emissions
⇒ 2050: Net zero Scope 3 emissions

These targets are in respect of greenhouse gas emissions relating to our own operations. The targeted reduction in Scope 3 emissions by 2035 is a reduction in the absolute carbon emissions from our 2023 baseline.

This section of our report sets out current estimated greenhouse gas emissions for all companies in the Mobius group. There are a number of limitations in the estimates presented: we will continue to iterate and improve our ability to gather the necessary data. For this year's report, an improved carbon calculator has been used taking into account a broader range of inputs and providing results for additional categories of Scope 3 emissions.



The 2024 estimate of Mobius's carbon footprint has been estimated using the SME Climate Hub's Advanced Business Carbon Calculator, developed with Equipoise, a consultancy that offers emissions measurement among other services. The calculator follows the Greenhouse Gas (GHG) Protocol, the widely-used international protocol for carbon accounting, and combines data on Mobius's activities (including expenses, energy usage and remote working) with country or industry emissions data to produce an estimate of our emissions. Based on the updated calculation, Mobius's reported carbon emissions for 2024 are lower than in 2023, seemingly reflecting updates to the emissions factors for different categories of expenditure.

		2024	2023
Scope 1 emissions (tons CO2e)		**0**	**0**
Scope 2 emissions (tons CO2e)		**4**	**24**
Scope 3 emissions (tons CO2e) - total		**429**	**542**
Category 1 – Purchased goods and services		375	533
Category 2 – Capital goods		15	2
Category 3 – Fuel- and energy-related activities		1	n/c
Category 6 – Business travel		n/c	7
Category 7 – Employee commuting / remote working		38	n/c
Intensity per FTE	**Scope 1 & 2**	0.05	0.31
Tons CO_2e per average FTE over the period	**Scope 1, 2 & 3**	5.39	7.45

In the above table 'n/c' indicates that the relevant category was not included in the calculations.

The following table provides more information on the scopes and categories that greenhouse gas emissions are broken down into, how they apply to Mobius and how Mobius's emissions have changed since the previous year:

	Description	Mobius emissions
Scope 1	Direct GHG emissions that occur from sources owned or controlled by the reporting company, e.g. emissions from boilers, furnaces, vehicles etc that the reporting company owns or controls	Mobius does not generate any direct emissions in this way
Scope 2	Indirect GHG emissions from the generation of electricity, steam, heating or cooling that is purchased/acquired and consumed by the reporting company	Mobius consumes electricity and heating/cooling for our office also generated by electricity. The reduction in reported Scope 2 emissions appears to reflect a change in the emissions factors used in the calculator, as MLL energy usage was flat. Following an office move during 2024, Mobius is now using a renewable electricity tariff – the emissions calculator does not make any allowance for this.
Scope 3	All other indirect GHG emissions – further broken down into 15 categories: • Category 1 – Purchased goods and services • Category 2 – Capital goods • Category 3 – Fuel- and energy-related activities • Category 4 – Upstream transportation and distribution • Category 5 – Waste generated in operations • Category 6 – Business travel • Category 7 – Employee commuting / remote working • Category 8 - Upstream leased assets	Mobius's emissions primarily fall into Scope 3. Mobius's Scope 3 emissions are largely from our purchased goods and services, reflecting our use of outsourcing and third-party supplier arrangements such as for our data centres. The reduction in emissions in this category appears to reflect updates to the emissions factors as Mobius expenditure in relevant categories increased. Emissions associated with the purchase of capital goods were higher in 2024 due to the office move, which entailed expenditure on furniture and other items.

	• Category 9 – Downstream transportation and distribution • Category 10 - Processing of sold products • Category 11 – Use of sold products • Category 12 – End-of-life treatment of sold products • Category 13 – Downstream leased assets • Category 14 – Franchises • Category 15 - Investments	The improved calculation now includes an allowance for fuel and energy-related activities not already captured in Scope 2 (such as upstream emissions of purchased electricity and transmission & distribution losses), which are not material for Mobius. There is also now an allowance for emissions associated with staff working from home under Mobius's hybrid working policy. This includes an allowance for a temporary increase in remote working while the office move was underway. Certain categories relevant to Mobius are omitted from this calculation, see below.

