

# Creating a better future together



# Creating a better future together

We are the UK's largest long-term savings and retirement business.<sup>1</sup> Our purpose is helping people secure a life of possibilities. We want to help people journey to and through retirement while shaping a better future. It has never been more important to take action to make living better longer lives a reality for all of us. This includes engaging people, innovating to provide solutions at scale, and collaborating with policy makers and businesses to talk about how we achieve this together.

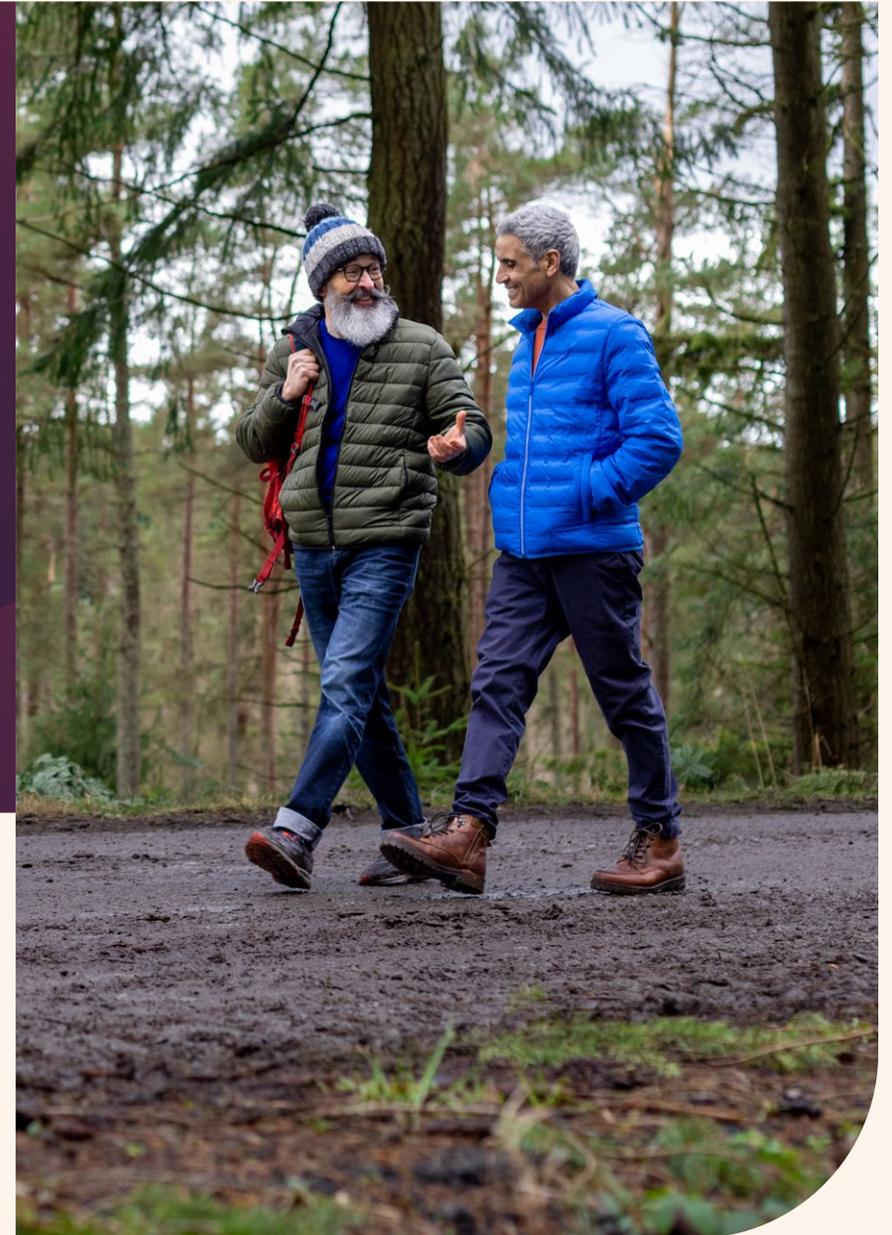
## We're shaping that conversation.

Our approach focuses on two key areas:



We have developed a Climate Action Model to transition our business to net zero by 2050. This includes using our position of influence to engage with the high emitting companies in which we are invested. Full details can be found in our **Net Zero Transition Plan**.

<sup>1</sup> Company analysis August 2024 based on life technical provisions



# Welcome to our Sustainability Report

In this report we provide an overview of our progress on our sustainability strategy and our future aims.

## Our approvals

The Sustainability Report was approved by the Board of Directors on 16 March 2025 and signed on its behalf by



### Andy Briggs

Group Chief Executive Officer

## Cautionary statements

This report should be read in conjunction with the Cautionary statements on pages 49 and 50.

## Our assurance

The Group has appointed KPMG to provide limited independent assurance over selected disclosures within this report marked with ^. The assurance engagement was planned and performed in accordance with the International Standard for Assurance Engagements ('ISAE') (UK) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. A limited assurance opinion was issued and is available in the 'Independent Practitioner's Limited Assurance Report' section on pages 2 and 3, which is available [here](#).

## Introduction

- 4 Our highlights from 2024
- 5 Phoenix Group at a glance
- 6 Successfully delivering our strategy
- 7 Our purpose and strategy
- 8 Assessing our materiality
- 9 Looking ahead

## People

- 11 People overview
- 12 Inform
- 14 Enable
- 17 Inspire
- 18 Caring for Carers

## Planet

- 21 Planet overview
- 22 Our Net Zero Transition Plan
- 23 Summary of our progress towards our interim net zero targets
- 24 Invest
- 26 Engage
- 29 Lead
- 31 Nature

## Building a sustainable business

- 33 Supporting our customers
- 35 Our approach to sustainable investing
- 36 Sustainable operations
- 37 Delivering our ESG supplier commitments
- 38 Supporting our colleagues
- 41 Diversity, Equity and Inclusion
- 43 Respecting human rights
- 44 Governance

## Additional information

- 47 Our targets
- 49 Cautionary statements
- 51 Glossary

## Our 2024 reporting suite

You can find out more about our activities, financial performance, sustainability strategy, policies, detailed governance information and our progress towards becoming a net zero business by 2050 by visiting our website:

[www.thephoenixgroup.com](http://www.thephoenixgroup.com)

### Look out for these icons throughout the report:

-  Reference to another page in the **report**
-  Reference to reading in another **report**
-  Reference to further reading **online**

## Sustainability Report

This report covers our social and environmental sustainability progress in the People and Planet sections, including progress against our Net Zero Transition Plan ('NZTP') and targets. Broader disclosures including human rights and modern slavery, Diversity, Equity and Inclusion ('DEI'), and a summary of Governance topics are included in the Building a sustainable business section.

## Annual Report and Accounts

Details of Phoenix Group's Task Force on Climate-related Financial Disclosures ('TCFD') reporting, Streamlined Energy and Carbon Reporting ('SECR') statement and Non-financial and Sustainability Information ('NFSI') statement are on pages 82 and 83 of the Annual Report and Accounts.

## ESG Data Appendix

Our Environmental, Social and Governance ('ESG') Data Appendix summarises our ESG metrics and Sustainability Accounting Standards Board ('SASB') disclosures.



# Our highlights from 2024

## People

c.1.4m

Motivated c.1.4m people to act by checking in on their retirement savings, or finding out more about living and working longer through our Group brand campaign

## Phoenix Flex

Our approach to colleague flexible working, Phoenix Flex won the Chartered Institute of Personnel and Development's ('CIPD') best flexible working initiative award

## Innovative products

Launched innovative products to better meet the needs of our customers, such as the Standard Life Smoothed Return Pension Fund

c.£1.8m

Total value of community contributions excluding management costs<sup>1,2</sup>

- 1 This includes cash donations, employee volunteering time, in-kind products/services per the B4SI Framework.
- 2 Previously we have reported 'Total Donations' by Phoenix Group (£).

## FTSE Phoenix Climate Aware Index Series

We launched the FTSE Phoenix Climate Aware Index Series in collaboration with FTSE Russell, a London Stock Exchange Group business. This enabled us to move c.£13bn of policyholder equity assets into a customised decarbonising benchmark that aims to protect customers' portfolios against the impacts of climate change by reducing exposure to companies which are vulnerable to transition risks.

[Read more on page 24](#)



## Caring for Carers

For millions of people, managing paid work and caring for a loved one is a challenging reality that can affect their ability to save for retirement. We have taken action to help restore balance to the lives of working carers through our new Caring for Carers initiative. In 2024, we worked with Carers UK to engage the UK Government. Our colleagues fundraised nearly £130,000<sup>3</sup> in 2024, which could enable Carers UK helplines to connect with over 17,000 carers.

[Read more on pages 18 and 19](#)

- 3 This figure includes colleague fundraising, non-colleague fundraising, company matching and other corporate donations.
- 4 FCA's Sustainability Disclosure Requirements ('SDR').

## Planet

First

Believed to be the first pension provider to proactively align to the Financial Conduct Authority's ('FCA') Sustainability Improvers™ Label<sup>4</sup> for eight funds invested in our Sustainable Multi Asset default pension solution, improving outcomes for c.2m customers<sup>5</sup>

52%

Achieved a 52% reduction in the emissions intensity of our listed asset portfolio<sup>6</sup>

80%

Achieved an 80% reduction in the emissions intensity of our operations<sup>6</sup>

- 5 Standard Life expects to implement this approach in early 2025 with over 75% of Sustainable Multi Asset investments benefiting from a formal objective to align with the transition to Net Zero by 2050, while complying with the new regulatory threshold.
- 6 Relative to 2019 baseline.

## Policy white paper

Published Charting the UK's Net Zero Future highlighting key recommendations to government to help catalyse the net zero transition

# Phoenix Group at a glance

Our vision is to be the UK’s leading retirement savings and income business. We offer a broad range of savings and retirement income products to support people across all stages of their savings life cycle from 18 to 80+, through our family of brands.

## Our business

### £292bn

total assets under administration

### c.7,000

colleagues

### c.12m

customers

### c.£530m

annual dividend paid to shareholders

### FTSE 100

and FTSE All World

## Our family of brands



Part of Phoenix Group

Standard Life has been trusted to look after people’s life savings and retirement needs for 200 years.



Part of Phoenix Group

SunLife’s straightforward and affordable financial products and services are designed to meet the needs of the over 50s.



PHOENIX LIFE  
Part of Phoenix Group

Phoenix Life focuses on providing a secure home for policies, brought together from a number of life companies over the years.



ReAssure  
Part of Phoenix Group

ReAssure looks after customers across a broad range of retirement, investment and protection products.

## ESG ratings and award recognition

### Ratings



**A-**  
leadership position on climate



**AAA**  
rated as a leader by MSCI



**Low risk**  
rated as low risk by Sustainalytics

### Awards



**Professional Pensions UK Pensions Awards**  
Standard Life awarded DC Pension Provider of the Year



**Pensions Age Awards**  
Standard Life awarded Pensions Provider of the Year



**REDI Awards**  
Phoenix Group placed in the top 8 in the FTSE 100 on the corporate Religious, Equity, Diversity & Inclusion monitor ('REDI')

# Successfully delivering our strategy

Andy Briggs  
and Karen Green



The way we work, save and retire is changing. Many people in the UK are still not on track for the retirement income they expect. As the UK's largest long-term savings and retirement business, we can play a significant role in inspiring people to act and in advocating for policy change to support retirement readiness.

We want to help close the pension savings gap, and year-on-year, we are building momentum on delivering our strategy. We do this by taking targeted action and playing a convening role with the public, businesses and policy makers. We're driving awareness on under saving through our think tank Phoenix Insights, innovating on retirement savings and income solutions for our customers, and influencing the policy agenda to support increased long-term saving levels and the guidance review.



How we work, save and retire is changing. We want to help people navigate this, securing a life of possibilities.

## Supporting retirement readiness

We continue to support people's financial wellness on their journey to and through retirement, and have built on our range of innovative savings and retirement income solutions. But we need policy makers to do more. That is why we called for a review of pensions adequacy and welcomed the Government's commitment to this. And, Phoenix Insights is providing guidance for policy development and action.

To be able to save successfully for retirement, people must be able to work for longer in jobs that suit their lives. Access to flexible working arrangements can be transformative, so we have used our voice to bring attention to this issue, and have been supporting flexibility for our own colleagues.

## Progress on our journey to net zero

We have continued to drive good outcomes for customers whilst making progress towards our net zero targets. The launch of the FTSE Phoenix Climate Aware Index Series aims to protect customers' portfolios against the risk of climate change.

We continue to be an important voice in advocating for system change. We are engaging with decision-makers and the wider industry to overcome the barriers to investing in climate solutions. Our policy paper 'Charting the UK's Net Zero Future' outlines key recommendations to government to help catalyse the net zero transition.

The actions we have taken to decarbonise our business have begun to achieve substantial scale, for example by applying decarbonisation strategies to £48 billion assets.

We are on track to meet our 2025 decarbonisation targets in most scenarios.<sup>1</sup> However, our ability to meet our 2030 and 2050 targets is less certain. It is likely we will need to take further action and will become increasingly dependent on action by governments and the wider economy for us to achieve our aim of becoming a net zero business by 2050 whilst delivering good outcomes for our customers. In spite of good recent progress, current government policy and regulation is still insufficient, and playing our part in driving further progress will continue to be a key priority.

As we celebrate the 200-year history of our Standard Life brand in 2025, we will continue to support our customers and drive change.

**Andy Briggs**  
Group Chief Executive Officer

## Board Sustainability Committee focus in 2024

In my capacity as Board Sustainability Committee Chair, I continue to oversee the Group's sustainability strategy and the tangible, measurable progress we are making against our targets.

In 2024, the activities of the Sustainability Committee included overseeing the delivery of our Net Zero Transition Plan, continuing to develop our sustainability strategy and monitoring emerging trends in sustainability practice. We considered how to communicate to our customers on sustainability and pensions, and oversaw our progress against our human rights and DEI commitments. During a period of uncertainty and change for our colleagues as we transform and simplify the business, we focused on engagement with our workforce, and our ambition to make Phoenix Group the best place colleagues have ever worked.

## Monitoring regulatory change

The Board supports the regulatory agenda for more efficient, improved non-financial disclosures and recognises the need for transparency about our impacts and dependencies on people and the planet. In 2024 we oversaw the Group's progress towards meeting the standards that will newly affect Phoenix Group and its entities.

Across 2025 we will continue to review and monitor the most material issues impacting our customers, colleagues and culture.

**Karen Green**  
Board Sustainability Committee Chair

<sup>1</sup> Under most scenarios, if the actions we have committed to are implemented.

# Our purpose and strategy

## Our purpose

# Helping people secure a life of possibilities

## Our vision

To be the UK's leading retirement savings and income business

## Our strategic priorities



### Grow

Meeting more of our existing customers' needs and acquiring new customers.



### Optimise

Optimise our scale in-force business and balance sheet.



### Enhance

Transforming our operating model and culture.

## Our sustainability strategy



### People

We want to help people live better longer lives. This means tackling the pensions savings gap and supporting people to have better financial futures through promoting financial wellness and the role of good work and skills.

➔ See [pages 10 to 19](#)



### Planet

We want to help shape a better future. This means delivering good outcomes for our customers, playing a key role in delivering a net zero economy by 2050 and understanding and taking action to manage our impact and dependency on nature.

➔ See [pages 20 to 31](#)



### Building a sustainable business

We are committed to embedding sustainability and best practice governance to maintain high standards of oversight, integrity and ethics.

➔ See [pages 32 to 45](#)

# Assessing our materiality

## Identifying the most material sustainability issues for Phoenix Group



We want to ensure we are focusing our sustainability strategy on the most significant issues that could impact us and those on which we can have an impact too. To understand stakeholder perspectives, we refreshed our double materiality review in 2023, covering a range of sustainability issues in line with Global Reporting Initiative ('GRI') Standards. This refresh was approved by our Board.

### Environment

- 1 Climate change
- 2 Nature and biodiversity
- 3 Responsible products and investments
- 4 Circular economy

### Social

- 5 Financial wellness and inclusion
- 6 Longevity and evolving demographics
- 7 Human rights
- 8 Diversity, Equity and Inclusion
- 9 Local communities engagement

### Governance

- 10 Digital innovation
- 11 Selling practices
- 12 Talent management
- 13 Data governance, privacy and cyber security
- 14 Customer centricity
- 15 Corporate governance
- 16 Transparency and reporting
- 17 Corporate and business ethics

## Key takeaways

The refresh of our double materiality review found that our four priority topics remain the same as they were in 2022.

### People

#### 5 Financial wellness and inclusion

Empowering customers to confidently manage their finances.

→ See pages 10 to 19

#### 6 Longevity and evolving demographics

Supporting people to stay in good work for longer.

### Planet

#### 1 Climate change

Managing the risks and opportunities associated with the transition to net zero to support good outcomes for our customers.

→ See pages 20 to 31

#### 2 Nature and biodiversity

Understanding and taking action to manage our impact and dependency on nature.

### Building a sustainable business

We are enhancing our approaches to the material ESG issues identified in order to embed sustainability across our organisation.

→ See pages 32 to 45

# Looking ahead



**How are we delivering actions at scale to help make a life of possibilities a reality for all of us?**

**James Wilde**  
Chief Sustainability Officer,  
Phoenix Group



We believe we have a societal responsibility to help address the climate emergency and play a key role in supporting the transition to a net zero economy by 2050 in a way that ensures good customer outcomes and benefits all our stakeholders.

We are facing into a retirement-readiness crisis, and financial wellness and inclusion remains a material priority. In 2024, we welcomed the UK Government's commitment to a pensions adequacy review, and will continue to inform the new Government on a roadmap for action, particularly to secure an increase in default Automatic Enrolment contributions.

Taking advice has a significant positive impact on retirement outcomes, and yet the vast majority of people in the UK are still not doing so. We will campaign to make widely available targeted support a reality, alongside

continuing to meet our customers' needs through our innovative product range.

Our default Sustainable Multi Asset ('SMA') proposition aims to deliver good outcomes for our workplace customers whilst investing in companies that are decarbonising. In 2024 we were given regulatory approval to adopt the Sustainability Improvers™ label for eight funds,<sup>1</sup> which we believe will help the customers of our Workplace business understand how sustainable the funds are. Going forward we will continue to review these funds to deliver good outcomes for our customers.

