

Responsible Investment at IG

Purpose

This document sets out IG Group's approach to responsible investing. It describes the processes surrounding the onboarding, custody and investment of Group's own funds and segregated and non-segregated client money. It has been created with reference to the Group's ESG framework, risk appetite and regulatory requirements and is monitored as part of the Group's governance structure.

Introduction

The Group provides access to a wide range of financial instruments for clients within our target market that can demonstrate they have the relevant understanding of our products.

The Group offers market making and brokerage services and does not make trading or investment decisions on behalf of its clients, other than in its capacity as a custodian of client money.

This document details how responsible investing principles are integrated into the business.

1. Client onboarding & product suitability

Leveraged derivatives products are not suitable for all individuals and the Group has rigorous onboarding criteria to ensure that only appropriate clients can access our products.

The Group will reject OTC derivatives account applications from customers:

- with conservative risk appetite;
- seeking stable long-term capital growth or income;
- lacking demonstrable knowledge of our products; and
- with income or savings not meeting minimum levels required by the Group.

The Group's OTC products are targeted at active traders, as outlined in our target market determinations. Clients trading these products typically have short holding times with most positions opened and closed intraday.

Clients not meeting the onboarding criteria for a leveraged trading account may be offered a share dealing account.

Instruments available for trading on the Group's platforms must typically pass relevant appropriateness tests for admission to listing and secondary trading on a regulated underlying market.

The Group also offers a range of sustainable investing and ESG thematic ETFs providing our clients with access to responsible investment vehicles.

2. Fair value & execution model

The Group's pricing protects clients from the extremes of liquidity occasionally seen on central limit order book exchanges and electronic execution venues.

Our OTC derivatives clients benefit from:

- Fixed spreads – the vast majority of trades are against capped spreads, irrespective of the top-of-book spreads in the underlying market.

- Predictable liquidity - the liquidity we provide to clients generally changes with the time of day, not with underlying market spreads.
- Enhanced liquidity - our “touch” liquidity exceeds market top-of-book liquidity in all but rare cases.
- Extended trading hours - our operating model ensures maximum market coverage, including extended sessions on stocks.

3. *Customer insights & education*

IG Group provides educational content to help existing and potential new clients to gain a better understanding of our products, the underlying markets and effective risk management.

More detail is provided in the Group product governance policy.

The Group is further committed to promoting financial literacy across society, not just our client base. Financial Freedom Hub is targeted at individuals at the beginning of their journey and learning the basics of financial literacy.

The Group’s commitment to education is also reflected in our pledge to contribute 1% of post-tax profits to charitable initiatives focused on ‘empowerment through education’.

4. *Customer support and communication*

IG Group provides round the clock support to all our clients to assist with queries and we use post trade analysis to monitor good outcomes. Our most sophisticated clients receive a personalised service through a dedicated relationship manager.

The Group prioritizes clear, transparent, and timely communication with our clients throughout their trading journey. We provide updates on market conditions, industry trends, and potential risks to our clients to empower them with the information they need to make informed and responsible investment decisions.

5. *A responsible custodian of client money*

The Group strictly adheres to all client money rules, taking the highest standard set by the Financial Conduct Authority (FCA) in the UK and applying them worldwide where possible. Such monies are classified as either cash and cash equivalents or segregated client funds in accordance with the relevant regulatory requirements or legal protections attached to the monies.

When investing IG Group’s own corporate cash and client money, our primary concern is to ensure the security of and access to these funds, with yield a secondary consideration. Cash is held in bank deposits (overnight and notice/term), money market funds and government securities.