The following Scope 3 categories relevant to Mobius are not captured by the calculations used to prepare this estimate. We will work to ensure these are incorporated in future years and will recalculate our baseline year emissions incorporating them.

- Category 5 - Waste generated in operations (including water usage)
- Category 6 – Business travel – not included due to limitations in data availability to support more detailed calculation, but not material given the nature of Mobius's business activities
- Category 7 - Employee commuting / remote working – although emissions associated with remote working have now been included in the calculations as set out above, employee commuting emissions have not been reflected due to limitations in internal data availability

When we report Scope 3 operational emissions, in common with many insurers we do not include emissions from our investments (category 15): those are set out in the next section of this report. We also do not include emissions from the fund managers whose funds we invest in, as the selection of fund managers is determined by our clients and not directly by Mobius.

Investment portfolio

As an institutional investor we hold investments with more than 80 different investment managers, primarily in collective investment schemes. This means that collecting and collating emissions data across the range of funds is unusually challenging. In this second TCFD report we have adopted a new approach to addressing this.

The 2024 emissions data reported is based on selecting a single fund or weighted combination of two or three funds held on the Mobius platform to represent each asset class. These proxies have been selected with a view to best representing Mobius's investments in each asset class: the selection process took into account practical considerations, such as the timely availability of data in line with reporting deadlines, and a comparison of climate metrics with 2023 reporting and a wider sample of fund holdings in the same asset class. The reported emissions data of each proxy have been adjusted to the relative size of Mobius's holdings of each asset class to its proxy to produce an estimate of our investment portfolio emissions. This is a change from last year's methodology, where we collected data from the fund managers individually to estimate the emissions metrics for each investment. While this year's approach relies on material assumptions and takes into account less of the detail of individual fund emissions – fund emissions vary widely and so the selected proxies will not be a close match for all funds at an individual level - our holdings in each asset class are diversified across a wide range of funds, so we consider this to produce a reasonable aggregate estimate of financed emissions. It also removes some of the issues with inconsistencies of calculation methodologies between different fund managers and enables us to produce estimates for a larger share of AuA (83% compared to 73% in 2023).

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Mobius Life Limited Assets	2024		2023	
	Scope 1&2	Scope 3	Scope 1&2	Scope 3
AuA (end Dec) (£bn)	26.9		20.7	
AuA with data proxied (end Dec) (£bn)[1]	22.3		14.7	
Financed carbon emissions (FCE) ('000s tCO2e)	1,106	12,429	914	4,073
Financed emissions intensity (tCO2e/£m invested)	50	557	63	399
Weighted Average Carbon Intensity (WACI) (tCO2e/£m revenue)	104	1,107	96	896

Note: Definitions of the above metrics can be found in the Glossary section.

Financed emissions were not estimated for all asset classes: the asset classes covered by this methodology were equity, corporate bond, government bond and multi-asset funds totalling £22.3bn. Alternatives, LDI, cash and smaller asset classes were not included given the size of holdings, challenges in sourcing appropriate data and in the case of alternatives a lack of homogeneity and therefore low representativeness of a single proxy for the book of assets. This has been identified as an area for potential improvement in future iterations of this report.

We have not independently verified the data reported by the fund managers. The figures are also based on our fund holdings as at end December 2024 – in practice the allocation to different asset classes (with differing emissions associated with them) varied throughout the year.

There is greater data availability for Scope 1 & 2 emissions than for Scope 3: this reflects widespread challenges across the industry in collating Scope 3 data. The Scope 3 figures shown only reflect corporate Scope 3 emissions and do not include any allowance for sovereign Scope 3 emissions. It is hoped that the quality of data for Scope 3 will improve over time.