Our advocacy through the Mansion House Compact has resulted in reforms that allow pension funds to invest more into alternative asset classes. Together with Schroders we launched Future Growth Capital ('FGC'). The investment manager aims to deliver improved

outcomes for long-term pension savers in the UK by enabling efficient access to private markets investments and their potential for delivering higher long-term investment returns. In the coming year, we will continue to make progress against the actions set out in our Net Zero Transition Plan, and we are on track to achieve our 2025 targets under most scenarios.<sup>2</sup> We are, however, less certain about meeting our 2030 and 2050 targets. We will need to take further action, and will be increasingly dependent on others in the wider economy, including the UK Government and regulators, to do so. At Phoenix Group, we have the opportunity to drive action at scale for a range of our stakeholders, and we're looking forward to achieving even more in 2025.

1 Comprising 75% of the AUA (c. £32 billion) invested in our Sustainable Multi Asset default pension solution.  
2 We are on track to achieve our 2025 targets under most scenarios if the actions we have committed to are implemented. However our ability to meet our 2030 interim targets is less certain.  
3 See Glossary for definition.

## Next steps

### People

#### Inform

- Shape thinking and influence retirement income adequacy through research and work with UK policy makers

#### Enable

- Continue to focus on increasing engagement and improving customer support at key moments on their journey to and through retirement

- Use consumer insights to develop and promote workable solutions to improve access to decision support as part of the Advice Guidance Boundary Review

#### Inspire

- Deliver a Careers can change Summit to inspire and support midlife career mobility

### Planet

#### Invest

- Launch SDR labelled funds based on our climate aligned indices and roll out equity climate aware benchmarks across the remaining regions
- Continue to implement our three-year stewardship engagement programme and build alignment with asset manager partners on our engagement objectives

- Progress our long-term ambition to invest up to £40bn in sustainable, transition or (UK focused) productive assets<sup>3</sup>

#### Engage

- Evolve our default fund solution by delivering SDR changes
- Continue thought leadership and advocacy programme

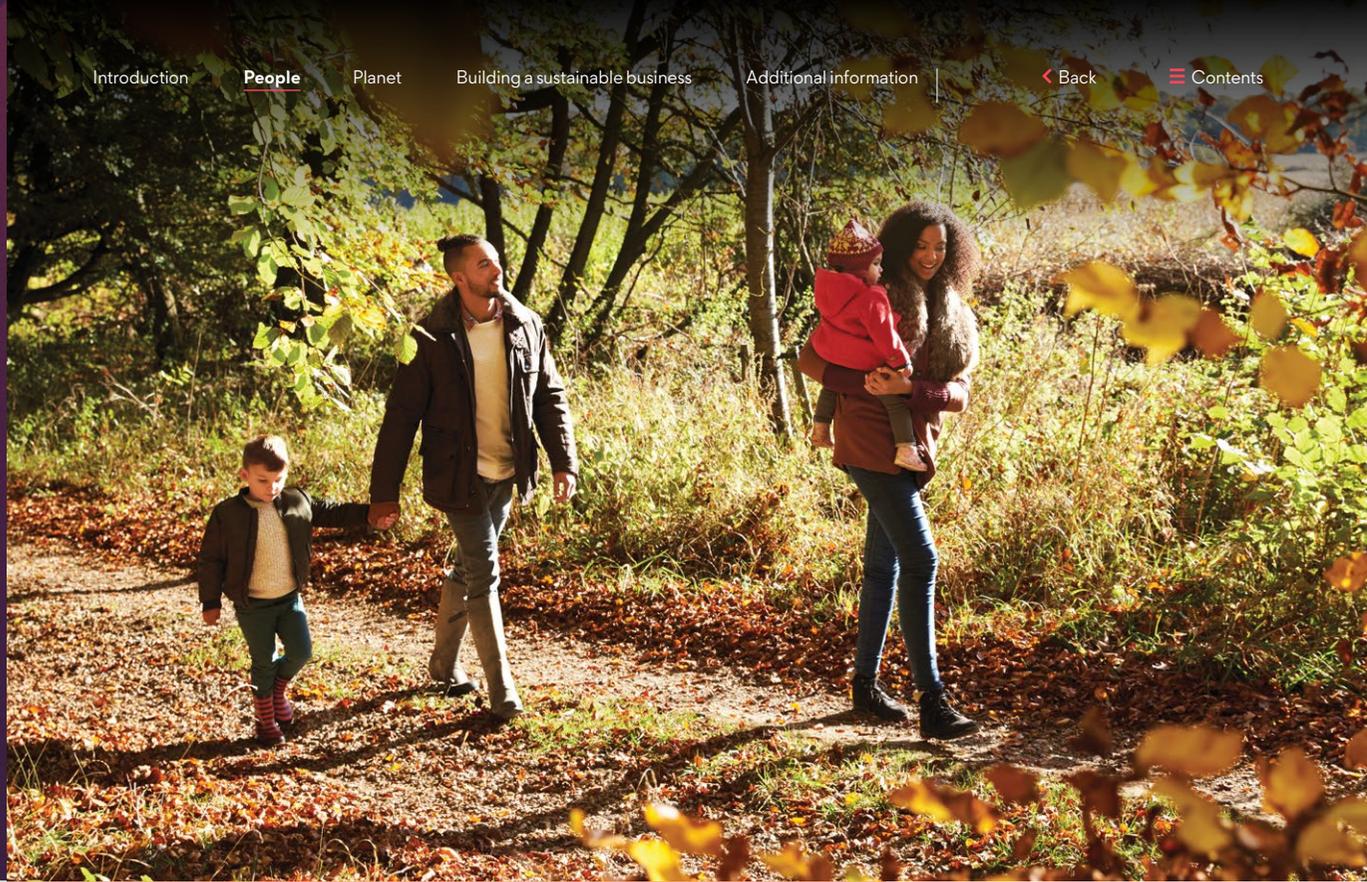
#### Lead

- Develop and implement a programme to reduce our business travel emissions

# People

## We want to help people live better longer lives

This means tackling the pensions savings gap and supporting people to have better financial futures through promoting financial wellness and the role of good work and skills.



### 2024 achievements

- Inspired c.1.4 million people to act on thinking about how we live, work and save.
- Through Phoenix Insights published our report **Changing Journeys: How we save, work and retire.**
- Scaled tailored financial inclusion solutions to meet the needs of different customer segments.
- Launched our Caring for Carers initiative and partnership with Carers UK.
- Inspired people to manage and make changes to their careers through extending the Careers can change campaign.



#### In this section

- 11 People overview
- 12 Inform
- 14 Enable
- 17 Inspire
- 18 Caring for Carers

## People: Overview



# How can we help people secure the retirement they want?

The way we work, save and retire is constantly changing. Many more of us are saving regularly for retirement following the introduction of Automatic Enrolment, and yet still, many people are not on track for the retirement income they expect. Financial engagement in the UK remains low, and most people are not getting the advice or guidance they require. What is more, lack of access to good work means people are not always able to save as much as they need.

We want to take action on this for our customers, colleagues and the wider community. We are innovating to meet our customers' needs as they save for and secure income in retirement. And we are continuing to advocate for societal change.

### Did you know?

9%

of individuals take advice on their journey to and through retirement<sup>1</sup>

14%

of defined contribution savers are on track to maintain their standard of living into retirement<sup>2</sup>

3 in 10

Gen Xers<sup>3</sup> expect to have a pension pot of less than £100,000 when they retire<sup>4</sup>

### Our long-term ambition

Our long-term ambition is to help millions more people live better longer lives. We will do this by helping more people on their financial journey to and through retirement.

- 1 Only 9% of adults have taken full regulated advice in the last 12 months. FCA Financial Lives Survey, 2024.
- 2 Above a minimum income level. Great Expectations: Are people's retirement income expectations adequate and achievable?, 2022.
- 3 Those born between 1965 and 1980.
- 4 Standard Life Retirement Voice Report, 2024.

**Catherine Foot**  
Director of  
Phoenix Insights



## Our priority themes

### Inform

#### Raising awareness and understanding of under saving

To help people think differently about retirement, we aim to increase awareness of the pensions savings gap and the options available to secure income in retirement, and motivate people and policy makers to act. We do so through our family of brands and think tank, Phoenix Insights.

→ See **pages 12 and 13**

### Enable

#### Helping more people journey to and through retirement

We want to enable people to secure the financial future they want, by supporting people to access information, and through our innovative savings and retirement product offering.

→ See **pages 14 to 16**

### Inspire

#### Promoting the role of good work and skills for all

To save for retirement, we need to be able to work for as long as we want to in jobs that suit our lives. We want to inspire people to think differently about work and retirement, and support them to take action to actively manage their working lives and careers.

→ See **page 17**

## People: 2024 performance

# Inform

Raising awareness and understanding of under saving

We campaign to help people to think differently about saving, work and retirement.



### Increasing awareness and motivating people to act on saving for longer lives

In 2023 we started a conversation about how we live, work and save for the longer lives we're now leading. Our Let's Start Talking campaign reached four million people in the UK, encouraging them to think about this. In 2024 we wanted to inspire people to take action. We shared real life stories of the challenges people face in saving.

We inspired around 1.4 million people to either check in on their retirement savings or find out more about living or working longer.

We recognise the role we can play in informing policy makers, our customers and wider society on saving, work and retirement.

**c.1.4m**

people inspired to take action by our Let's Start Talking campaign

### Campaigning for secure retirement income

Millions of people in the UK are expected to have an inadequate income in retirement.<sup>1</sup> In our **Changing Journeys** report we highlighted the need for policy makers to support people to make the regular pensions savings they need. That's why in 2024, together with industry, businesses and Non-Governmental Organisations ('NGOs'), we called for the UK Government to review pensions adequacy,<sup>2</sup> and were pleased to see the Government commit to this.<sup>3</sup> To inform this review, Phoenix Insights published **A roadmap to adequate retirement incomes for all**. This report guides the Government in exploring potential policy options along with a roadmap for action.

We believe reviewing Automatic Enrolment's scope, contribution rate and suitability for different savers is key to ensuring everyone has enough savings for a secure retirement. Over the last year we continued sharing our knowledge with the UK Government, including our new report illustrating the cost of delaying Automatic Enrolment increases: **Falling behind the curve: the costs of delaying an increase in auto-enrolment contributions**. This builds on our **framework** for increasing Automatic Enrolment contributions, which we published in 2023.

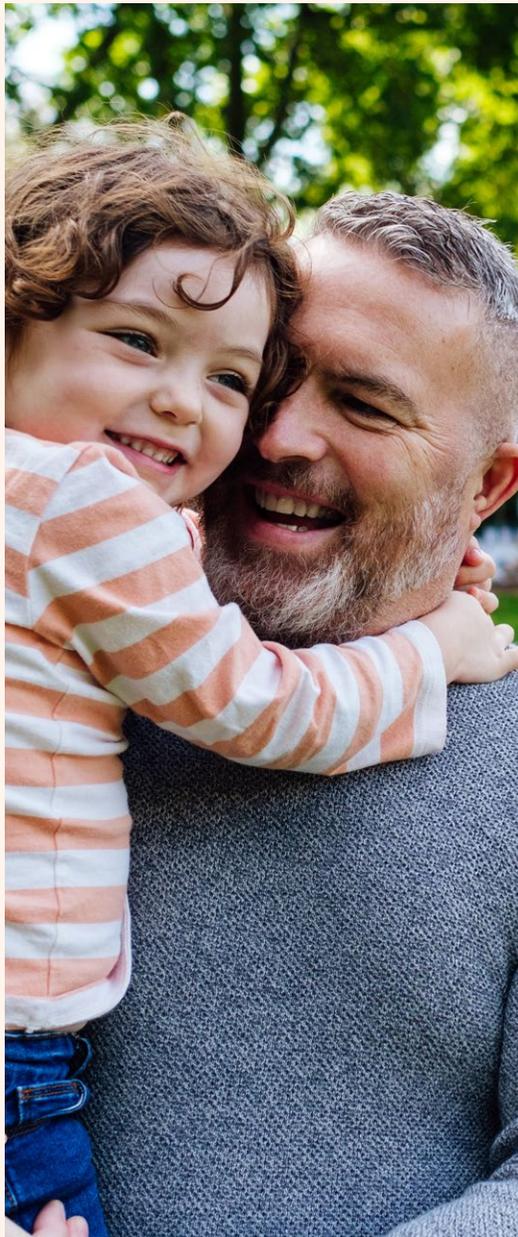
### Understanding how the way we work, save and retire is changing

Over time, the way we work, save and retire has been changing, with some people benefitting and others facing increased risks. In Phoenix Insights' 2024 report **Changing Journeys: How we save, work and retire** we explore this new landscape, the impacts on different groups in society, and what this means for the future. The report finds that the decline of final salary pension schemes means workplace pensions are much less generous than they used to be. The introduction of Automatic Enrolment has brought millions more workers into regular pension saving, but at savings levels unlikely to meet their aspirations for retirement. This means that future generations of retirees face a new set of risks, such as under saving, rising poverty among pensioners and those approaching retirement, and balancing the need to work for longer. It is essential that policy makers, the financial services industry, employers and civil society organisations understand and respond to these changing dynamics, by supporting future generations to navigate these risks and be sufficiently protected on their journeys to and through retirement.

1 UK Government Analysis of future pension incomes.  
 2 Calling for government to review pensions adequacy, open letter.  
 3 Correct at time of publication, although time frame has yet to be confirmed. Read the Government commitment.

## People: 2024 performance continued

### Inform continued



## Standard Life

Part of Phoenix Group

### Getting more people thinking about retirement planning

For the last four years Standard Life has asked people from across the UK to share their attitudes towards retirement. The **2024 Retirement Voice** report uncovers that many people, particularly women and Gen Xers, are still unsure about the options available for their retirement savings. Making a financial plan and seeking advice have a positive impact on retirement outcomes, but three in four say they've done little or no retirement planning.

Clearly, more needs to be done to help people take the first steps in retirement planning; research shows that a fifth of people (19%) with multiple pensions think they've lost track of at least one pension pot.<sup>1</sup> To enable people to take better control of their retirement planning by tracking down lost pensions, Standard Life launched a free pensions finding tool powered by Raindrop.

We're continuing to help customers in Ireland engage with retirement planning through our Standard Life brand with our 'Better with age' advertisement. It forms part of our ongoing Second Life campaign, which encourages customers to reframe retirement as a new stage of life filled with opportunities. In Ireland, two in five women are concerned about being able to retire.<sup>1</sup> That's why we launched a new podcast series aiming to inspire more conversations with women about their best 'second lives': **The ultimate guide for women and pensions.**

The importance of financial planning and advice has never been greater. Our results show year after year that those that plan feel more positive about their future.

#### Mike Ambery

Retirement Savings Director, Standard Life



 View our **Retirement Voice** video from Mike Ambery

# 19%

of people with multiple pensions think they've lost track of at least one pension pot<sup>2</sup>

<sup>1</sup> Bringing retirement into focus, 2023.  
<sup>2</sup> Multi-pot pension culture: a fifth of people have lost track of one of their pension pots.

### Next steps

- Shape thinking and influence retirement income adequacy through research and work with UK policy makers

## People: 2024 performance continued

# Enable

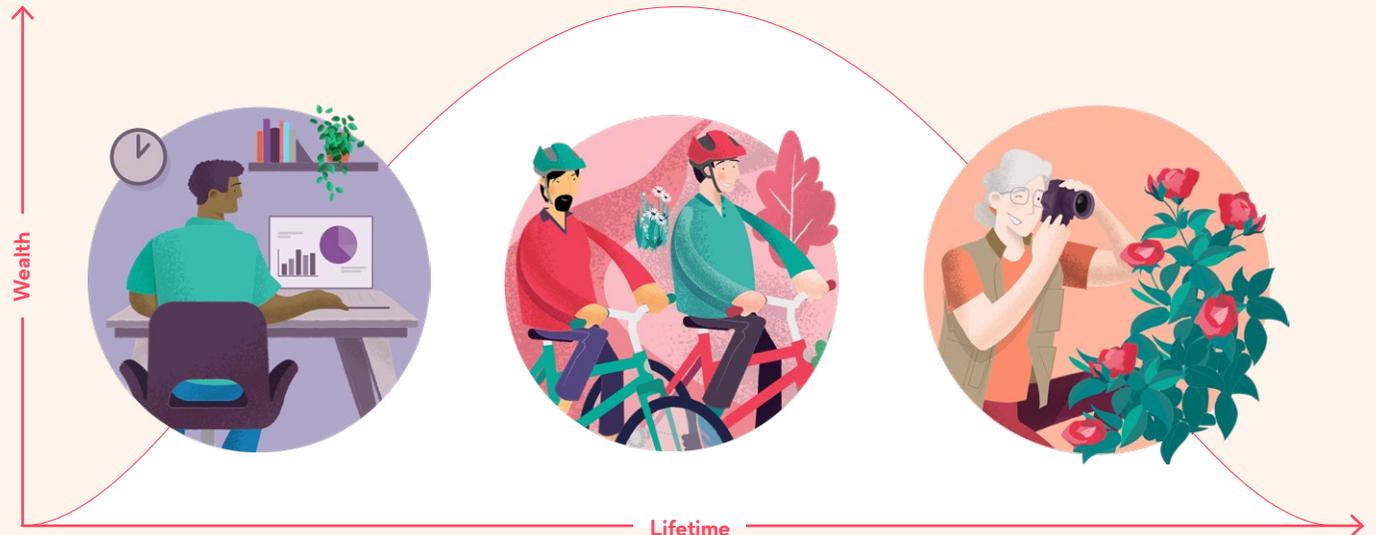
## Helping people journey to and through retirement

We aim to support our customers and wider society by providing innovative savings and retirement income solutions, helping increase financial wellness throughout people's lives and encouraging financial inclusion.

Our research tells us that some of the key issues our customers face are inadequate retirement savings levels and income, barriers to accessing support and advice, and a lack of availability of products to support them with the flexibility and certainty they need to feel secure in retirement. That's why we have designed our innovative range of products, tools and support.

We do this across three stages of the life course:

- **Saving for retirement:** Including defined contribution workplace pensions, retail savings for retirement, and legacy pensions and savings products.
- **Transitioning to retirement:** Including pension consolidation, fixed-term annuities, and smooth managed fund.
- **Securing income in retirement:** Including income drawdown and lifetime annuities, defined benefit pension income, and home equity release.



