

Phoenix Life Canada Independent Governance Committee

Report for the period from June 2024 to
31 December 2025



Independent Governance Committee





Contents

Chair's summary	4
Summary by area	7
Challenges for 2026	8
Assessment details	9
Investment performance	10
Investment services	15
Costs and charges	18
Customer service	22
Communication and engagement	27
ESG and stewardship	31
Measuring value for money	35
Who we are	37

Supporting materials for this document are available [here](#).



Chair's summary



Welcome to this year's annual report from your Independent Governance Committee (IGC)

I'm Andy Davies, the chair of the IGC. We believe customers receive value for money from Phoenix Life CA following a recent cost reduction and improvement to their investment approach.

Independent assessment of value for money

Sun Life Assurance Company of Canada (UK) Ltd was acquired in April 2023 by the Phoenix Group Holdings plc and was renamed Phoenix Life Canada Limited (Phoenix Life CA) in November 2024. Subsequently, the parent company changed its name from Phoenix Group Holdings plc to Standard Life plc in March 2026.

From May 2024, the Group's Independent Governance Committee (IGC) became responsible for assessing value for money for workplace personal pension customers within Phoenix Life CA.

The primary responsibility of the IGC is to act in the interests of in-scope customers by independently assessing whether you are receiving value for money.

Our role is to ensure customers' pension policies are being managed fairly, transparently, and in alignment with their long-term financial goals.

Each year, we evaluate the products and services offered, considering a range of factors including:

- Investment performance and services
- Costs and charges
- Customer service
- Quality of communications
- Environmental, social and governance (ESG)

As the value for money assessment for 2024 would have included only part of the year and would not have given customers a full picture, the Phoenix Group was granted a special waiver by the Financial Conduct Authority to report value for money for the period between June 2024 and December 2024 within the IGC's 2025 report.

This report therefore outlines our assessment between June 2024 and December 2025. It highlights areas where value is being delivered and where improvements are needed. We hold Standard Life to account to drive change and enhance customer outcomes.

We are committed to the highest standards of scrutiny and transparency, ensuring our oversight supports improving the financial well-being of policyholders.

Our assessment

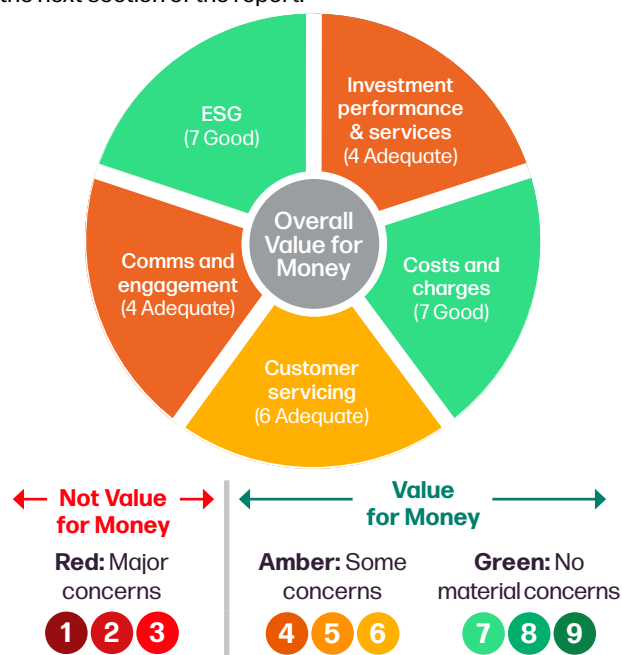
We assess each area above to determine if they are Red (not value for money), Amber (value for money but could be improved) or Green (value for money). We also decide whether they are low, medium or strong within each category, resulting in a rating from one to nine.

Please refer to [page 35](#) for more detailed information as to how we make our assessment.

As you can see in the diagram below, we rate costs and charges and ESG as good (green). However, we have only rated their servicing as adequate (6) and their investment performance & services and communications and engagement as only just adequate (4).

Overall, we believe Phoenix Life CA do offer customers value for money predominantly due to recent reductions to their costs and revision of their investment strategy. We do appreciate that much improvement is still required, which will take time. The IGC will continue to push and monitor their performance.

The elements of this diagram are expanded and explained further, including how we have come to these conclusions in the next section of the report.



Our key concerns

As soon as Phoenix Life CA came under the scrutiny of the IGC, we immediately raised specific concerns regarding:

- Historical investment performance and the underlying design of the main default funds.
- Costs and charges being over 0.75% which does not compare well with competitor companies.
- Poor customer communications and engagement.