Fund managers were not always able to source or estimate emissions data for all of the investments in a fund. The following table sets out the data coverage for the proxy funds, that is the percentage of assets covered by each metric, weighted by Mobius's holdings in each asset class to produce an overall figure:

Asset Class	Carbon Footprint (Scope 1&2)	WACI (Scope 1&2)
Equities	98.0%	98.8%
Fixed Income: Corporate Bonds	56.5%	77%
Fixed Income: Government	100%	100%
Multi Asset	74.7%	86.5%

[1] For 2023 this is the AuA with data received from the fund manager.

Within this there are significant differences between asset classes: coverage for corporate bonds is lower than for equities or gilts. In our calculations we have not adjusted the metrics for the percentage of assets not covered by the proxy funds' data.

Compared to 2023, carbon emissions are higher, mostly due to the overall increase in AuA and increase in AuA covered by the emissions estimates. Financed emissions intensity is lower, but WACI is higher. We have not determined the exact cause for this disparity, but it is possible the revenue of underlying corporates has declined relative to their emissions, increasing WACI (without impacting carbon footprint) or that the reduction in financed emissions intensity reflects capital appreciation of assets reducing emissions per pound invested.

The table below shows total emissions categorised by asset class.

	2024			2023		
Asset Class	**AuA with data proxied (£bn)**	**Total Carbon Scope 1 & 2 Emissions ('000s tCO2e)**	**Total Carbon Emissions Scope 3 ('000s tCO2e)**	**AuA with data received (£bn)**	**Total Carbon Scope 1 & 2 Emissions ('000s tCO2e)**	**Total Carbon Emissions Scope 3 ('000s tCO2e)**
Equities	13.69	556	8,363	6.76	407	2,514
Fixed Income: Corporate Bonds	3.96	202	2,188	2.06	108	931
Fixed Income: Government	1.87	139	Not Reported	2.09	168	10
Multi Asset	2.80	210	1,878	1.93	105	543
LDI	0	Not Reported	Not Reported	0.79	110	20
Alternatives	0	Not Reported	Not Reported	0.20	4	4
Cash	0	Not Reported	Not Reported	0.85	14	51
Total	**22.32**	**1,106**	**12,429**	**14.69**	**914**	**4,073**

From an attribution perspective, equities were the largest contributor to the increase in carbon emissions. However, across the book as a whole the associated emissions did not increase by as much as AuA: emissions increased 21% relative to last year whilst AuA increased 29%. This can be partly explained by the a substantial proportion of the increase in equity AuA being held in large funds tracking ESG benchmarks, reducing overall financed emissions intensity.

Glossary

Term	Definition
Financed Carbon Emissions (FCE)	*Financed Carbon Emissions represent the total greenhouse gas emissions associated with a portfolio of investments. Calculated in this report as follows:* $$\sum Proxy\ Fund\ Emissions \times \frac{Mobius\ Proxied\ Asset\ Class\ Market\ Value}{Proxy\ Fund\ Market\ Value}$$
Financed emissions intensity	*This metric represents the financed emissions normalised by AuA value. Calculated in this report as follows:* $$\frac{Financed\ Carbon\ Emissions}{Mobius\ AuA\ Proxied}$$
GHG	*Greenhouse gas*
Network for Greening the Financial System (NGFS)	*The 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.*
Scope 1 emissions	*Direct GHG emissions that occur from sources owned or controlled by the reporting company, e.g. emissions from boilers, furnaces, vehicles that the reporting company owns or controls*
Scope 2 emissions	*Emissions from the generation of purchased electricity, heating, cooling and steam.*
Scope 3 emissions	*Emissions from: purchased goods and services; business travel; employee commuting; waste disposal; use of sold products; transportation and distribution (up and downstream); leased assets; and franchises.*
Weighted Average Carbon Intensity (WACI)	*Weighted Average Carbon Intensity is a measure of the portfolio's exposure to emission-intensive companies, calculated as the weighted average sum of carbon emissions per million pounds of issuers' revenues (or GDP in the case of sovereign issuers).* $$\frac{\sum Mobius\ Proxied\ Asset\ Class\ Market\ Value \times Proxy\ Fund\ WACI}{\sum Mobius\ Proxied\ Asset\ Class\ Market\ Value}$$

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