### Saving for retirement

- Online tools and support  
→ See **page 15**
- Improving financial inclusion  
→ See **page 15**
- Supporting victims of pension fraud  
→ See **page 15**

### Transitioning to retirement

- Smoothing volatility in retirement income  
→ See **page 16**

### Securing income in retirement

- Unlocking home equity for secure retirement income  
→ See **page 16**
- Helping our customers balance flexibility and certainty in retirement income  
→ See **page 16**

## People: 2024 performance continued

### Enable continued

We're taking steps to break down the barriers to financial inclusion, and support our customers to plan for the retirement they want.



## Standard Life

Part of Phoenix Group

### Online tools and support

We offer all pension scheme members a host of tools through an online dashboard to support their financial wellbeing along their journey towards retirement. The 'How much will I need in retirement' tool helps customers understand the basic cost of living for which they will need to save in retirement, using the Pension and Lifetime Savings Association ('PLSA') minimum retirement living standards.<sup>1</sup> We also use the PLSA standards to offer a retirement income tool. This projects how much retirement income our customers are on track to attain. Further tools on offer include a pension saving calculator and a financial health check.

### Digital apps

The tools available through our online dashboard are also accessible through our Standard Life digital app, which offers an array of additional support and the ability to register for educational webinars. The app also hosts the Homebuyer Hub, which is a digital coaching tool to help first-time buyers get onto the property ladder.

Additionally, more than 1.5 million workplace pension scheme members can use the Money Mindset digital app, provided by Standard Life in partnership with Money Hub. These customers can use the app to link and monitor all of their finances in one place, and this can improve financial wellbeing.

### Supporting victims of pension fraud

Following an independent industry-wide market review, the Standard Life Master Trust was appointed as a 'safe haven' provider for those victims of pension fraud, whose pensions will be re-established by the Fraud Compensation Fund ('FCF'). Key to Standard Life's selection was the ability of the team to demonstrate a deep understanding of the trauma and upset the victims experienced in losing their life savings, and its ability to offer support and bespoke communications. Standard Life aims to play a key role in restoring victims' trust and confidence in pension savings.

# 90%

of customers rated our retirement webinars as 'good' or 'excellent'

# c.650,000

customer engagements with our financial education articles via MoneyPlus monthly emails in 2024

### Improving financial inclusion

Our inclusion activities focus on removing the barriers people face as they work towards retirement and beyond.

We have developed a financial inclusion framework that considers the many dimensions of diversity and inclusion that impact financial futures such as age, faith, gender, and financial needs.

To improve choice for those customers who want to select their own funds based on specific ESG or faith-based requirements, we've added to our responsible investment range. In 2024 this included launching two Shariah Investment options including a Sukuk option.<sup>2</sup>

In 2024, we became a signatory of Scotland's Digital Inclusion Charter, which aims to help people overcome digital access and skills barriers. Building on our previous work on digital accessibility we created Digital Inclusion Champion training to support customers with digital access. We continued to offer our Digital Skills Hubs across all customer brands, which include 'how to' videos on using our websites and apps. And we continued to support Good Things Foundation by donating end-of-life IT equipment. This increases digital access for excluded individuals and reduces waste.

<sup>1</sup> Pensions and Lifetime Savings Association ('PLSA') Retirement Living Standards.

<sup>2</sup> Sukuk funds invest in certificates of equal denomination representing individual ownership interests in a portfolio of eligible existing or future assets.

## People: 2024 performance continued

### Enable continued

Our customers told us about their need for greater flexibility and certainty in retirement, so we designed our range of innovative products accordingly.



## Unlocking home equity for secure retirement income

Women in the UK have on average, much lower income in retirement than men.<sup>1</sup> This is known as the gender pension gap. To help solve this, we held a Women's Innovation Forum to identify new opportunities for engaging our female customers. The winner was the online platform, Hazel, which helps people learn how equity tied up in property can be a valuable source of retirement income.

Hazel's Downsize Assessment Tool will be piloted by our Mortgage Solutions business in 2025, to help customers navigate and assess the range of financial and practical considerations involved in downsizing their home in later life, as well as identifying other options that might be available to them.

In 2020, women in the UK have between

# 34–41%

less private pension wealth than men<sup>2</sup>

- 1 The Gender Pension Gap in Private Pensions, 2023.
- 2 Caught in a gap – the role of employers in enabling women to build better pensions, 2022.
- 3 How our perceptions and expectations of retirement and work are changing, 2024.
- 4 Standard Life Retirement Voice Report, 2024.

## Standard Life

Part of Phoenix Group

### Smoothing volatility in retirement income

There is an ever-growing need for greater investment choice among those approaching or at retirement. In particular, people want to manage the volatility in their retirement savings. Through our Standard Life brand, we partnered with Fidelity International to launch the Standard Life Smoothed Return Pension Fund, which is designed to even out or 'smooth' the short-term ups and downs of investment markets. This helps provide greater certainty for those who do not want to take such risks with their retirement income.

### Helping our customers balance flexibility and certainty in retirement income

Our expectations of retirement are changing; almost half (46%) of people expect to transition gradually into retirement, according to recent research by Phoenix Insights.<sup>3</sup> We also know that nine in ten of our customers want a guaranteed income for life.<sup>4</sup> We're innovating to provide our customers with new solutions to provide them with both flexibility and certainty as they transition to retirement. Standard Life launched the Guaranteed Fixed-term Income product to help bridge an income gap, such as retirement before state pension payments begin. It also provides the customer with the flexibility to adapt plans later on.



### Next steps

- Continue to focus on increasing engagement and improving customer support at key moments on their journey to and through retirement
- Use consumer insights to develop and promote workable solutions to improve access to decision support as part of the Advice Guidance Boundary Review

## People: 2024 performance continued

# Inspire

## Promoting the role of good work and skills for all

We want to help people work for longer in jobs that suit their lives and enable them to save for their future.

### Championing career support with Careers can change

Career mobility is vital to helping people remain in the workforce to secure the retirement they want. That's why we expanded our **Careers can change campaign** in 2024. Our Squiggly Careers Sprint helped colleagues explore how careers don't always need to follow a straight line. The jobs, skills and careers fair held with the Department for Work & Pensions, and our partnership with Careershifters that helps people overcome financial barriers to career change were campaign highlights.

The Squiggly Careers Sprint was fantastic! The whole format was refreshing and accessible. Each session was easy to fit into the diary, targeted in its focus and action-oriented. It tackled a deep topic in a way that felt highly practical and I came away understanding myself better, with a set of simple tools to help me navigate the next stage of my career.

**Phoenix colleague**  
Phoenix Group

### Did you know?

**27%**

of people aged between 50 and 64 are economically inactive<sup>1</sup>

**33%**

of workers in the UK are aged 50 and over<sup>2</sup>

### Enabling better conversations on flexible work

Phoenix Insights' research shows flexible work means different things to different people.<sup>3</sup> Although many now have access to hybrid working, part-time working can also be transformative for people's ability to stay in work. This is particularly true for the over 50s, which is why Phoenix Group contributed to the **Flexible After Fifty report**, which calls for greater flexible working support for people aged over 50.

Negative perceptions surrounding part-time work persist, so we set out to celebrate it and build understanding of how to make it work in practice. We partnered with Timewise to create **Part-time Works: a podcast series** sharing honest and diverse discussions of people's experiences of part-time work.

 Listen to Claire Hawkins on the **podcast**



### Helping people over 50 stay in fulfilling work for longer

Analysis from Phoenix Insights shows that one way the UK Government could deliver economic growth is by supporting people over 50 to remain in or rejoin the workforce with access to good, fulfilling jobs. As our economy changes to meet national climate goals, green jobs will increasingly be part of this equation, potentially creating many new jobs.<sup>4</sup> However, our report **Resourcing the net zero transition: What do workers in their mid- and late-careers think of 'green' jobs?** finds that more needs to be done by employers and Government to promote green jobs to these workers.

### Next steps

- Deliver a Careers can change Summit to inspire and support midlife career mobility

<sup>1</sup> Economic labour market status of individuals aged 50 and over, trends over time: September 2024.

<sup>2</sup> Centre for Ageing Better, State of Ageing, 2023.

<sup>3</sup> Phoenix Insights research, conducted by Message House, quantitative research conducted in January 2024 amongst 1,500 nationally representative UK adults.

<sup>4</sup> The Climate Change Committee estimates that between 135,000 and 725,000 net new jobs could be created by 2030 in low carbon sectors in its report A Net Zero workforce.

## People: Caring for Carers



# How are we restoring balance to the lives of working carers?



For millions<sup>1</sup> of people, managing paid work and caring for a loved one is a challenging reality. For many, this can affect their ability to save for retirement.

**Mary Bright**  
Group Head of Social Sustainability, Phoenix Group

<sup>1</sup> Census 2021, provided by Carers UK: The most recent Census 2021 puts the estimated number of unpaid carers at 5 million in England and Wales. This, together with ONS Census data for Scotland and Northern Ireland, suggests that the number of unpaid carers across the UK is 5.8 million.

We want to help restore balance to working carers' lives, so we're taking action through our Caring for Carers initiative to support our colleagues, customers and communities. We've focused our efforts on three key areas. First, we're aiming to be a public voice for carers, raising awareness of the important work they do and the challenges they face, and advocating for change. Secondly, we're supporting working carers' financial wellbeing to help them feel secure and in control of their finances. We're also helping carers to work for longer in jobs that suit their lives and enable them to save for the future while continuing to care for loved ones.

### Did you know?

# 2 in 3

of us will become a carer or be cared for at some point in our adult lives<sup>2</sup>

# c.24%

of our customers are, at any one time, carers<sup>3</sup>

<sup>2</sup> Carers UK, Two in three of us will care.

<sup>3</sup> c. 24% of our customers are carers based on July 2024 data.



## Raising awareness

We want to raise awareness of the work carers do and the challenges they face. To achieve this, we will partner with a number of charities focused on caring. In 2024 we started working with Carers UK which advocates for, champions and connects carers across the UK as well as providing a wealth of support.

So far in our partnership with Carers UK, we have worked with policy makers to represent the voice of business in calling for legislative change for the right to unpaid carers' leave. This was enacted in 2024, and we continue to call for paid carer's leave. We also worked with Carers UK to hold events at Liberal Democrat and Labour Party Conferences, focusing

on the economic opportunities that could stem from providing better support for carers.

Our colleagues have volunteered and raised funds for Carers UK in 2024. The nearly £130,000<sup>4</sup> raised could staff the charity's national telephone and email helplines for over 14 months, helping trained advisers to connect over 17,000 carers to much needed information and support on caring.

<sup>4</sup> This figure includes colleague fundraising, non-colleague fundraising, company matching and other corporate donations.



Nearly

# £130,000

raised by colleagues<sup>4</sup> for Carers UK via the Three Peaks Challenge and CEO Andy Briggs completing the world's fastest zipline, and more

Over

# 17,000

unpaid carers could be provided with free advice through the Carers UK Helpline using funds raised by our colleagues



Find out more on our **website**

## People: Caring for Carers continued



I don't feel judged. Phoenix allows me the freedom to work, care for my dad and save for my future.

**Henry Evans**  
Content Marketing Manager,  
Phoenix Group

### Good work

With one in seven employees in the UK navigating the challenges of both employment and caring responsibilities,<sup>1</sup> we can help our colleagues find balance. Our Carers' Leave policy offers colleagues ten days paid carer's leave, plus an additional five unpaid.

Everyone who works for us can benefit from our Carers' Passport, which enables supportive conversations with managers on combining caring with work. They also have access to our Carers' Network, a community that helps our carers connect.

In 2024, we sponsored and participated in Carers UK employability conferences, contributing to the discussion with opinion leaders and businesses about keeping carers in paid employment.

 Find out more on our [website](#)

### Awards

**Working Families Best Practice Award for Carers and Eldercare for the third year in a row**

#### Carer Positive tenth anniversary awards:

- Employer for Carer Support in Workplace Policies
- Employer for Carer Practical Support
- Highly Commended in 'Best employer for carer communication and awareness raising'

### Financial wellbeing

In 2024 we hosted training with Carers UK for our Vulnerable Customer Champions at our contact centres. This equips our Champions to provide our customers who are carers with guidance, and direct them to available support, such as the Carers UK Helpline.

Our ongoing support for colleagues<sup>2</sup> includes access to the Care Concierge service by KareHero. The free service, which is available both in person and via a web app, helps colleagues navigate the support available to them as carers, including assistance with funding options and negotiating care costs. Since 2023, this has enabled colleagues to access nearly £500,000 worth of care support funding. We also continue to support our colleagues through our financial wellbeing toolkit.

# 3 in 4

employed carers worry about juggling work and care<sup>3</sup>



### Next steps

- We will start our second charity partnership with the Carers Trust in 2025
- We will continue to campaign for the introduction of paid carer's leave with government

<sup>1</sup> Carers UK, Key facts and figures about caring.

<sup>2</sup> UK and SunLife colleagues.

<sup>3</sup> 75% of carers in employment worry about continuing to juggle work and care, Carers UK, State of Caring, 2024.

# Planet

## We want to help shape a better future

This means delivering good outcomes for our customers, playing a key role in delivering a net zero economy by 2050 and understanding and taking action to manage our impact and dependency on nature.



### 2024 Achievements

- We introduced customised decarbonising benchmarks to our policyholder North American equity portfolio
- We developed a roadmap for our ambition to invest up to £40 billion in sustainable, transition or (UK-focused) productive assets, including climate solutions
- We achieved our 50–70% annual target range for shareholder illiquid asset origination to be sustainable, or transition, or (UK-focused) productive assets<sup>1</sup>

<sup>1</sup> The scope of this target has been updated to include 'productive' assets to align with our ambition to invest up to £40 billion in sustainable, transition, and productive assets. We will report the proportion invested in sustainable assets separately.



#### In this section

- 21 Planet overview
- 22 Our Net Zero Transition Plan
- 23 Summary of our progress towards our interim net zero targets
- 24 Invest
- 26 Engage
- 29 Lead
- 31 Nature

## Planet: Overview



# How are we delivering our climate ambition?

We have committed to achieve net zero across our investment portfolio, own operations and supply chain by 2050 or sooner.

As a purpose-led organisation we want to play our part in delivering a net zero economy whilst prioritising delivering good outcomes for our customers; our actions are either directly or indirectly aligned with this goal. The primary drivers for our actions are to reduce customers' exposure to climate-related risks and to help them take advantage of the opportunities presented by the net zero transition.

We also recognise that nature loss and degradation is a material financial risk to our customers and we are taking action to understand and address our impact and dependency on nature.

### Did you know?

To remain on track to deliver net zero by 2050, by 2035 the UK must invest<sup>1</sup>

£2.4tn

2m

plant and animal species are threatened with near-term extinction due to human activity and climate change<sup>2</sup>

- <sup>1</sup> The Sixth Carbon Budget – The UK's path to Net Zero.
- <sup>2</sup> A multi-taxonomy analysis of European Red Lists reveals major threats to biodiversity.

### Helping to drive forward the transition

We are scaling up our actions to drive wider system change and we strive to use our position of influence to bring about positive change in our investee companies. This is one of the key reasons why we remain invested in high emitting sectors including oil and gas. We call this our 'engagement first' approach. In parallel, we are on a journey to decarbonise our own operations and supplier base.

Our **Net Zero Transition Plan** sets out our strategy in detail, and our approach to managing climate risks in line with the TCFD can be found in our **Annual Report and Accounts**.

**Bruno Gardner**  
Head of Climate Change and Nature, Phoenix Group



## Our Climate Action Model comprises three strategic pillars

### Invest

#### Investing for the future

We are focusing on decarbonising our investment portfolio, ensuring effective stewardship of our assets and investing in climate solutions to optimise value for our customers and reduce their exposure to climate risk.

→ See pages 24 and 25

### Engage

#### Engaging to multiply our impact

We are engaging with decision-makers, peers, customers and colleagues to inform our approach and drive wider system change.

→ See pages 26 and 28

### Lead

#### Aiming to lead by example

We are working to reduce our direct emissions in our operations, and reduce our wider impacts by working collaboratively with our supplier base.

→ See pages 29 and 30

# Planet: Our Net Zero Transition Plan

## We have set targets to guide us towards net zero by 2050<sup>1</sup>

2025	2030	2050
<p><b>25%</b> reduction in the carbon intensity of our listed equity and credit assets<sup>2</sup></p>	<p><b>50%</b> reduction in the carbon intensity of all assets in our investment portfolio<sup>2</sup></p>	<p><b>Net zero</b> across the entire business</p> 
<p><b>Net zero</b> in our own operations<sup>3</sup></p>	<p><b>50%</b> reduction in the carbon intensity of our supplier base<sup>4</sup></p>	

<sup>1</sup> Targets set in 2021.  
<sup>2</sup> Relative to 2019 baseline, where we can exercise control and influence (see glossary for definition).

<sup>3</sup> In Scope 1, 2 and Scope 3 – business travel.  
<sup>4</sup> Relative to 2022 baseline.

## Key principles underpinning our Plan

- 1. Put the customer at the heart of what we do:** To deliver good customer outcomes.
- 2. Align with industry best practice frameworks:** We developed our plan in line with guidance from the Transition Plan Taskforce ('TPT') and Glasgow Financial Alliance for Net Zero ('GFANZ').
- 3. Focus on achieving real economy decarbonisation:** Our transition to net zero by 2050 ultimately needs to contribute to real-world change.
- 4. We are on a journey:** Our transition plan sets out a pathway towards net zero by 2050 that will be refined over time as the need to act, external conditions and best practice approaches evolve.

<sup>5</sup> Glasgow Financial Alliance for Net Zero ('GFANZ'), Net Zero Asset Owners Alliance ('NZAOA'), Partnership for Carbon Accounting Financials ('PCAF') and Science Based Targets initiative ('SBTi').

### Monitoring our progress

We've made progress since publishing our **Net Zero Transition Plan** in 2023.

- 1. We are building momentum on our journey to net zero by 2050.** We have taken action in our investment portfolio, operations and supplier base and we are now building on these foundations to achieve real scale.
- 2. We believe we will be on track to achieve our 2025 interim targets for listed equity and credit assets and our own operations under most scenarios if we implement the actions to which we have committed.**
- 3. Our ability to meet our 2030 and 2050 targets is less certain.** It is likely we will need to take further action and we will become increasingly dependent on decarbonisation in the wider economy and action by others, in particular governments, regulators, companies in high emitting sectors and our suppliers.
- 4. We believe science-based targets are vital if we are to respond to the climate challenge** and have engaged with a wide range of standard-setting initiatives.<sup>5</sup> Our targets are aligned with the target-setting protocol developed by the NZAOA and we are not currently seeking validation from the SBTi.