Investment performance: We are pleased to report that immediate action was taken to start to improve the design and componentry of the default funds which has now begun to have an effect. Whilst historic performance has been very poor, it has improved over the period of our assessment and fund performance is now ahead of inflation over one, three and five-year periods. Performance has been very poor however when compared with benchmarks or with the funds offered by competitors.

This is clearly work in progress, but we are reassured with the amount of time and effort which is being put into this area. If current trends continue, then we could envisage raising the rating for Phoenix Life CA funds to Green in coming years.

Costs & charges: At the time of the acquisition of this business, over 90% of customers were paying ongoing charges above 0.75% per year, some of you significantly above this charge point.

From 1 August 2024, following challenge from the IGC, the ongoing charges you pay have been capped at 0.75% per year. This change has been implemented in the form of extra units added to your policy to reflect the lower level of charges you are now paying.

Phoenix Life CA has agreed to keep this in place until at least the end of 2027 whilst further work is carried out around the best long-term options for customers.

Communications and Engagement: Phoenix Life CA communications are regulatory compliant and there have been some improvements since it came under the IGC's remit. However, the communications offering is text-based with very few diagrams or charts to help customer engagement and understanding.

This is out of line both with the market and with customer expectations. Notably customers cannot easily communicate by email and there is no digital communications offering. The IGC will continue to challenge Phoenix Life CA to make improvements in this area.

Summary by area

As mentioned, to assess if Phoenix Life CA are providing value for money to customers, we review five key areas. More detail can be found in the next section of the report but below is a summary of each and our rating from one (poor) to nine (outstanding).

Investment performance and services:

How are your investments performing and are they well managed?



Andrew Milligan
Independent
Member

"The IGC is concerned about the poor performance of Phoenix Life CA funds on a number of measures, although steps are being taken to improve. We are satisfied with the overall governance of Phoenix CA funds."

The IGC has awarded a rating of AMBER (Adequate) for investment performance and AMBER (Adequate) for investment services



Investment performance



Investment services¹

Costs and charges:

Are the costs and charges you pay reasonable for what you get in return?



Steven Blight
Company
Nominee

"Since July 2024, following challenge from the IGC, we have seen Phoenix Life CA take positive action by significantly reducing the ongoing charges you pay. We are pleased that all customers are now paying ongoing charges of 0.75% per year or less and believe this represents good value for money."

The IGC has awarded a rating of GREEN (Good)



Customer service:

What is the quality of the service Phoenix Life CA provides?



Rachel Haworth
Independent
Member

"Overall Phoenix Life CA service levels are adequate and their call centre service is particularly strong."

The IGC has awarded a rating of AMBER (Adequate)



Communication and engagement:

How well does Phoenix Life CA communicate with you and keep you up to date with your pension?



Maggie Craig
Independent
Member

"Communications are regulatory compliant and there have been some improvements since it came under the IGC's remit. However, the communications offering is text-based with very few diagrams or charts to help customer engagement and understanding."

The IGC has awarded a rating of AMBER (Adequate)



Environmental, social and governance (ESG):

Is enough allowance made for ESG considerations in how your pension savings are invested?



Barry Butler
Independent
Member

"Phoenix Life CA takes its responsibilities to the environment and wider society seriously. Following its acquisition by Standard Life plc, Phoenix Life CA adopted the Group's framework and policies that have been built to ensure ESG and Stewardship considerations are appropriately taken into account in investment decisions affecting customer returns."

The IGC has awarded a rating of GREEN (Good)



¹Investment services include the processes and management of the funds and fund managers

Challenges for 2026

In order to improve the value for money that customers receive, we set specific challenges for Phoenix Life CA to address areas that could be improved. These are monitored and reviewed in our quarterly committee meetings.

If we evaluate any specific area with a score of six or less (Amber or Red), we prioritise actions required to move the rating to Green. These are then escalated to senior management within Phoenix Life CA to ensure they are addressed. We will provide an update each year on the progress they have made.

Challenge 1

Customer service: Improve processes for vulnerable customers to be evidenced through outcomes monitoring

Challenge 2

Communication and engagement: Make a significant reduction in the percentage of customers classed as "gone away" from 23.6% at end 2025 towards the industry median figure of 8%

Challenge 3

Communication and engagement: Bring forward a plan, including timescales, to enhance the digital offering

Challenge 4

Communication and engagement: Identify three key communications and make them more engaging to customers by, for example, making more and better use of charts, pictures and diagrams

Please note that although investment is rated Amber, as there is a solid programme of work already under way to improve the fund design for the long-term benefit of customers, we are not making specific challenges for the firm.

The IGC however is very carefully assessing, regularly monitoring and strongly encouraging further progress. We will report back on progress in our next report.