## Planet: 2024 performance

### Summary of our progress towards our interim net zero targets

#### Invest

##### Status and targets

**Status:** On track

**Target:**

**25%**

reduction in the carbon intensity of our listed equity and credit assets by 2025<sup>1</sup>

**Status:** Uncertain

**Target:**

**50%**

reduction in the carbon intensity of all assets in our investment portfolio by 2030<sup>1</sup>

**Status:** No target

#### Engage

**Status:** On track

**Target:**

**Net zero**

in our own operations by 2025

**Status:** Uncertain

**Target:**

**50%**

reduction in the carbon intensity of our supplier base by 2030

#### Lead

##### Progress against targets

- Currently ahead of target, with a 52% reduction in emissions intensity of our listed asset portfolio since 2019 achieved to-date.

- Our ability to meet our 2030 interim target is less certain. It is likely we will need to take further action and will become increasingly dependent on others.

- Our Engage activities support the delivery of the headline targets within our Invest and Lead pillars.

- Achieved a 80% reduction in Scope 1 and 2 emissions intensity per full-time equivalent employee ('FTE') (market-based) since 2019; this indicates we are on track to achieve net zero operational emissions by 2025.

- It is too soon to assess progress against our target to reduce our supplier base emissions intensity by 50% by 2030, and we are ultimately dependent on them taking action.

##### Key challenges and dependencies

- Action by others including investee companies, our asset managers and governments which aligns with our own net zero goals. We are ultimately dependent on supportive policy and regulation and decarbonisation of the wider economy.
- The quality and coverage of reported emissions data to enable us to accurately calculate our own financed emissions.
- A change in underlying asset values could impact the intensity metric which is the measure for our 2025 target.

- Policy, regulatory and market conditions limit our ability to scale up investment in climate solutions.
- Customer engagement and understanding to ensure that we are meeting customers' needs and delivering good outcomes.

- Action by colleagues to reduce the Group's business travel emissions in line with the business travel emissions reduction programme.
- The availability of high-quality, high-integrity carbon credits to offset our residual emissions.

- Action by our suppliers which aligns with our own net zero goals.
- The quality and coverage of supplier data.

##### Key actions to deliver targets

- Launch SDR labelled funds based on our climate-aligned indices and roll out equity climate aware benchmarks across the remaining regions.
- Continue to implement our three-year stewardship engagement programme and build alignment with asset manager partners on our engagement objectives.
- Progress our long-term ambition to invest up to £40bn in sustainable, transition or (UK-focused) productive assets.
- Continue 50–70% annual target range for shareholder illiquid asset origination to be sustainable, or transition, or (UK-focused) productive assets.

- Continue our programme of thought leadership and advocacy, focusing on overcoming policy, regulatory and market barriers to unlock investment in climate solutions.
- Evolve our Sustainable Multi Asset default fund by delivering SDR changes.

- Develop and implement a programme to reduce our business travel emissions.

- Engage our Top 10 highest emitting suppliers to support their progress towards net zero by 2050.

<sup>1</sup> Where we have control and influence, see glossary for definition.

## Planet: 2024 performance continued

# Invest

Customers are at the heart of our investment approach

We believe the actions we are taking to decarbonise our investment portfolio are aligned with delivering good customer outcomes.

### Did you know?

We have rolled out decarbonisation strategies across

## £48bn

of our investment portfolio<sup>1</sup>

## £550m

of shareholder capital was invested in climate solutions in 2024<sup>2</sup>

- 1 Of a total of £292bn in AUA.
- 2 As a portion of approximately £1 billion originated in sustainable and transition assets in YE2024.

Over the first two years of dialogue with investees we have seen progress or commitments on nearly

## 60%

of our climate engagement objectives<sup>3</sup>

We have a roadmap for investing

## £40bn

in sustainable, transition or (UK-focused) productive assets

- 3 Details of our climate objectives can be found in our Stewardship Report.

The inclusion of sustainability labelled funds in our proposition is a significant milestone and underlines our commitment to improving outcomes for customers, as we help drive our sector's transition to more sustainable investment solutions.

#### Callum Stewart

Head of Investment Proposition Development at Standard Life

- 4 The carbon intensity of underlying funds may increase in the short term as we pursue long-term decarbonisation objectives.
- 5 Measured at YE2021, consistent with our Net Zero Transition Plan.
- 6 Of Scope 1 and 2 emissions from reference date December 2019.



## Decarbonising our investment portfolio

By reducing the carbon intensity of our investment portfolio, we can reduce our customers' exposure to companies with significant climate risk and increase their exposure to companies that are investing in the net zero transition and aligning their business models with low carbon growth.<sup>4</sup>

In our **Net Zero Transition Plan** we set out a directional timeline for decarbonising our investments, starting with our c.£160 billion listed equity and credit portfolio.<sup>5</sup> In 2024 we launched a bespoke **Climate Aware Index Series** in collaboration with FTSE Russell, a London Stock Exchange Group business. The index enables us to introduce benchmarks that aim to reduce customers'

portfolio exposure to companies which are vulnerable to transition risks while protecting customer outcomes. The benchmark was introduced to our policyholder North America equity portfolio in May 2024 and will be rolled out in other regions across equity portfolios in 2025 and beyond.

Over 2 million customers are now invested in our Sustainable Multi Asset ('SMA') default workplace solution since we launched it in 2020. The equity funds in scope (c.£25 billion) will track sustainable indices that combine exclusions, tilts and stewardship activity. The regional equities and corporate bonds which form the building blocks of the SMA and other

solutions will target a 7% annual reduction in economic emissions intensity.<sup>6</sup>

We plan to adopt the FCA's Sustainability Improver™ label for eight funds, under the FCA's SDR labelling regime, aligning c.£32 billion of AUA across our investment solutions including our SMA default solution during early 2025. Securing the Sustainability Improvers™ label recognises that we have a formal objective to align with the transition to net zero by 2050. We believe adopting the label for these eight funds will help customers to understand how sustainable their solutions are, which we believe will lead to improved customer outcomes.

## Planet: 2024 performance continued

### Invest continued

### Effective stewardship of our assets

We adopt an 'engagement first' approach to the stewardship of our assets, with the objective of using our position of influence to bring about corporate change within the companies in which we invest. We see this as one of our most effective levers to drive real economy emissions reductions and deliver good outcomes for our customers.

We continue to implement our three-year engagement programme, engaging with investee companies and our asset management partners on climate change. We are engaging directly with our 25 highest emitting companies as part of our climate engagement programme, both individually and collaboratively, through organisations such as Climate Action 100+ and the Net Zero Engagement Initiative. Examples

of our engagement with investee companies can be found in our **Stewardship Report** and on our **website**.

Over the first two years of dialogue we have seen progress or commitments on nearly 60% of our engagement objectives. This builds on progress made across c.40% of our objectives in the previous year. We will review our position at the end of the three-year engagement programme, when we finalise our conclusions on the climate performance of the engaged companies, to consider what further actions may be required.

We also delegate engagement with investees on climate change through our asset management partners, and work hard to align on our

engagement objectives. We analysed the voting behaviour of a selected group of our asset managers in relation to 300 target companies.

Our analysis uncovered some areas of misalignment on climate change and governance, and we have engaged with our managers to increase their alignment with our **Global Voting Principles**.

Our **Stewardship Report** sets out our focus on effective engagement, and how we aim to take action on climate change and other ESG priority topics. It also showcases case studies of our engagement with investee companies.



### Investment in climate solutions

We are seeking to increase our investment in climate solutions to deliver good outcomes for our customers and help drive the transition to net zero by 2050, where regulatory and market conditions allow. We have invested nearly £2 billion in climate solutions since 2022, including nearly £550 million of shareholder capital in 2024.<sup>2</sup> For example, we committed £79 million into LG Energy Solution Limited's electric vehicle battery manufacturing facility. Our longer-term aspiration continues to be to invest up to £40 billion in sustainable, transition or UK-focused productive assets, including climate solutions, and we are playing an active role in trying to drive the wider system change needed to accelerate progress. In 2024, 64%<sup>1</sup> of illiquid asset originations in the shareholder portfolio were sustainable or transition assets.

As a founding signatory to the Mansion House Compact we advocated for reforms to enable pension funds to invest more into alternative asset classes. This aligns with our objective to scale investment in sustainable, transition or productive assets.<sup>3</sup> We are delighted that the reforms for which we advocated are now being implemented by the UK Government and enabling us to take tangible action: together with Schroders we launched Future Growth Capital,<sup>4</sup> the first private market investment manager to be established in the UK to promote the objectives of the Mansion House Compact.

- 1 Of these, two were through letters to the company only, and the remaining 23 involved dialogue with the company in meetings.
- 2 As a portion of approximately £1 billion originated in sustainable and transition assets in YE2024.
- 3 Unlocking investment in climate solutions.
- 4 Phoenix Group and Schroders to launch new private markets investment manager.

### Next steps

- Launch SDR labelled funds based on our climate-aligned indices and roll out equity climate aware benchmarks across the remaining regions
- Continue to implement our three-year stewardship engagement programme and build alignment with asset manager partners on engagement objectives
- Progress our long-term ambition to invest up to £40bn in sustainable, transition or (UK-focused) productive assets

## Planet: 2024 performance continued

# Engage

We are engaging with decision-makers, customers and peers to drive climate action

We know we cannot deliver net zero by 2050 alone or without further action from others, so we are vocal in calling for action and using our scale to drive the policy, regulatory and market change needed to get there.



### Did you know?

## Leader

We were named as a leader in stewardship for policy influence<sup>1</sup>

# 64%

of our customers consider it important that we influence companies to improve their impact on people and the planet<sup>2</sup>

<sup>1</sup> Untapped Potential: Asset Owners and Climate Policy Influence.  
<sup>2</sup> Responsible investing viewpoint, 2024.

## We are engaging with decision-makers and the wider industry to overcome the barriers to investing in climate solutions

Recognising the need to inform the discussion on how to overcome the obstacles to channelling private capital into sustainable assets, we hosted a series of roundtable discussions in partnership with the Association of British Insurers (ABI's) Investment Delivery Forum. These discussions further explored the priority recommendations from our **Unlocking investment in climate solutions** report published in 2023. Attendees included government, regulators, industry bodies and MPs, alongside our peers from the pensions industry. The objective of the roundtables was to explore potential solutions to overcoming the barriers that prevent the UK's pensions industry from investing at scale to support the UK's net

zero goals. These discussions fed into a policy paper, **Charting the UK's Net Zero Future**, in which we outline four key recommendations which the Government could implement to help catalyse the net zero transition:

1. Develop a National Transition Plan, defining a range of sector-specific strategies, roadmaps and policy instruments to support investment and embed a capital raising plan.
2. Focus on unlocking regional investment in net zero to speed up getting new technologies to market, aggregate fragmented opportunities, and provide a consistent planning regime at national level.
3. Evolve climate considerations within fiduciary duty, providing clarity on how

to consider climate risk and its effect on investments in a long-term prudential strategy.

4. Accelerate regulatory and legislative pension reform with the expectation that the capital freed up for investment would be targeted at UK-focused productive and sustainable finance, including climate solutions.

We will use this work as a platform for further thought leadership, engagement and, crucially, collaboration that will help to drive necessary system change as we continue on our journey towards achieving net zero and helping our customers secure a life of possibilities.



## Planet: Driving wider system change



# How are we unlocking investment in climate solutions?



We are advocating for policy that will help mobilise capital from the UK pensions industry into climate solutions. We believe this has the potential to deliver real value for our customers and shareholders.

**Tim Fassam**  
Director of Public Affairs, Phoenix Group

## Unlocking investment in climate solutions

The UK pensions industry could finance £1.2 trillion in climate solutions in the UK by 2035. That's up to half of the investment needed to support the UK's transition to net zero.<sup>1</sup>

Scaling up investment in climate solutions in a way that supports good customer outcomes is one of the key ways that we can help to deliver net zero by 2050. And with 12 million customers and £292 billion assets under administration, our scale means we can make a real difference.

There are, however, barriers related to both demand and supply for finance that are currently preventing investment at scale. We believe that with the right supportive policy and regulation and on the right investment terms, investing in climate solutions can support good customer outcomes and help deliver our net zero ambition. That is why we have focused our efforts on driving the wider system change needed to unlock investment in climate solutions.

- 1 Phoenix Group research unveils that UK pension funds could finance up to £1.2 trillion of investments to tackle climate change.
- 2 Solvency UK: Cross-sector co-operation to drive £100 billion investment into UK projects.

## Delivering thought leadership

We have delivered a programme of thought leadership on topics which we believe are key to achieving net zero and delivering good customer outcomes. Topics included overcoming barriers to unlocking investment in climate solutions and identifying perceived barriers among mid- and late-career workers to retraining in green skills to help resource the UK's net zero transition.

 Read more on **Unlocking investment in climate solutions**

 Read more on **Attitudes amongst over 50s to green jobs**

## Collaborating with peers

We actively collaborate with our peers directly and through cross-industry bodies to address investment barriers and support the development of policy, regulatory and market solutions needed to unlock the scale of investment required to deliver net zero. Our Chief Investment Officer chairs the ABI's Investment Delivery Forum Energy Generation sub-committee and our Head of Climate Change and Nature sits on the UK Sustainable Investment and Finance Association's Policy Committee. The members of the ABI's Investment Delivery Forum committed to invest up to £100 billion over the next decade into sustainable and productive assets.<sup>2</sup>

## Engaging with decision-makers

We use our thought leadership to inform our engagement with government and regulators. Over the last year we have engaged with a range of stakeholders on a variety of topics from advocating for supportive policies for delivering net zero to reforming pensions regulation.

We hosted a discussion on the UK's role as a climate leader following COP29 between The Right Hon. Ed Miliband MP, Baroness May of Maidenhead and Aldersgate Group Chief Executive Officer Rachel Solomon Williams, with our Chief Sustainability Officer, James Wilde, giving the keynote address.



## Planet: 2024 performance continued

### Engage continued

## Standard Life

Part of Phoenix Group

### Engaging with our customers

We engage with our customers to ensure that we are providing them with the products and services that meet their needs.

#### Listening to our customers and responding to their needs

We ask customers how they feel about sustainability in its wider sense and when it comes to their pensions and savings. By tracking customers' changing views, we can develop investment solutions and communications to support their needs.

#### Customers' priorities are clear

Customers' top priorities remain growing their money and managing risk – but alongside those they want to avoid harm and influence positive change where possible. That's according to **Standard Life's Responsible Investing tracking survey**, now in its fourth year.

### Customers' top priorities

#### Grow my pension

# 89%

of customers say returns are their top priority; managing financial risk comes a close second. An increasing amount (40%) agreed with the statement 'I only care about growing my money'.

#### Avoid harm

# 83%

agree that their priority is growing their money, but that they want to avoid harm if they can. And 64% consider it important to exclude investment in companies that have a negative impact on society or the environment.

#### Make investing responsibly easy

# 79%

want their pension provider to 'take care of it for me'. More than three-quarters expect Standard Life to have already considered how responsible each investment is when we invest their money.

#### Give me extra choice if I want it

# 45%

of customers would like to choose specific investments based on their values and ethics.

#### Influence positive change

# 64%

of customers consider it important that we influence companies to improve their impact on people and the planet. Over half want us to invest in a way that commits to net zero by 2050 or earlier.



### How we are responding to research

To meet the majority of customers' needs and to 'take care of responsible investing for them' we offer easy, sustainable investment options focused on growing customers' money over the long term while investing to support more positive sustainability outcomes.

To help more customers understand responsible investment, we've improved the reporting factsheets for many of the funds in our easy options (here's an example of our **Sustainable Multi Asset Growth Pension Fund**), and created layered educational content such as **jargon busters** and **articles**.

### Future-proofing investment solutions and improving customer understanding

To future-proof our solutions and help customers understand the sustainability credentials of their investments we've increased the level of sustainable investment in our Sustainable Multi Asset solution, Future Advantage Fund range and Investment Pathways. This helps us to better manage financial ESG risks and opportunities and aligns us with the FCA's SDR labelling regime. Aligning our investments with regulation also helps our customers to understand the sustainability features of our investment products.

[→ Read more on page 24](#)

### Next steps

- Evolve our default fund solution by delivering SDR changes
- Continue our programme of thought leadership and advocacy, focusing on overcoming policy, regulatory and market barriers to unlock investment in climate solutions

## Planet: 2024 performance continued

# Lead

## Change starts with us

We are taking action to reduce our emissions across our operations and supplier base and support the transition to net zero by 2050.

We are committed to improving our environmental performance across our operations to meet the highest industry standards and we're delighted to be making progress towards achieving our target of net zero operational emissions by 2025, while taking into account changes to the makeup of our estates portfolio.

**Mariana Trusson**  
Group Environmental Manager,  
Phoenix Group



## Reducing our operating emissions

Our Scope 1 and 2 emissions intensity (market-based intensity metric per FTE) increased slightly over 2024 due to a reduction in FTE numbers. Despite this we still achieved our target of maintaining a 75–85% reduction versus our 2019 baseline in our operational Scope 1 and 2 carbon emissions intensity. Our absolute Scope 1 and 2 emissions have reduced by 14% from 2023.

Our overall business travel emissions decreased between 2023 and 2024; this was driven by reduced air travel and was achieved despite a change in methodology to include the measurement of hotel emissions.

As part of our programme to reduce business travel emissions further, we are implementing a system to gather better real time travel emissions data, raising colleagues' understanding of the impact of different forms of travel through our multi-year plan, and incentivising lower emission travel options.

# 80%

reduction in Scope 1 and 2 emissions intensity per FTE since 2019 (market-based)

## Developing our offsetting strategy

We are developing our approach to offsetting our residual operational emissions to meet our target of net zero operational emissions by 2025. Our approach follows the mitigation hierarchy set out by the **Oxford Offsetting Principles**, prioritising emissions reductions first. To offset any residual emissions, we will procure carbon credits from high integrity nature-based removal projects that meet the highest industry standards. These standards include the International Carbon Reduction and Offset Alliance's ('ICROA') **Code of Best Practice** and the **Core Carbon Principles** ('CCP') developed by the Integrity Council for the Voluntary Carbon Market ('ICVCM').

## Planet: 2024 performance continued

### Did you know?

# 16%

reduction in business travel emissions since YE2023

# 100%

renewable electricity procured across our UK and EU sites

### Rolling out sustainability initiatives across our sites

In line with our Eliminate-Reduce-Substitute-Compensate strategy we are continuing to reduce the emissions from the buildings we occupy. We also achieved ISO 14001 certification for our Environmental Management System and we continue to demonstrate our commitment to this high standard by improving the environmental performance of our operations. For example, we have implemented a Group-wide comfort policy, designed to increase the efficient operation of our heating and cooling systems while ensuring optimum comfort conditions for the buildings' occupants.

This has helped to reduce our energy consumption. We are continuing to substitute inefficient systems such as lighting and air-conditioning with more efficient alternatives through our sustainable office fit-out procedures.

# 14%

reduction in energy consumption across our buildings since YE2023



### Progress in our supplier base

In 2024, we undertook an exercise to enhance the underlying primary data sources and emission factors that feed into the calculation of our supplier base's carbon emissions. This has allowed us to set a baseline year of 2022 for our supplier base's decarbonisation targets.

We have revised our approach to the calculation of Scope 3 category 1 and category 2 emissions and subsequently restated our figures for year-end 2022 and 2023.<sup>1,2</sup> We are pleased to report a 21% decrease in the absolute emissions of our supplier base from the baseline year.

During 2024, we undertook our first climate risk assessment of physical and transitional risks across the material supplier population. We will use the outputs of this assessment to focus our supplier

engagement efforts in 2025. We also reviewed our **ESG Supplier Standards** and performed a human rights risk assessment in 2024.

- 1 Restated data for YE2022: 69,900tCO<sub>2</sub>e as restated, 91,673tCO<sub>2</sub>e as published in the 2023 Climate Report. Restated data for YE2023: 60,100tCO<sub>2</sub>e as restated, 124,943tCO<sub>2</sub>e as published in the 2023 Climate Report. According to the GHG Protocol category 1 refers to emissions from our purchased goods and services and category 2 refers to emissions from our capital goods purchases.
- 2 While the Phoenix Group has made significant improvements in its methodology used to calculate its Scope 3 categories 1 and 2 emissions, as described in our Assured ESG Data Methodologies and Independent Practitioner's Limited Assurance Report there are some limitations in the availability and quality of underlying spend data used to calculate these emissions and we have only included spend data from sources we consider reliable. We recognise that Scope 3 categories 1 and 2 emissions are not based on our complete spend data and are working to improve this data coverage for future years.

### Next steps

- Develop and implement a programme to reduce our business travel emissions
- Engage our Top 10 highest emitting suppliers to support their progress towards net zero by 2050

## Planet: 2024 performance continued

# Nature

We are at the start of our nature journey and recognise that climate change and nature loss are inherently linked.



### Our nature commitments

We published a **Nature Statement** in December 2022 which sets out our commitment to taking action across our three strategic pillars: Invest, Engage, Lead.

We also became signatories to the Finance for Biodiversity Pledge, which includes five requirements for signatories.

1. Collaborating and sharing knowledge to develop market expertise.
2. Engaging with investee companies on nature.
3. Assessing the impact of the investment portfolio on nature.
4. Setting targets on nature.
5. Reporting publicly on activities linked to 1-4 above.

### Understanding our exposure

In 2023 we piloted the Taskforce on Nature-related Financial Disclosures ('TNFD') Locate Evaluate Assess Prepare guidance for a selection of our investment portfolios, partnering with three asset managers and three data providers. The TNFD pilot helped us to understand how we might develop methodological approaches to assessing nature-related impacts, dependencies and associated risks and opportunities.

We subsequently built upon the pilot work in 2024 to determine our priority nature topics: land-use change (initially focusing on tropical deforestation) and water scarcity. We have carried out initial portfolio assessments for these topics. We subsequently built nature into our Risk Management Framework as an emerging risk and have begun to disclose the actions we are taking in line with requirements of the TNFD in our **Annual Report and Accounts**.

### Taking action

Recognising that nature-related risks and opportunities are potentially material, we are taking action to address them within our portfolio monitoring and stewardship activities. In 2023 we joined Nature Action 100, a global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss. We have now completed our internal research and have engagement objectives for the companies we are in dialogue with. Our research is based on an internal scorecard which builds on our **publicly available expectations**.

We are taking steps to improve biodiversity across our operational sites through actions such as diversifying our shrub planting, reducing pesticide use, introducing native species, reducing non-native planting and encouraging pollinators.

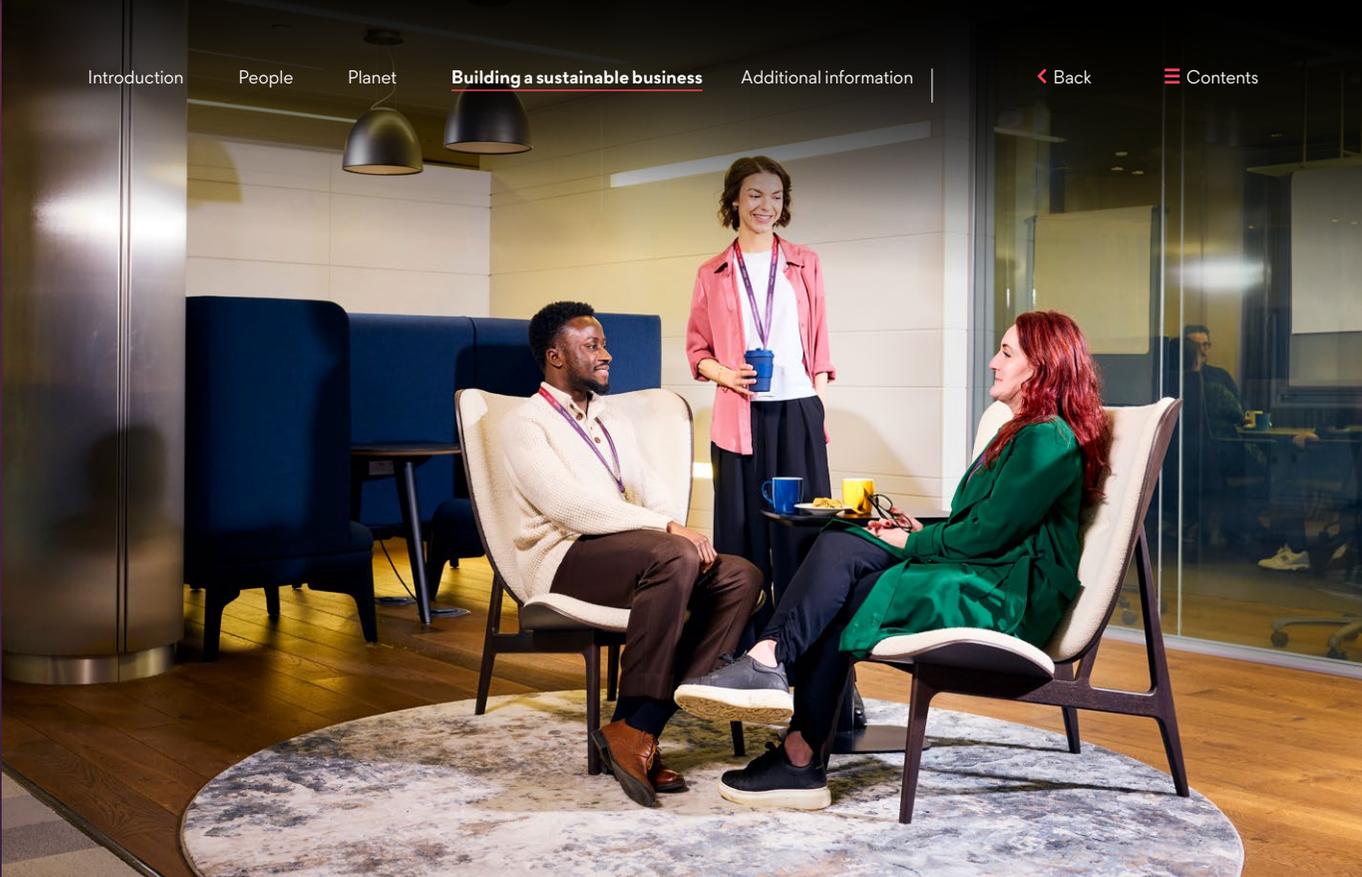
### Next steps

We aim to deliver on our priority ambitions with regard to nature, in line with the Finance for Biodiversity Pledge requirements. This includes delivering education and briefing sessions for relevant governance forums, developing initial investment position statements on nature topics and further integrating nature into assessments of our investment portfolios for nature-related impacts, dependencies and risks. For more detail on our priority nature ambitions read our TNFD-aligned nature disclosures in our **Annual Report and Accounts**.

# Building a sustainable business

## We are committed to embedding sustainability

This means acting to integrate our sustainability strategy and best practice governance throughout our business to maintain high standards of oversight, integrity and ethics.



### 2024 achievements

94%

Our combined Group customer satisfaction score for digital

23

Our colleague engagement employee Net Promoter Score ('eNPS')

39.7%

Our percentage of Senior Leadership that are women^



#### In this section

- 33 Supporting our customers
- 35 Our approach to sustainable investing
- 36 Sustainable operations
- 37 Delivering our ESG supplier commitments
- 38 Supporting our colleagues
- 41 Diversity, Equity and Inclusion
- 43 Respecting human rights
- 44 Governance

## Building a sustainable business continued

# Supporting our customers

We are focused on delivering good customer outcomes.

# 88%

Our combined Group customer satisfaction score for telephone

# 94%

Our combined Group customer satisfaction score for digital

## Consumer Duty

The FCA Consumer Duty seeks to increase consumer protection in the retail market, foster effective competition in the interest of consumers, and encourage the industry to do more to foresee and prevent harm before it happens. We have invested significantly in good customer treatment and outcomes across our businesses and our family of brands for many years, and continue to do so, including in the areas of vulnerability. The Duty supports our focus, particularly in key areas such as customer communications and customer understanding, including guidance and advice services. We support the intent of the Consumer Duty; it is aligned with our purpose which is to help customers secure a life of possibilities. It also provides us with the opportunity to do even more to support customers and to help them improve their understanding of the products and services we provide.

As part of our implementation plan, we have identified key priorities to address to ensure we comply with the Consumer Duty requirements within the relevant timescales.

### Progress made:

We assessed our 'closed' products and services and made any updates needed to meet the requirements of Consumer Duty in line with the regulatory deadline of July 2024. We also continued to refine the frameworks and methodologies used to assess customer outcomes, including testing customer communications and comparing the outcomes received by different customer groups, including vulnerable customers.

### Looking ahead:

We are continuing to embed Consumer Duty across the business and are developing the metrics and reporting that will be used to assess customer outcomes on an ongoing basis.

## Responsible product development and marketing

### Product Governance Framework

We have developed the Product Governance Framework to help ensure that the delivery of good customer outcomes and fair value is central to how we design, manage and review our products and propositions. The framework provides a clear structure for the identification, assessment and management of customer outcomes risk. This means we can be sure that our products continue to meet customers' needs and that we take appropriate action where we see risks of not providing good outcomes or of foreseeable harm.

The framework is part of a wider risk framework that defines our proposition risk culture and appetite, informs governance processes and forms part of the Customer Outcomes pillar of the Group Conduct Strategy. This governance applies to both where we develop and market new products directly, and where we administer products which no longer allow new business. We assess product features and effectiveness throughout the lifetime of the product, going beyond the period in which the product is actively marketed and sold.

### Product reviews

We have a robust product review and development process. This means that all our products are developed and launched in line with regulations and standards, and assessed on the extent to which they deliver good customer outcomes and fair value.

Product reviews are completed both for actively and non-actively marketed products using a set of Product Review Metrics. These include Strengths, Weaknesses, Opportunities and Threats ('SWOT') and Political, Economic, Social, Technological, Legal and Environmental ('PESTLE') analyses, customer insight, operational performance and the concepts of foreseeable harm, fair value (both financial and non-financial) and delivering good outcomes. We also consider the support we offer to customers in

times of vulnerability; how the products are marketed and distributed; how distributors are informed; how we communicate with customers (including the digital capability we offer them to make it easier for customers to transact with us); and customer experience and satisfaction.

### Customer satisfaction

To understand our customers' satisfaction with their interactions with our family of brands, we send out surveys and provide customers with the opportunity to leave comments. We then analyse the results in order to understand trends and drive improvements, reaching out to customers where we need to understand more. Customer satisfaction is tracked using the Product Satisfaction ('PSAT') score. In 2024, 88% of customers rated their call experience as 'good' or 'excellent' and 94% rated their digital experience 'good' or 'excellent'.

Trained Complaints staff and call centre agents identify and acknowledge complaints in accordance with the relevant policies and procedures to ensure good customer outcomes. Complaints are dealt with by competent handlers who look at each case on its individual merits; we give all customers a dedicated phone number as we know that contact is key throughout the process.

We operate an effective Root Cause Framework to make sure that we learn from what our customers tell us and that this informs how we address the causal factors of complaints and to ensure that we are continually strengthening our complaint handling process.

### Responsible Marketing Policy

Our Responsible Marketing & Communications Policy outlines our commitments to ensuring our marketing and product information is accurate, easy to understand and transparent.

 Read our **Responsible Marketing Policy**

## Building a sustainable business continued

### Supporting our customers continued

## Supporting vulnerable customers

Our vulnerability strategy provides support for those most at risk of harm. It aims to drive up standards for the treatment of people who are vulnerable across our family of brands and in wider society. It covers what vulnerability means in the context of our customers, colleagues and products and services. We also want to help others improve their standards by sharing our insights and best practice.

We have processes in place to proactively identify triggers and drivers of vulnerability. We make it easy for customers to tell us about their vulnerable circumstances and also create opportunities for them to tell us of concerns or issues they may have.

### The four drivers of vulnerability

1. Health
2. Life events
3. Resilience
4. Capability

We support colleagues to have a good understanding of vulnerability, focusing on three methods.

- **Behavioural** – Working with behavioural science experts Cowry Consulting to develop our award-winning colleague e-learning programme to help close the empathy gap.
- **Physical** – Using accessibility simulation aids to improve colleagues' understanding of the physical barriers that customers can face when trying to engage with our app or website.
- **Virtual** – Creating an innovative and immersive experience through virtual reality that brings to life the story of one of our vulnerable customers in a way that helps us understand the importance of how we show we care in the moments that matter.

Working with SignLive, Standard Life launched a service for Deaf British Sign Language ('BSL') users. This connects the customer to a qualified online BSL interpreter who will relay the conversation between the customer and the call handler.

→ Read more about our Vulnerable Customer activity on our **Caring for Carers** pages 18 and 19

### External engagement and thought leadership

By sharing our knowledge of customer vulnerability, collectively we can have a greater impact. In 2024, we spoke at the Engage Customer Summit, sharing how we use creative and innovative methods to bring vulnerability to life for colleagues. We also shared how we are making improvements throughout our customer journeys to meet the needs of customers whose circumstances may mean they are vulnerable.

In February 2024, Phoenix Group hosted a Vulnerability Summit in London which was attended by industry leaders from the public, private and third sector organisations. We shared our report: **A coalition of the willing and the determined** with all attendees including the FCA.



### Awards

In 2024, Standard Life achieved 'Highly Commended' for our approach to vulnerability at the Boring Money Best Buy Awards.

### Focusing on financial inclusion

We want everyone to have the opportunity to benefit from financial services, regardless of their means or abilities and whether or not their circumstances mean they are vulnerable. To achieve this, we deliver initiatives that can help to improve financial inclusion, while also identifying new opportunities to fill gaps and support more customers.

→ Read more on page 15

One of the key customer groups our strategy focuses on is 'mid-career' women, who we know are likely to be disproportionately affected by events that can hinder their ability to work and save. Following the successful pilot of our financial education webinars in 2023, we have developed an ongoing range of '**Good Money Mood**' webinars that are open to our Workplace customers. Developed with financial education experts Better With Money, the webinars aim to help our customers make the most of their money now and in the future by increasing confidence in their financial decisions.

Many of the wide-ranging topics covered by the webinars focus on life events often experienced by women in the middle of their career. These include menopause, parenting, part-time working, divorce and caring.

We've started by offering these to our Workplace customers, and we plan to offer them to more customers throughout 2025.

## Building a sustainable business continued

# Our approach to sustainable investing

We believe integrating ESG factors into investment processes helps to deliver better risk management for our customers and shareholders.

# £292bn

Total AUA

We have a roadmap for investing

# £40bn

in sustainable, transition and (UK-focused) productive assets

## ESG integration

ESG integration is the continual consideration of ESG factors in investment analysis and decision making, with the aim to improve risk-adjusted returns. It is central to our approach as a long-term investor as we believe it helps to ensure better management of financially material risks for our customers and shareholders, making our portfolio more resilient over the long term.

We are a signatory to the UN Principles for Responsible Investment ('PRI') and are continuing to embed its six principles in our approach to ESG integration.

We consider ESG factors in the design of investment strategies, manager selection and ongoing monitoring and reporting.

 Read **Our Approach to ESG Integration**

 Read the **UN Principles for Responsible Investment**

## Sustainable Finance Classification Framework for Private Markets

We have committed to increase our investment in sustainable, transition and (UK-focused) productive assets, subject to the right regulatory and market conditions and to this delivering good customer outcomes.

It is therefore important to define what these assets are, so we have developed our own framework, **Sustainable Finance: Classification Framework** for Shareholder Investment in Private Markets, which draws upon the EU Taxonomy and other relevant taxonomies. We align with the ABI Investment Delivery Forum's definition of productive assets.

The framework helps us identify eligible investments across both environmental and social contexts.

Themes included within the framework cover, but are not limited to: renewable energy, energy efficiency, clean transportation and green buildings, as part of our environmental framework. As part of our social framework, we invest in affordable housing, affordable basic infrastructure and services, and access to essential services.

## Engaging customers

We recognise the need to take our customers on a journey to build their knowledge and confidence in their product and investment solutions. We believe engaging our customers on the impact of their investments is important for helping engage them with their financial futures.