The IGC continually looks at how we can improve our approach on behalf of customers. We are keen to hear what you think. Please do get in touch with us at igc@thephoenixgroup.com

Angela Byrne, Chief Executive Officer Pensions and Savings responds to the challenges that we have set.



Putting customers first is central to our values and to the way we run our workplace pensions

business. We are focused on improving retirement outcomes, enhancing the customer experience, and continuing to play a leading role in raising standards across the pensions industry.

We remain ambitious for our customers and continue to look for ways to go further, improve our proposition, and deliver better value over the long-term. The IGC's rigorous scrutiny of our workplace pensions investment performance, and of the value for money we provide, is an important catalyst for that ongoing progress.

We greatly value the challenge we receive from the IGC, as well as its recognition of where strong progress has been made. Its assessment is evidence-based, balanced and constructive, and it plays an important role in helping us identify where we are performing well and where we need to improve.

I have carefully noted the challenges raised by the IGC this year. I am committed to ensuring that they are considered properly by my leadership team and followed up where appropriate, alongside the wider needs and priorities of all our customers.

We will use the IGC's challenge to sharpen our focus, raise our standards and deliver better long-term outcomes for customers.

Assessment details

Investment performance	10	Communication and engagement	28
Investment services	15	ESG and stewardship	32
Costs and charges	18		
Customer service	23		



Investment performance

“Although the five key funds offered to Phoenix Life CA customers have delivered decent performance in absolute terms over the period when overseen by the IGC, we are concerned that competitor funds have done much better.

We are strongly encouraging the policyholder investment team to improve the design of these funds as fast as practicable.”



"The IGC is concerned about the poor performance of Phoenix Life CA funds on a number of measures, although steps are being taken to improve. We are satisfied with the overall governance of Phoenix CA funds. We have given the firm an amber for investment performance."

Andrew Milligan, Independent Member



Summary

Why we gave this score

The performance of the five key funds offered to Phoenix Life CA customers has been poor over the medium term when compared with benchmarks and competitors. However, absolute returns were decent in 2025. Returns have exceeded inflation over the medium term. Our assessment covers performance in the 19 months ending in December 2025, although part of our analysis also considers potential future returns which will partly depend on fund design.

Key areas of strength and weakness

This annual report is the first opportunity for the IGC to assess the investment performance of Phoenix Life CA funds. As soon as Phoenix Life CA became part of the Phoenix Group, now Standard Life plc, the IGC was concerned about the historical performance and the underlying design of the main funds. Older funds such as these do not generally compare well with more modern alternatives.

Action was taken immediately by the Investment Office within Standard Life to start to improve the design and componentry of the funds. This has begun to have an effect. In addition, 2025 was a positive year for UK equities, which traditionally have had a very high weighting in Phoenix Life CA funds.

As a result, performance has improved over the period of this IGC assessment. More positively, absolute returns from the five funds were in the low double digits in 2025. Hence fund performance is ahead of inflation over one, three and five year periods.

Conversely, performance has been very poor when compared with benchmarks or with the funds offered by competitors.

Improvements made over the last year

During the course of 2024 and 2025, we strongly encouraged the Investment Office at Standard Life to take action to improve the design of the five key funds. Action has started in two key areas:

- To alter fund manager mandates of the underlying asset classes invested in by the funds
- To reassess the Strategic Asset Allocation (SAA).

This is work in progress, but we are reassured with the amount of time and effort which is being put into this area. If current trends continue, then we could envisage raising the rating for Phoenix Life CA funds to Green in coming years.

Areas for improvement

Although we have rated Phoenix Life CA Amber for investment performance, we are not making a specific investment challenge in this area as a solid programme of work is already under way to improve the fund design for the long-term benefit of customers.

However, the IGC is very carefully assessing, regularly monitoring and strongly encouraging further progress by the company to ensure that Phoenix Life CA customers are able to access funds which will ensure a decent retirement outcome.

Further commentary

The term 'Investment performance' covers a variety of ways to assess the historical and projected performance of the range of funds which is offered to Phoenix Life CA customers. Such an assessment is separate from the oversight and governance of the various funds, which is covered in the 'Investment services' section.

Your IGC is responsible for determining whether the performance of such funds is fit for purpose, and properly takes into account different customers' characteristics, needs and objectives.

We hope to find that key funds are delivering sufficient returns on your retirement savings over the medium and longer-term to provide a decent outcome when you retire, without taking too much investment risk and after taking inflation into account.

Although value for money is mainly about what you might get in the future when you retire, we also look at how your investments have performed in the past to confirm our findings.