 Read more on **page 26**

## Asset manager selection and monitoring

We recognise that thorough due diligence of our asset managers as well as ongoing monitoring is vital to ensure that the assets are managed in line with the Group's approach, processes and expectations. We conduct periodic ESG due diligence on our asset managers, reflecting our expectations on policies and commitments, governance, integration, stewardship and reporting. Our minimum requirements for asset management partners are set out in **Our Approach to ESG Integration**.

## Our in-house stewardship activities

We recognise the value of engaging with investee companies to promote best practices and seek to do so where possible, either directly through our own activities or collaborative mechanisms, or indirectly through our asset management partners. We have set out our approach to stewardship in our Stewardship Policy and in our annual Stewardship Report.

 Read our **Stewardship Report**

 Read our **Stewardship Policy**

## Exclusions

While our preference will always be to engage in constructive dialogue with our investee companies to help improve their performance on ESG factors, we accept that this might not always be possible or appropriate. This could be due to the nature of their business or because they fail to meet our expectations.

At present, we have implemented investment exclusions in five key areas across all assets where we have direct control or influence of the investment mandate or solution:

- Controversial weapons
- Thermal coal<sup>1</sup>
- Oil sands<sup>2</sup>
- Arctic drilling<sup>2</sup>
- Tobacco producers<sup>3</sup>

The excluded sectors and thresholds applied are periodically reviewed.

 Read our **Investment Exclusions Policy**

- 1 Our threshold for exclusion is 20% of revenues from this source, and a waiver is adopted where companies have between 20-30% of revenues from this source and have Paris-aligned science-based targets approved by the SBTi.
- 2 Our threshold for exclusion is 20% of revenues from this source.
- 3 Our threshold for exclusion is 1% of revenues from this source.

## Building a sustainable business continued

### Sustainable operations

In addition to our primary focus on climate and nature, we act to support the circular economy and engage our colleagues to support our environmental aims.

# 100%

of waste continued to be diverted from landfill from all our core operational sites

# 388kg

surplus food donated to the local community in 2024

### Circular economy and waste

We want to avoid waste and pollution, and preserve the value of resources (raw materials, energy and water) for as long as possible. This is an important alternative to the take, make, use, dispose economy and plays a vital role in preserving global natural capital as well as avoiding carbon emissions.

We apply these principles to our own operations and during 2024 we have made further progress on our circular economy journey.

We follow a waste management hierarchy that adopts the following principles listed in order of priority:

- Avoid and reduce
- Reuse
- Recycle
- Recover energy from waste
- Dispose of and divert waste from landfill

To understand better how to reduce waste and the behaviours that lead our colleagues to make considered choices, we carried out waste audits in 2024 and will continue to do so in 2025.

Our sites reuse as much furniture and equipment as possible to ensure minimum new material is purchased. Where there is no choice but to buy something we choose sustainable and recycled materials. Where we cannot reuse, we support the circular economy by upcycling or donating equipment, for example, through the Waste to Wonder Trust.

We continue to partner with the Integrated Facilities Management and catering partners to deliver sustainable options. For example, we use seasonal produce wherever possible for our in-house catering, and continue to offer nature-friendly and, where possible, locally sourced food at catering facilities in our core offices. We have also expanded our plant-based offerings. As part of our ambition to minimise food waste, we continue to work in partnership with Olio to redistribute surplus food to the local community.

We continue to use biodegradable packaging instead of single use plastic and we are looking into opportunities for reducing the amount of this further.

With the help of Foodsteps, we also introduced carbon counting on menus at some of our sites.

### Environment champions

Our growing colleague-led Environment Champion Network spans the UK and Ireland. It aims to raise awareness of environmental issues, drive change and inspire other colleagues to take action. In 2024, the champions played a key role in helping us to understand colleagues' views on reducing operating emissions related to business travel. The network has also raised awareness and inspired colleagues by sharing stories of cycling to work and volunteering for environmental initiatives.

➔ Read more on **pages 29 and 30**



## Building a sustainable business continued

# Delivering our ESG supplier commitments

We want to build relationships with suppliers who share our ESG ambitions.

## Net zero

We aim to achieve a net zero supply chain by 2050

# 50%

Our interim objective is to halve the carbon intensity of the supplier base by 2030 relative to 2022 baseline

We are focused on putting robust processes and disclosures in place across our supplier base.

We aim to achieve a net zero supply chain by 2050 with an interim objective to halve the carbon intensity of the supplier base by 2030.

[→](#) Read more on **pages 23 to 30**

### ESG Supplier Standards, supplier management and oversight

The ESG Supplier Standards set out the minimum ESG requirements towards which all suppliers are expected to work. To deliver our 2030 commitment to halve the carbon intensity of the supplier base from a baseline year of 2022, we revised the ESG Supplier Standards in 2024.

Suppliers are required to make several climate and social sustainability commitments including the adoption of a carbon reduction commitment aligned to best practice and the current scientific consensus. All material suppliers and suppliers with whom our annual spend is expected to be over £1.5 million (inc. VAT) will be subject to enhanced due diligence. Suppliers operating below the monetary threshold will be monitored through targeted sampling.

[📖](#) Read our **ESG Supplier Standards**

### Climate and social risk

As part of our data enhancement workstream we continued to improve our location of service and product delivery data. This will enable us to improve our understanding of the physical and transition risks posed by climate change, as well as helping to develop a deeper understanding of social risk for our material suppliers.

In 2024 we improved the underlying data for the emissions calculation for our supplier base, allowing us to set a baseline year of 2022. We are now able to disclose supplier Scope 3 emissions data and report progress made against the associated 2030 target.

The expectations of our suppliers on human rights and modern slavery are set out in the Supplier Code of Conduct and the ESG Supplier Standards. During 2024 Phoenix Group has taken steps to increase the visibility of human rights and modern slavery risks across the supplier base by engaging an independent third party to conduct modern slavery and human rights assessments. The assessment provided some valuable insights as to which categories of spend have a higher potential for human rights risks to exist. We further enhanced the assessment by conducting an audit of the material suppliers in higher risk categories. This output will drive further engagements with a number of suppliers in 2025.

[📖](#) Read more in our **Annual Report and Accounts**



## Building a sustainable business continued

# Supporting our colleagues

Our ambition is to make Phoenix Group the best place colleagues have ever worked.

We achieve this through our leading flexible work approach and suite of progressive policies.

In 2024 we completed the first year of our 3-year roadmap to streamline how we operate to ensure we are efficient and effective. We acknowledge this has meant a period of change and uncertainty for our colleagues. That's why we have worked to provide support and engagement, focusing on defining the behaviours and culture that underpin everything we do.

### Introducing The Big Three

We introduced our Big Three guiding principles for how we all conduct ourselves as we deliver our purpose-led strategy during 2024. They help guide us as professionals, to behave effectively and act with integrity.

-  **We put our customers first**
-  **We aim high**
-  **We work together**

## Colleague engagement

We want all colleagues to know they are listened to and empowered to speak openly and honestly about their experiences at work.

Our Board regularly engages in two-way dialogue with our colleagues to understand the issues that matter most. Our Director of Workforce Engagement Maggie Semple provides a formal communication channel between colleagues and the Board. This includes gathering colleague feedback from our Phoenix Colleague Representation Forum ('PCRF'), and supporting the Board in responding to issues.

Our PCRF is there to support colleagues<sup>1</sup> throughout their working life, providing guidance and assistance through challenges they may be facing. The PCRF gathers views on topics that matter most to colleagues, and represents the collective colleague voice with senior leaders across Phoenix Group. The aim is to influence change and propose improvements.

Our monthly continuous listening survey, Peakon, gives colleagues the opportunity to tell leadership anonymously about their experience of working at Phoenix Group and say what is and isn't working well. That means we can change the things that prevent us from achieving our full potential.

And, in 2024, we introduced colleague focus groups, which aim to directly capture colleagues' views on the issues that matter most to them.

We report on our colleague engagement through an eNPS, a broadly used and holistic metric that indicates how colleagues feel about working for Phoenix Group. We began the year with our highest ever eNPS score at 34, two points up from our December 2023 score. We knew 2024 would be a challenging year as we worked to transform our business. We have nevertheless worked continually to keep engagement and colleague experience at the front of our mind. Although we've seen decreases, ending the year on a score of 23, as colleagues work through our organisational changes, we've continued to see above-benchmark engagement.

Our multi-channel approach to continuous listening ensures that every colleague has a voice. It enables us to respond and react to the moments that matter, when they matter.

<sup>1</sup> The PCRF supports our UK colleagues. Colleagues in Ireland have access to Unite, and our colleagues in Germany, the German Works Council. SLOC colleagues have access to the SLOC UK Employee Forum.

## Wellbeing

Our colleague wellbeing programme is designed to support colleagues both in and outside the workplace. We provide access to support, tools and advice that help them stay well physically, mentally and financially.

All colleagues have access to our Employee Assistance Programme, which includes a confidential 24-hour helpline that provides colleagues and their immediate family members with immediate help and support in managing whatever work or personal issues they are facing.

### Menopause support

We are committed to providing access to support, tools and advice to our colleagues for all stages of the menopause. This includes being a Menopause Supportive Employer, accredited by Henpecked, providing Menopause advocates, and working with line managers to increase their understanding of how menopause affects colleagues.



## Building a sustainable business continued

### Supporting our colleagues continued

#### Mental and physical support

All colleagues' are automatically enrolled in our private healthcare offering from BUPA when they join Phoenix Group. As well as an online GP service, colleagues have access to online mental health support with BUPA's partner SilverCloud. To further support colleagues' mental health, we have trained Mental Health First Aiders.

Our Phoenix Flex policy goes beyond the minimum legislative requirements, supporting colleagues to balance their work and personal lives by encouraging and celebrating flexibility at work. Colleagues across the business can request to work flexibly from day one, and this applies both to formal flexible working and informal arrangements. Colleagues are also empowered to disconnect from work outside their working hours in line with our Right to Disconnect Promise.

To reflect our commitment to operating a safe working environment, our UK business qualified for the ISO 45001 Occupational Health and Safety ('OH&S') Management Systems certification at the start of 2024. This is a risk-based approach that helps us improve workplace safety, and ensures we have an effective and continually improving OH&S management system. 99.6% of our colleagues completed annual mandatory training on health and safety in 2024.

We know that colleagues sometimes need time off work. UK colleagues can take six months' sick leave at full pay (service dependent) and after 52 weeks of absence may apply for Group Income Protection ('GIP') at 50% of their salary.

#### Financial support

We partner with Nudge to deliver personalised money news, tools and education for all colleagues. In 2024 we also offered tailored webinars covering key topics for which colleagues told us they wanted further support. These included tax, pensions, family finances, and redundancy support.

We were the first of six companies to sign up to the Living Pension Commitment from the Living Wage Foundation,<sup>2</sup> following the pilot scheme. To meet the commitment, Phoenix Group offers a core pension contribution of 10%, with a further contribution of up to 2% to match voluntary contributions made by colleagues.

#### Community engagement

Giving back is part of our culture and by fundraising, volunteering and sharing knowledge, we can help more people enjoy a life of possibilities.

#### Phoenix Heroes

In 2024 we continued our Phoenix Heroes programme, which celebrates colleagues who give what they can, including time, skills, knowledge, resources and fundraising, to help make a positive and lasting difference in our communities.

#### Fundraising

We match fundraising donations colleagues make to approved registered charities of their choosing. We also give our UK colleagues the opportunity to donate to registered charities across the UK through the payroll giving scheme Give As You Earn.

In May 2024 we launched our brand-new initiative helping to restore balance to the lives of working carers. Our mission is to help the millions of people who work and care to achieve a better balance in their challenges: personal, financial, professional and emotional. During 2024, colleagues raised nearly £130,000 for Carers UK.<sup>3</sup>

➔ Read more on **page 18**

Our colleagues in Europe support children's cancer charity Hilfe für krebskranke Kinder Frankfurt e.V. in Germany, and cancer support charity Österreichische Krebshilfe Wien in Austria.

#### Volunteering

Many of our colleagues make a real difference to people's lives by donating their time and skills to support a range of community-based groups. All colleagues across the UK and Ireland are entitled to three days' volunteering during business hours for individual activities or team volunteering.

# c.£1.8m

Total value of community contributions excluding management costs<sup>4,5</sup>

# c.8,350hrs

Donated to volunteering opportunities by colleagues in 2024

- 1 All references to colleagues within 'Mental and physical support' refers to UK colleagues.
- 2 Living Pension launched to provide security and stability in retirement.
- 3 This figure includes colleague fundraising, non-colleague fundraising, company matching and other corporate donations.
- 4 Previously reported as total donations by Phoenix Group (£).
- 5 Includes cash donations, employee volunteering time, in-kind products, services and management costs per the B4SI Framework.



## Building a sustainable business continued

### Supporting our colleagues continued

#### Training and development

##### Colleague development

We enable the professional development and growth of colleagues during their time at Phoenix Group through our learning and development strategy. This is designed to ensure that colleagues work safely, responsibly and sustainably, that we attract and retain the best talent, and that we build the technical, professional and personal skills we need to continue to meet our customers' needs.

Our Thrive at Phoenix programme brings together all the resources colleagues need to cultivate their own future, move forward in their career and reach their development goals. We offer a wide range of resources for building skills and knowledge, from mentoring to virtual workshops, to leadership development programmes. The journey begins with Join and Thrive, our award-winning induction programme.

Over  
**1,600**  
colleagues attended the Thrive programme in 2024

Beyond this, specific training and mentoring is offered on a needs basis.

Nearly  
**1,000**  
colleagues booked on to training courses during 2024

We introduced LinkedIn Learning in November 2024 for all our colleagues. This is a platform that allows people to access top-quality learning resources at a time to suit them. At the end of 2024, almost 300 people have registered and completed over 300 hours of learning.

Over  
**230**  
colleagues signed up to be mentored in 2024

Our dynamic, online mentoring platform, Connectr is open to all UK and Ireland colleagues. Mentees choose their mentors, and work with them on their objectives and build a network across our business.

**147**  
colleagues were promoted in 2024, demonstrating our commitment to supporting great careers

We use our Leadership Capabilities Framework, our Lead and Thrive programme and a range of other resources to help develop the skills and mindsets required to lead.

#### Midlife MOT

We continued to offer the majority of our colleagues our Midlife MOT programme, which comprises digital self-assessment and a series of workshops that help colleagues understand their balance across work, wealth and wellbeing.

 Read more on our **website**



## Building a sustainable business continued

# Diversity, Equity and Inclusion

We want Phoenix to be a diverse and inclusive place to work.

We want to reflect the customers we serve and the communities in which we operate, to be diverse and inclusive, and a place where all colleagues are treated equally and with respect. This allows us to attract the best talent, broaden our skillsets and widen our thinking. Ultimately, it helps us deliver what is best for our customers.

At Phoenix, we are all responsible for DEI. It is overseen by our Executive Committee chaired by our Chief Executive Officer Andy Briggs, and backed up by our dedicated DEI team. The team is supported in the work it does by 11 colleague networks which aim to raise awareness, and to connect and support colleagues on DEI issues.

We participate in a wide range of partnerships with external organisations to help us to advocate, drive action and promote best practice. These include Working Families, Neurodiversity in Business, Insurance Cultural Awareness Network ('iCAN'), The Clear Company and Link.

## Our approach

Our DEI activity has five main aims:

- 1. Recruitment:** Attracting diverse talent to Phoenix.
- 2. Progression:** Our selection and progression processes are fair and open to everyone.
- 3. Representation:** We have representative colleagues and leadership.
- 4. Inclusion:** Our colleagues have a safe and inclusive workplace where they can do their best work.
- 5. Culture:** Our culture is inclusive and enables our colleagues to put our customers first.

## Top 20

We once again achieved a top-20 placement in the Social Mobility Index

## 500

colleagues educated on neurodivergent conditions with our partners Exceptional Individuals and Autistica

## Key areas of our 2024 Group DEI action plan

### Hearing from our colleagues

We ran a series of focus groups to hear from our colleagues in 2024. To help unite our colleagues across generations these focused on the impact of age and career stage on colleagues' careers. To support the formulation of our Race and Ethnicity Action Plan these aimed to truly understand the lived experience of our ethnically diverse colleagues.

### Opening doors to diversify recruitment

We worked with The Clear Company, a DEI and culture consultancy, to develop a bespoke, accredited one day training course for our recruiters and hiring managers. Key learnings have been embedded to ensure that everyone understands how to recruit inclusively.

### Creating opportunities for individuals from low socioeconomic backgrounds

During 2024 our programme of social mobility work helped us once again achieve a top-20 placement in the Social Mobility Index. This included a range of activity such as creating a digital career platform to scale up diverse recruitment, and expanding the Career Ready Programme to mentor low socioeconomic background students and provide a paid internship. We also introduced 'Work Experience +1' to tackle the issue of most work experience coming from friends and family of colleagues. The initiative invites a 'plus one' from schools in socioeconomic cold spots, Jobcentres and outreach events.

### Building a disability and neurodiversity friendly workforce

We have educated over 500 colleagues on neurodivergent conditions with our partners Exceptional Individuals and Autistica. We ran these sessions to create an environment of understanding and empathy, and reduce unconscious bias. We also created a Disability Action Plan which will launch in 2025, aiming to build a more inclusive environment for disabled colleagues.

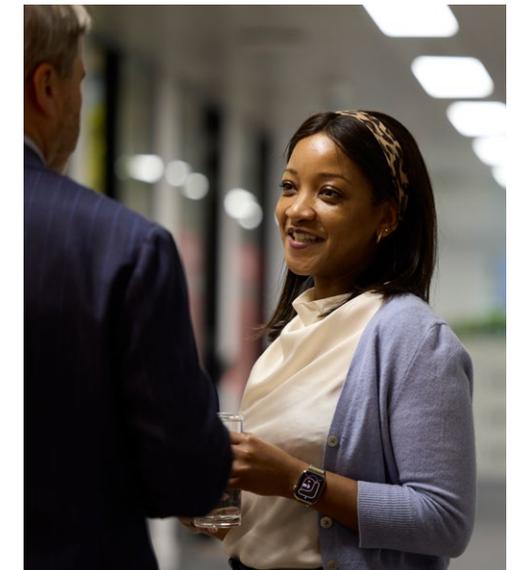
## Making progress on the Race and Ethnicity Action Plan

To support the formation of our Race and Ethnicity Action Plan and building on our focus groups, we piloted an educational solution and conducted an external Ethnicity Maturity Assessment to understand the pressing areas for action. We also maintained our presence in the community by sponsoring the Birmingham and London Black Business shows. We worked with our Mosaic Network and Black Colleague Working Group to ensure the plan, which launches in 2025, is fit for purpose.

## Inclusion Report

In 2024, we published our Inclusion Report which contains information on our programme of DEI work including social mobility, age, disability and neurodiversity, and LGBTQ+ inclusion.

 Read our **Inclusion & Pay Gap Report 2023**



# Building a sustainable business continued

## Diversity, Equity and Inclusion continued

### Our DEI targets and progress

We have continued to make progress against our gender, ethnicity, and inclusion goals in 2024. We set ourselves a stretching gender target of 40% women at Senior Leadership level, to include our top-3 role levels, that make up 13% of our workforce. Our target demonstrates our ambition and commitment to build deep pipelines of diverse talent and to invest in developing our own talent. We ended the year at 39.7%<sup>^</sup> and have recommitted to stretch our target for 2025 to 42%.

Data lies at the heart of our DEI work so that we can be impactful in our actions and measure our progress continuously. In January 2024 we moved our diversity data collection from an annual snapshot survey, to an 'always on' survey integrated within our core HR system. 64% of our colleagues have shared their data, enabling us to take an intersectional view and analyse a wide range of recruitment, promotion and talent data. As a result of this move, the pay gap results related to ethnicity do not accurately reflect the pay gap difference. Therefore, this report does not include ethnicity pay gap data; we will instead report on this in 2025. We will continue to work to increase completion rates which will enable us to further develop our analysis and reporting.

We will continue to be ambitious in our DEI targets, focusing on increasing Black diversity, reducing the gender pay gap, and increasing Women in Leadership roles across the Group. This means continuing to increase the diversity of leadership teams, working with leaders and people managers to embed inclusive practices, and focusing on growth and retention to create a more diverse succession pipeline.

### Progress on our DEI metrics

Area	2024 target	Position as of 31 Dec. 2024 <sup>^</sup>
Percentage of Senior Leadership that are women	40%	39.7%
Number of women in top 100 paying roles	35	41
Monthly Group gender pay gap*	20%	16.8%
Percentage of Group employees of Black, Asian or Ethnic Minority background	15%	14.7%
Percentage of Senior Leadership that is of Black, Asian or Ethnic Minority background	12%	13.2%
Percentage of Senior Leadership that is of Black background	1.5%	0.7%

\* Internally we track our pay gaps based purely on FTE salary. This is different from the government mandated methodology.

### Our inclusive policies

Our policies reflect our ambition to be a truly diverse and inclusive employer. These include:

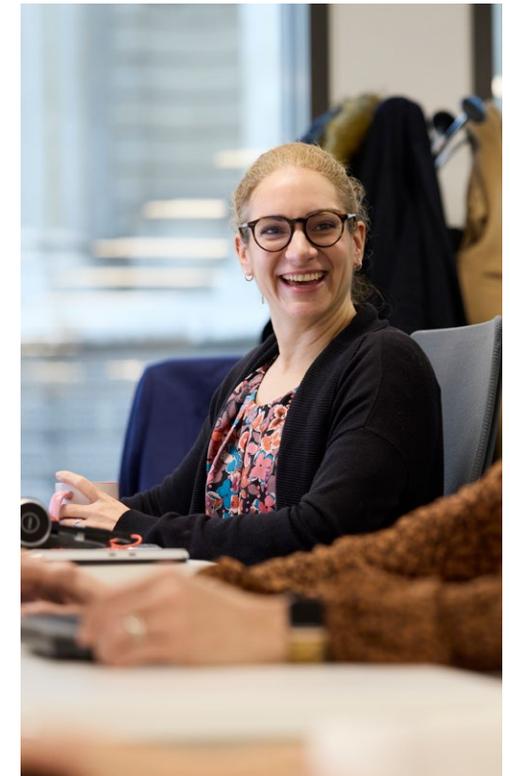
- Paid time off for expectant parents to attend antenatal or adoption appointments.
- 26 weeks of family leave, as a day one right,<sup>1</sup> to all new parents regardless of gender and how they come to parenthood.
- Up to 12 weeks of paid leave to support parents whose child requires neonatal care.
- Back-to-work coaching and support, and the option for new parents to phase their return to work over two months.
- Career breaks of between a month and a year to, for example, take time out with family.
- Ten days' paid carer's leave.
- Ten days' paid leave to undergo fertility treatment or appointments.
- £15,000 towards fertility treatment, regardless of sexuality or relationship status.
- Emergency leave to help our colleagues deal with an unexpected or immediate responsibility for a dependant, as well as compassionate leave and parental bereavement leave.

### DEI for our customers

In 2023 we reviewed all DEI propositions across the Group for both colleagues and customers, and mapped these against the protected characteristics of the Equalities Act to identify gaps and inform planning for improvement. We created a high-level roadmap for addressing customer DEI, and began taking action during 2024 to launch innovations and enhancements.

### DEI in our investments

We are committed to advocating for higher DEI standards in the companies in which we invest. In our global voting principles, we set diversity expectations for investee company boards and management roles. In 2022 we became a signatory to the Asset Owner Diversity Charter which sets out commitments for asset owners to improve diversity in all forms across the investment sector.



<sup>1</sup> To UK colleagues.

## Building a sustainable business continued

# Respecting human rights

We are committed to delivering on human rights and addressing any harms in our operations and value chain.

We recognise our responsibility to respect human rights and are committed to aligning with the United Nations Guiding Principles on Business and Human Rights ('UNGPs'), the authoritative global framework on business and human rights.

Our commitment is guided by the International Bill of Human Rights and the International Labour Organization's ('ILO') Core Conventions. We are committed to proactively preventing, identifying and addressing harm that may occur through our operations and in our value chain.

We have developed a framework that sets out our approach for embedding and delivering on our human rights commitments. A key component of the framework is our three pillars of 'empowering colleagues', 'assessing, acting and monitoring', and 'remediating'. The three pillars focus our approach and ensure we deliver against our commitments.

 Read more on our **website**

## Our progress on human rights in 2024

During 2022 we appointed a human rights consultant to review our alignment to the UNGPs by conducting an assessment and identifying opportunities for improvement. As a result, we developed a three-year roadmap to address gaps and have been progressing this over 2023 and 2024.

---

# 50m

people worldwide are in modern slavery<sup>1</sup>

---

# 28m

people worldwide are in forced labour<sup>1</sup>

## Identification of our human rights risks

We continue to identify and assess the salient human rights issues that we intend to prioritise for further action across our operations and value chain as part of our due diligence processes. This process includes a portfolio-level human rights assessment and an assessment of human rights risks in countries of operations and high-risk business relationships on an ongoing basis.

 Read our **Human Rights Policy**

## Modern slavery

It is estimated that 50 million people worldwide are in modern slavery and 28 million are in forced labour<sup>1</sup>. Modern slavery, forced or compulsory labour, servitude and human trafficking are severe violations of fundamental human rights and freedoms. We are committed to supporting the global effort to eradicate modern slavery in all its forms. We comply with all relevant provisions set out in the UK Modern Slavery Act 2015, including publishing an annual Modern Slavery Statement. Our Statement demonstrates our approach to assessing and mitigating the risk of modern slavery through our operations, with our suppliers and in our investment portfolio.

In 2023, we began a partnership with Unseen, an organisation that helps companies to reduce and eliminate worker exploitation. We are also an active member of Unseen's finance hub. During 2025, it will support us with colleague training and ensuring we continue to embed best practice across our organisation and value chain.

 Read our **Modern Slavery Statement**

## Investment collaboration on human rights

We are members of the PRI Advisory Committee for Advance, a collaborative engagement initiative on social issues and human rights. Within Advance we are leading on two and actively participating in four coalitions focusing on respect for human rights in the mining and utilities sectors.

These collaborative engagements encourage companies to commit and deliver on the full implementation of the UNGPs, alignment of their political engagement with their responsibility to respect human rights and progress on tackling the most severe human rights issues in their operations and across their value chains.

 Read our **Stewardship Report**

<sup>1</sup> Global Estimates of Modern Slavery: Forced Labour and Forced Marriage.

## Building a sustainable business continued

### Governance

We are committed to the highest standards of governance. More information on each of our governance topics can be found on our website.

 Read our **Governance webpage**

### Business ethics and Code of Conduct

Our Code of Conduct is core to who we are as a business. It reflects our Big Three culture, ambitions, and our brand ethos. It is why we are trusted as an organisation and an employer. Our Code is designed to enable us to fulfil our purpose of helping people secure a life of possibilities.

Along with our suite of risk and HR policies, and the laws and regulations of the countries in which we work, it provides a framework which supports colleagues in behaving ethically and acting with integrity, whatever their role.

 Read our **Code of Conduct**

### Financial crime and bribery

Taking action on financial crime is vital in preventing harm to individuals and society. We are committed to acting fairly and ethically in all countries in which we operate, and to effectively manage any breaches of regulatory or legislative compliance relating to money laundering, fraud, sanctions, bribery and corruption.

 Read our statements & policies:

- **Criminal Finance Act**
- **Anti-money Laundering and Sanctions Statement**
- **Anti-bribery Statement**

### Tax

We aim to lead by example by managing our taxes in a sustainable, responsible and transparent manner. The application of the tax strategy is an integral part of our day-to-day operations. Phoenix Group's Board is responsible for ensuring the tax obligations of the Group are understood, complied with and managed appropriately.

We disclose our total tax contribution, which is an important contribution to public finances in the countries in which we operate. This consists of taxes paid by the Group and the taxes which we collected and paid on to the tax authorities.

 Read our **Group tax strategy**

### Responsible AI

Artificial Intelligence ('AI') models introduce new complexities, risks and challenges. Our approach is to learn by doing and scale up once proven, starting with lower risk use cases while foundational capabilities are being established.

It is important to practise responsible, trustworthy and ethical AI use to avoid causing foreseeable harm to the Group and our customers. Responsible AI use will be a key consideration going forward and, as our approach to AI develops, we will evolve with it too.

### Data protection

We process large amounts of personal information every day and take our data protection responsibilities seriously. We are committed to protecting customer privacy, and we cooperate with regulators and authorities to ensure that we comply with the latest data protection legislation.

 Read our **Privacy Hub**

### Data privacy

The Privacy Hub on Phoenix Group's website supports clear and open communications with customers, shareholders, investors and colleagues. It goes beyond the traditional 'privacy notice' of many websites, by including additional guidance and content to help people learn more about data protection, including their digital footprint. We have made it more accessible to our customers by providing easy-to-digest video content.

Our Privacy Hub is the window to understanding why we ask for data, how we collect and use it, what rights individuals have over it and how we keep it safe across all our products and services.

 Read our **Privacy Hub**

### Cyber crime

The safety of our customers and colleagues is paramount. We have continued to strengthen and improve our security around customer data, commercial information and our people through the deployment of market leading tools, and controls and policy harmonisation.

We remain alert to the risk of cyber-attacks which could impact us or our strategic partners directly, or indirectly via impact to customers and colleagues, should state infrastructure be targeted. Technological innovations, such as AI and Quantum Computing, could compound the threat of cyber-attacks. Our maintenance of cyber controls remains a key area of focus, to ensure that the full range of cyber-attack scenarios have appropriately strong mitigations in place.

 Read more on page 47 of the **Annual Report and Accounts**

## Building a sustainable business continued

### Governance continued

## Political engagement and lobbying

We believe it is important to engage with the public policy and regulatory environment in which we operate to achieve our purpose, which is to help people secure a life of possibilities. In conducting this engagement, we are committed to behaving in an ethical, open and transparent manner. This is in line with our culture and reflects our values to act responsibly, take accountability and empower people to do the right thing.

We have an agreed set of principles that outlines how we engage with public policy audiences and issues.

### Read our **Political Engagement and Lobbying Policy**

Our Regulatory Change Management Forum and Public Affairs Team identifies policy and regulatory changes that will have an impact on our business and stakeholders. Our risk process looks further ahead to any proposed changes.

#### Key areas of focus for 2024 were:

- investing to optimise value for our customers and reduce their exposure to climate risk;
- transforming how our customers engage with and grow their savings and secure income in retirement;
- promoting the role of good work and skills for all.

## Governance framework

Ensuring the highest standards of governance within Phoenix Group is critical to enabling robust and principled decision-making.

### Read more on **pages 131 to 133** of the **Annual Report and Accounts**

Our Sustainability Governance Framework aims to provide the support and agility needed to operate as a successful and sustainable business for the benefit of our stakeholders.

The Board Sustainability Committee ('BSC') is comprised solely of Non-Executive Directors and is responsible for the review, challenge and oversight of our sustainability strategy. Our Enterprise Sustainability Committee ('ESC') is formed of Executive Committee ('ExCo') sponsors for each key business area and is responsible for ensuring the implementation of the sustainability strategy.

During 2024 the BSC met five times and discussion subjects included:

- oversight of the Group's progress against commitments set out in the **Net Zero Transition Plan**;
- review and challenge of the Company's draft Nature Roadmap;
- monitoring of the Group's controls in relation to sustainability risk and anti-greenwashing activity; and
- reviewing the Group's 2024 Modern Slavery and Human Rights Statement, for approval by the Board.

In addition to the BSC, sustainability-related duties are also distributed among the following Group Board Committees:

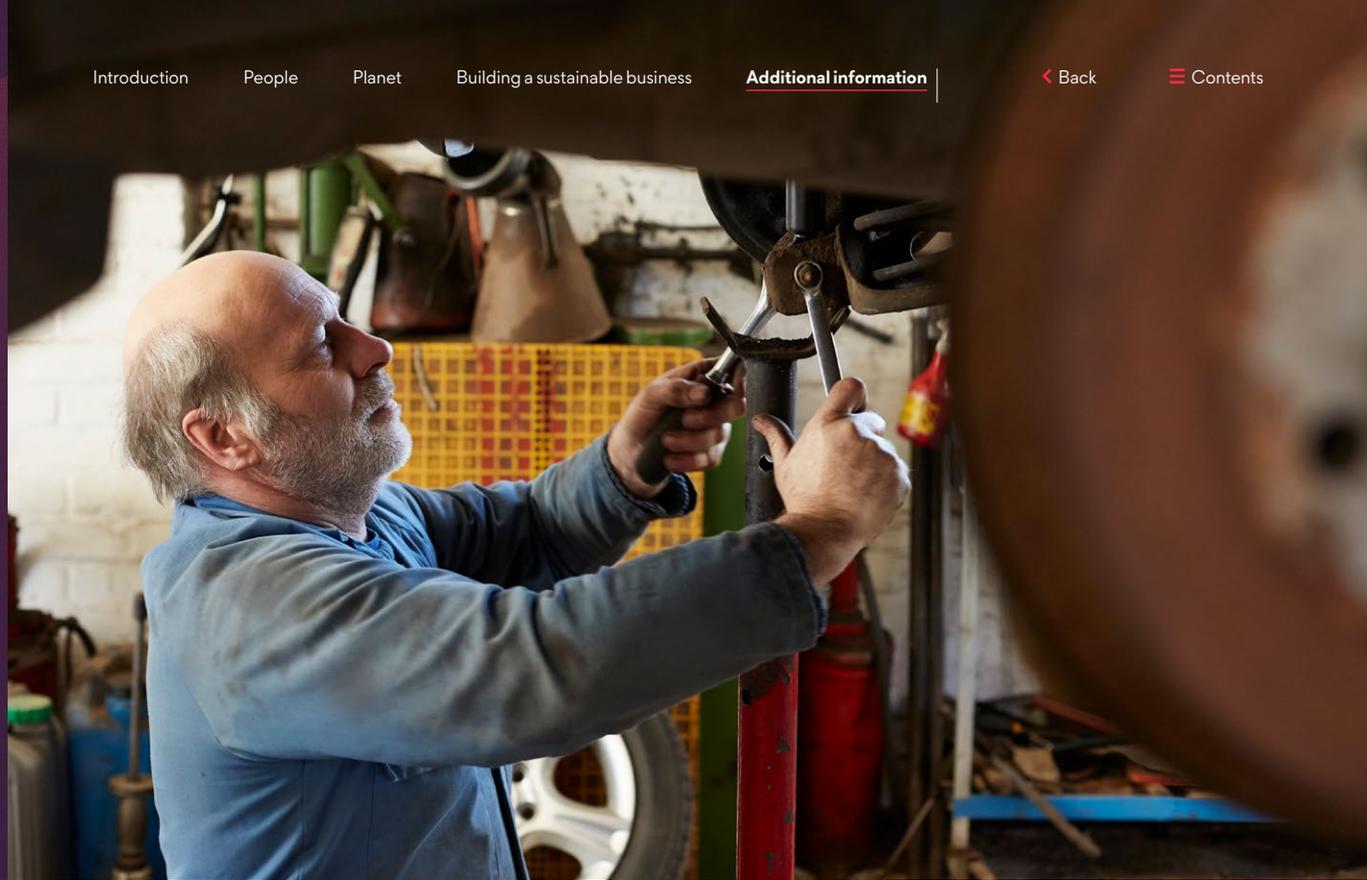
- Board Audit Committee ('BAC');
- Board Risk Committee ('BRC');
- Board Nomination Committee; and
- Board Remuneration Committee.

The Audit, Risk and Sustainability Committees established joint bi-annual meetings from 1 January 2024 to ensure a more harmonised and collaborative approach to sustainability reporting. The main focus of these meetings is to review sustainability reporting, internal and external assurance (including Line 2 opinions), climate risk and the implementation of new regulation such as the TNFD, CSRD, the International Financial Reporting Standards ('IFRS') issued by the International Sustainability Standards Board ('ISSB') and the Sustainability Disclosure Standards.



## Additional information

This section contains supplementary information for this report.



### In this section

- 47 Our targets
- 49 Cautionary statements
- 51 Glossary

## Our targets

	Material issues	SDG(s)	Executive remuneration		Target year	Status 2024	Assured
			ED Strategic Scorecard	LTIP			
<b>Planet targets</b>							
<b>Invest</b>							
Reduce the carbon intensity of our listed equity and credit assets by 25% where we exercise control and influence	1	13	✓	✓	2025	Ongoing	
Reduce the carbon intensity of all assets where we can exercise control and influence by at least 50%	1	13			2030	Ongoing	
Achieve net zero in our investment portfolio	1	13			2050	Ongoing	
50%–70% of illiquid asset origination in the shareholder portfolio to be sustainable, transition or productive assets	1, 3	8, 9, 11, 13			2025	Ongoing	
Climate aware benchmarks to be implemented or explored for all regions for 100% of AUM	1	13			2025	New	
Instruct votes at 80% companies' AGMs on our priority list	1, 3	13			2025	New	
Deliver initial £1bn to Future Growth Capital to invest in productive assets in line with the Mansion House Compact goal <sup>1</sup>	1	13			2026	New	
<b>Lead</b>							
Net zero in our operations (covering Scope 1 and 2 emissions from our occupied premises and Scope 3 emissions from our business travel)	1	13			2025	Ongoing	
Maintain 75–85% intensity reduction vs 2019 baseline in operational carbon emissions	1	13		✓	2025	Ongoing	
The 10 highest emitting suppliers to have set science-based targets, in line with a net zero trajectory <sup>2</sup>	1	13			2025	New	
50% reduction in our supplier base emissions intensity	1	13			2030	Ongoing	
Net zero across our entire business	1	13			2050	Ongoing	

<sup>1</sup> Capital allocated to Future Growth Capital may not be invested by 2026.

<sup>2</sup> Suppliers will be deemed to have set science-based targets if they have met the net zero goal-setting and emissions reduction target-setting standards set out in Phoenix Group's ESG Supplier Standards

### Phoenix material issue

1	Climate change
2	Nature and biodiversity
3	Responsible products and investments
5	Financial wellness and inclusion
6	Longevity and evolving demographics
8	Diversity, Equity and Inclusion
9	Local communities engagement
10	Digital innovation
12	Talent management
14	Customer centricity
16	Transparency and reporting

### SDG

4	Quality education
5	Gender equality
8	Decent work and economic growth
9	Industry, innovation and infrastructure
10	Reduced inequalities
11	Sustainable cities and communities
13	Climate action
14	Life below water
15	Life on land

➔ For more information on **Planet targets** see **pages 22 and 23**

➔ For more information on **material issues** see **page 8**

📖 LTIPs set in prior and current years are not included. Where an external target aligns to an LTIP, it is highlighted in the tables above. For more information on **Directors' remuneration including LTIPs**, see pages 134 to 165 of our **Annual Report and Accounts**

## Our targets continued

	Material issues	SDG(s)	Executive remuneration		Target year	Status 2024	Assured
			ED Strategic Scorecard	LTIP			
<b>People targets</b>							
<b>Enable</b>							
33% of Standard Life customers to be active digital users	5, 10, 14	10	✓		2025	New	
Help more people journey to and through retirement by delivering ongoing improvements to Customer Journeys, expanding access to products and increased engagement, and increasing digital capability	5, 10, 14	10	✓		2025	New	
<b>Building a sustainable business targets</b>							
Percentage of Senior Leadership that are women to be 40%	8, 12	5	✓		2024	Partially achieved 39.7%	✓
Percentage of Senior Leadership that are women to be 42%	8, 12	5	✓		2025	Ongoing	
Number of women in top 100 paying roles to be 35	8, 12	5			2024	Achieved 41	✓
Number of women in top 100 paying roles to be 40	8, 12	5			2025	Ongoing	
Monthly Group gender pay gap to be 20%	8, 12	5			2024	Achieved 16.8%	✓
Monthly Group gender pay gap to be 18%	8, 12	5			2025	Ongoing	
Percentage of Group employees of Black, Asian or Ethnic Minority background to be 15%	8, 12	10			2024	Partially achieved 14.7%	✓
Percentage of Group employees of Black, Asian or Ethnic Minority background to be 17%	8, 12	10			2025	Ongoing	
Percentage of Senior Leadership that is of Black, Asian or Ethnic Minority background to be 12%	8, 12	10		✓	2024	Achieved 13.2%	✓
Percentage of Senior Leadership that is of Black, Asian or Ethnic Minority background to be 13%	8, 12	10		✓	2025	Ongoing	
Percentage of Senior Leadership that is of Black background to be 1.5%	8, 12	10			2024	Not achieved 0.7%	✓
Percentage of Senior Leadership that is of Black background to be 3%	8, 12	10			2025	Ongoing	
Leadership ranking maintained in ESG surveys	16	–			2025	Ongoing	

### Phoenix material issue

1	Climate change
2	Nature and biodiversity
3	Responsible products and investments
5	Financial wellness and inclusion
6	Longevity and evolving demographics
8	Diversity, Equity and Inclusion
9	Local communities engagement
10	Digital innovation
12	Talent management
14	Customer centricity
16	Transparency and reporting

### SDG

4	Quality education
5	Gender equality
8	Decent work and economic growth
9	Industry, innovation and infrastructure
10	Reduced inequalities
11	Sustainable cities and communities
13	Climate action
14	Life below water
15	Life on land

➔ For more information on **material issues** see **page 8**

📖 LTIPs set in prior and current years are not included. Where an external target aligns to an LTIP, it is highlighted in the tables above. For more information on **Directors' remuneration including LTIPs**, see pages 134 to 165 of our **Annual Report and Accounts**

## Cautionary statements

### Basis of preparation

The reader should be aware that this report and the information contained within it, is prepared on the following basis:

The preparation of this report requires the application of a number of key judgements and also requires assumptions and best estimates to be made at a given point in time. There is a risk that the judgement exercised, or the estimates or assumptions used, may subsequently turn out to be incorrect. These judgements and resulting data presented in this report are not a substitute for judgements and analysis made independently by the reader;

The disclosures in the 2024 Sustainability Report use a greater number and level of judgements, assumptions and estimates, including with respect to the classification of sustainability and climate related activities, than the Group's reporting of historical financial information. These judgements, assumptions and estimates are highly likely to change over time, and, when coupled with the longer time frames used in these disclosures, make any assessment of materiality inherently uncertain;

In addition, the Group's sustainability and climate risk analysis and net zero transition planning will continue to evolve and the data underlying the Group's analysis and strategy remain subject to change over time. As a result, the Group expects that certain sustainability and climate related disclosures made in this report are likely to be amended, updated, recalculated or restated in the future;

This report uses climate models, external climate data and other sources/methodologies, each of which are subject to ongoing refinement and modifications beyond our control;

The outputs of these models, external data and other sources/methodologies can be materially affected by the quality of the underlying data used. They may be subject to uncertainties affecting the accuracy of their outputs. There is a risk that the outputs may be misinterpreted or misused when dealing with developing themes, such as climate related disclosures and other environmental, social and governance data points, due to the lack of market standards, historical reference points and benchmark data, as well as the inability to rely on historical data as a strong indicator of future trajectories, in the case of climate change and its evolution;

In general, the quality of the data relied upon in sustainability and climate related disclosures is often not yet of the same standard as more traditional financial reporting and therefore presents an inherent limitation. Further development of reporting standards could materially impact the performance metrics, data points and targets contained in this report; and

As standards, frameworks and practices continue to evolve, it may mean subsequent reports do not allow a reader to compare performance metrics, data points or targets from one reporting period to another, on a direct like-by-like basis.

### Caution to references and materials

Any graphics or case studies contained in the 2024 Sustainability Report are illustrative and are designed to be read in the context of the report.

The 2024 Sustainability Report may contain references to websites or include some views or opinions of third parties outside of or unconnected to the Group. Readers should note that the Group is not endorsing or supporting such views or opinions by stating them in the 2024 Sustainability Report and are advised to do their own due diligence in regard to material on those websites and any third party views and opinions.

### Note on materiality

Our public disclosures, including our Sustainability Report, include a range of topics that we believe are relevant to our businesses and that are of interest to investors and other stakeholders. For the purposes of complying with our annual and half-yearly disclosure obligations in the United Kingdom we apply materiality based on the applicable rules and regulations governing public reporting in the United Kingdom. However, in our Sustainability Report, we have adapted our approach to materiality based on both the subject matter and purpose of the disclosures. Our approach to these disclosures may sometimes have regard to broader understandings of materiality based on certain external frameworks and reporting guidelines that take into consideration a wider range of factors relevant to sustainability including the views of our key stakeholders. This report uses longer time frames to assess potential impacts than those time frames customarily used in certain of our other disclosures, including our annual and half yearly financial reports submitted to the London Stock Exchange ('LSE').

This approach to materiality means that this report, and many of our sustainability reporting disclosures, including with respect to climate related risks and opportunities, includes certain information that we have not included in our LSE filings for which we use a different approach to materiality. Our approach to materiality in this report and other sustainability and climate related disclosures also means that statements made in this report and in our other sustainability and climate related disclosures use a greater number and level of assumptions and estimates than many of our LSE filings. These assumptions and estimates are subject to change over time, when coupled with the longer time frames used in these disclosures, make any assessment of materiality inherently uncertain. We expect that certain disclosures made in this report are likely to be amended, updated, recalculated, and restated in the future as the quality and completeness of our data and methodologies continue to improve.

## Cautionary statements continued

### Forward looking statements

The 2024 Sustainability Report contains, and the Group may make other statements (verbal or otherwise) containing, forward looking statements and other financial and/or statistical data about the Group's current plans, goals and expectations relating to future financial conditions, performance, results, strategy and/or objectives. Statements containing the words: 'believes', 'budget', 'forecast', 'intends', 'will', 'may', 'should', 'expects', 'plans', 'aims', 'seeks', 'targets', 'predict', 'outlook', 'goal', 'continues', 'projected', and 'anticipates' or other words of similar meaning are forward-looking. Such forward-looking statements and other financial and/or statistical data involve risk and uncertainty because they relate to future events and circumstances that are beyond the Group's control. Factors which could cause actual results to differ materially from those estimated by forward-looking statements include, but are not limited to:

- changes in legislation;
- industry and regulatory standards;
- the development of standards and interpretations including evolving practices in ESG, sustainability and climate reporting with regard to the interpretation and application of accounting;
- developments in available technology;
- the timely implementation and integration of adequate government policies;
- climate change and a transition to a low-carbon economy (including the risk that the Group may not achieve its targets); the limitation of climate scenario analysis and the model that analyse them; lack of transparency and comparability of climate related forward-looking methodologies;
- environmental, social and geopolitical risks; and
- the Group's ability with government and other stakeholders to manage and mitigate the impacts of climate change effectively.

As a result, the Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set out in the forward-looking statements and other financial and/or statistical data within the 2024 Sustainability Report.

No representation is made that any of these statements will come to pass or that any future results will be achieved. As a result, you are cautioned not to place undue reliance on such forward-looking statements contained in this 2024 Sustainability Report.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. The forward-looking statements speak only as at the date on which they are made. The Group undertakes no obligation to publicly update or revise any of the forward-looking statements or data contained within the 2024 Sustainability Report or any other forward-looking statements or data it may make or publish whether as a result of new information or for any other reason.

This forward-looking statement in relation to sustainability and climate related disclosures should not be regarded as a complete and comprehensive statement and should be read together with the forward-looking statements and the risks identified in the Risk Management Report on pages 348 and 43 to 49 of the 2024 **Annual Report and Accounts** respectively.

## Glossary

### Assets within our control and influence

Our definition of assets which are within our control and influence is (i) product componentry which are not external fund links (i.e. we have an Investment Management Agreement ('IMA') with an Asset Management Partner, so can control the terms of the investment strategy), or (ii) where we have a default, managed or blended vehicle which has external fund link componentry and / or directly held securities, and we have the ability to substitute investments without the need to secure explicit client approval when they do not meet our needs.

### Climate Action 100 ('CA100+')

An investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

### Carbon credits

A carbon credit represents a reduction of 1 metric ton in greenhouse gas emissions to compensate for 1 metric ton of emissions made somewhere else. A credit can be bought, sold or traded before it is "retired," meaning it cannot be traded again, assuring that only the buyer can claim emissions cuts associated with that credit.

### Circular economy

A model of production and consumption which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. In this way, the life cycle of products is extended.

### Climate (related) risk

The potential negative impacts of climate change on an organisation. The risks consist of physical risks and transition risks.

### Climate solutions

Economic activities that contribute substantially to climate change mitigation or adaptation. The products or services are either produced sustainably or allow others to do so.

### Customised decarbonisation benchmarks

Climate aware and climate aligned benchmarks that aim to deliver net zero by 2050 while meeting our customer requirements. These are investment benchmarks, that aim to deliver a representative return for the asset class (as measured by the existing market cap benchmarks), but with Group exclusions and built in systematic decarbonisation pathway, consistent with achieving net zero by 2050.

### Diversity, Equity & Inclusion ('DEI')

A term used to describe policies and programmes that promote the representation and participation of different groups of individuals of different ages, races, ethnicities, abilities, disabilities, genders, religions, cultures and sexual orientations.

### Environmental, Social and Governance ('ESG')

Environmental criteria consider how a company performs as a steward of nature and the climate. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls and shareholder rights.

### EU Taxonomy

Classification system that provides companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable.

### Financed emissions

Greenhouse gas ('GHG') emissions that occur as a result of financing, including lending and investment activity. These activities fall within Scope 3, category 15 of the GHG protocol.

### Greenwashing

When companies are making sustainability or green claims that aren't factually true. Overstating a commitment to tackle climate change or the positive impact of a company's products, services or

operations are examples. Anti-greenwashing involves efforts to uncover unsubstantiated claims that could deceive customers and shareholders.

### Material suppliers

These are Suppliers who are strategic or critical to the Group's operations. Strategic (also known as a tier 1 supplier): Of significant importance to the Group where the services the supplier provides support our strategic objectives and are crucial in providing ongoing and future services to our customers, policyholders and shareholders. These suppliers are highly likely to be integrated into the Group's operating model and will be deemed as a Critical/Material Arrangement for Solvency UK purposes. Critical (also known as a tier 2 supplier): Deemed as a critical/material arrangements, however, are not viewed as a strategic partner to Group. These suppliers will perform a critical function and/or activity on behalf of the Group, they could be crucial in providing current services to our customers, policyholders, and shareholders.

### Natural capital

The stock of renewable and non-renewable natural resources (e.g., plants, animals, air, water, soils, minerals) that combine to yield a flow of benefits to people.

### Net zero

A state where we add no incremental greenhouse gases to the atmosphere. Emissions output is balanced with removal of carbon from the atmosphere.

### Offsetting

Offsetting is the act of purchasing carbon credits in order to compensate for emissions made elsewhere. Companies that purchase carbon credits can count the associated emissions reductions towards their own climate targets. Offsetting should only be used to compensate for residual emissions once all economically feasible steps to reduce direct emissions have been taken, and only high-integrity carbon credits should be purchased.

### Paris Agreement

The alignment of GHG emissions reduction targets and activity to deliver them including investment and financial flows with the objectives of the Paris Agreement on climate change.

### Paris alignment

Goal set by the global Paris climate change deal in 2015 to hold global average temperature increase to 'well below 2 degree Celsius above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels'.

### Responsible Investment/Investing

Means considering ESG factors when deciding where to invest money. At a high level, it's looking at how a company is managing ESG and how that could affect its value over the long term. And, if needed, encouraging the company to do better (see Stewardship).

### Scope 1, 2 and 3 emissions

Greenhouse gas emissions are categorised into three groups or 'Scopes'. Scope 1 covers direct emissions e.g. use of natural gas, company car vehicle emissions. Scope 2 covers indirect emissions from the generation of purchased electricity, steam and heating. Scope 3 includes 15 other categories of indirect emissions in a company's value chain e.g. business travel and investments.

### Stewardship

The use of the rights and position of ownership to influence the activity or behaviour of investee companies. For listed equities it includes both engagement and (proxy) voting (including filing shareholder resolutions). For other asset classes, engagement is still relevant while voting is not. Engagement is a two-way interaction between the investor and investees in relation to corporate business and ESG strategies with the goal of influencing issuers' practices when needed to unlock value.

## Glossary continued

### **Science Based Targets ('SBT')**

An emissions reduction target is defined as 'science based' if it is developed in line with the scale of reductions required to keep global warming below 2°C from pre-industrial levels.

### **Sustainability Disclosure Requirements ('SDR')**

The FCA's SDR regime is primarily a product labelling regime, accompanied by entity-level disclosure requirements, a new anti-greenwashing rule, and guidance and ESG marketing requirements. The SDR aims to mitigate greenwashing risks posed by the increase in sustainable funds available in the market. The goal is to ensure that financial products marketed as sustainable have evidence to back up their claims.

### **Sustainable Investing**

Investment approaches that select and include investments on the basis that they fulfil certain sustainability criteria and/or deliver on specific and measurable sustainability outcomes. Financial returns remain the primary objective.

### **Sustainable, transition and productive assets**

Our definition of sustainable and transition assets are set out in our **Sustainable Finance Classification Framework for Private Markets**. We align with the ABI Investment Delivery Forum's definition of productive assets: Contributing to the real economy, expanding productive capacity, or furthering sustainable growth.

### **Task Force on Climate-related Financial Disclosures ('TCFD')**

The TCFD was created in 2015 by the Financial Stability Board ('FSB'), now incorporated into the International Sustainability Standards Board ('ISSB'), to develop consistent climate-related financial risk disclosures for use by companies in providing information to stakeholders.

### **Task Force on Nature-related Financial Disclosures ('TNFD')**

A market-led, science-based and government-backed initiative providing organisations with the tools to act on evolving nature-related issues including a disclosure framework and supporting materials to report and respond on nature-related impacts, dependencies, risks and opportunities.

### **Thought leadership**

Providing insights to stakeholders, gained from our experience in sustainability, and other topics, in the long-term savings and retirement industry, to help drive the wider system change needed to deliver net zero.

### **Transition risk**

Climate-related risks associated with the transition to a low-carbon economy. They include risks related to policy and legal actions, market and economic responses, technology changes and reputational considerations.

### **Voting rights/voting behaviours**

The exercise of voting rights on management and/or shareholder resolutions to formally express approval (or disapproval) on relevant matters. In practice, this includes taking responsibility for the way votes are cast on topics that management raise, as well as submitting resolutions as a shareholder for other shareholders to vote on.

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## Contact us

### News and updates

In line with our Sustainability Programme and our commitment to reduce our environmental impact, you can view key information on our website:

[www.thephoenixgroup.com](http://www.thephoenixgroup.com)

To stay up-to-date with Phoenix Group news and other changes to our site's content, you can sign up for email alerts, which will notify you when content is added.

[www.thephoenixgroup.com/site-services/email-alerts](http://www.thephoenixgroup.com/site-services/email-alerts)



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