How we assess value for money

We examine in detail several aspects of Investment performance:

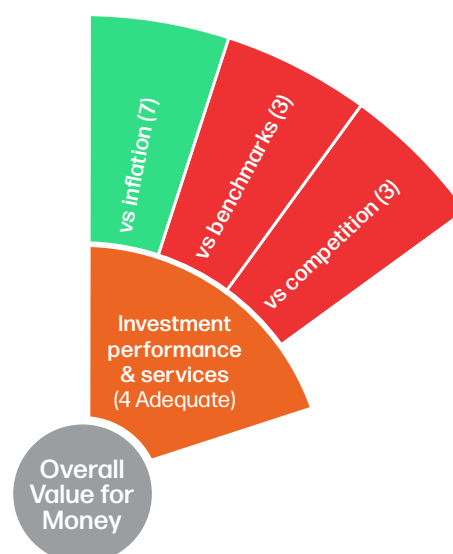
- A** **How your funds have performed against the set benchmark**, for example, whether to match or exceed a stock market index.
- B** **How your funds have performed against the competition**, particularly examining how the larger important default funds have performed, are designed and managed, against their major competitors.
- C** **How the returns from your funds compare after taking inflation into account** over different time periods.

We also consider the strategic asset allocation of the five funds to see if they are likely to provide good future returns across potentially different market regimes.

Within these areas, our detailed analysis takes into account:

- **The market background** – there were broad-based gains across equity, credit and alternatives asset markets in 2024 and 2025, which benefitted equity-heavy and diversified multi-asset strategies. Inflation continued to weigh on returns for fixed income and cash-heavy strategies.
- In particular, global equity markets performed very well in 2025, led by a third successive year of strong performance from the USA. Share prices in the UK, Japan, and parts of Europe showed even better performance as investor confidence broadened out.
- **The nature of market movements** – a wider array of companies and sectors showed robust returns in 2025. Whilst technology remained the most important sector, the AI boom spread into other areas. A number of Asian and European companies performed well alongside the so-called 'Magnificent 7' technology companies based in the USA.
- **The economic backdrop** – this remained supportive for those portfolios with higher levels of risk. Although the introduction of import tariffs by the USA in April 2025 caused a temporary market sell-off, and geopolitical tensions remained high, economic activity recovered well whilst lower inflation allowed many central banks to cut interest rates.
- **Consumer inflation** – The IGC monitors this as it can reduce the purchasing power of your pension. Over the past five years headline inflation in the UK has averaged about 5% a year.

Our assessment



We consider historical fund performance in three aspects: against benchmarks, against competitors and against inflation. More detailed information is contained in the Supporting Materials section.

A. Performance against benchmarks

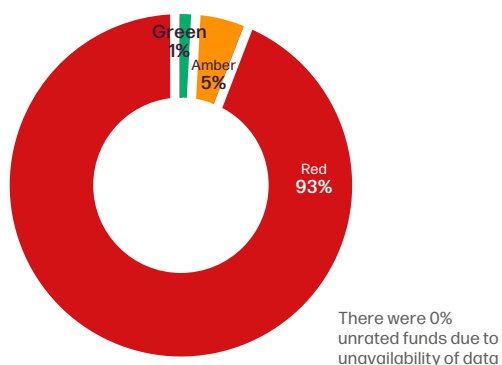
We have rated performance against benchmarks as Red (3).

The IGC examines the performance of all the funds offered to Phoenix Life CA customers versus the relevant benchmarks. In some cases, this is the UK equity market, in other cases a composite benchmark including a wide array of global equities, bonds and alternative assets but with a very high weighting towards UK equities.

We use a Red/Amber/Green (RAG) performance system as shown in the pie chart below. Green represents funds which have out-performed over the past three years, Amber those funds which have under-performed by up to 1%, and Red those funds where the under-performance is greater than 1%. The percentages of the funds are weighted by assets under management.

The IGC is concerned that the vast majority of almost 40 Phoenix Life CA funds are in the Red category.

Performance RAG distribution



B. Performance against competitors

We have rated performance against competitors as Red (3).

We also compare the performance of your funds against similar competitors, usually using Association of British

Insurers (ABI) data. The results are shown in the chart below. Quartile 1 reflects the best performing funds, while quartile 4 represents the worst performing group.

Over the past five years almost all Phoenix Life CA funds are in the bottom half of the table. This strongly suggests that better results could have been obtained if you or your previous employer had made a different choice from the funds available. In effect, the funds were not taking sufficient investment risk in relation to likely returns to achieve the desired outcomes relative to the competition.

C. Performance against inflation

We have rated performance against inflation as Green (7).

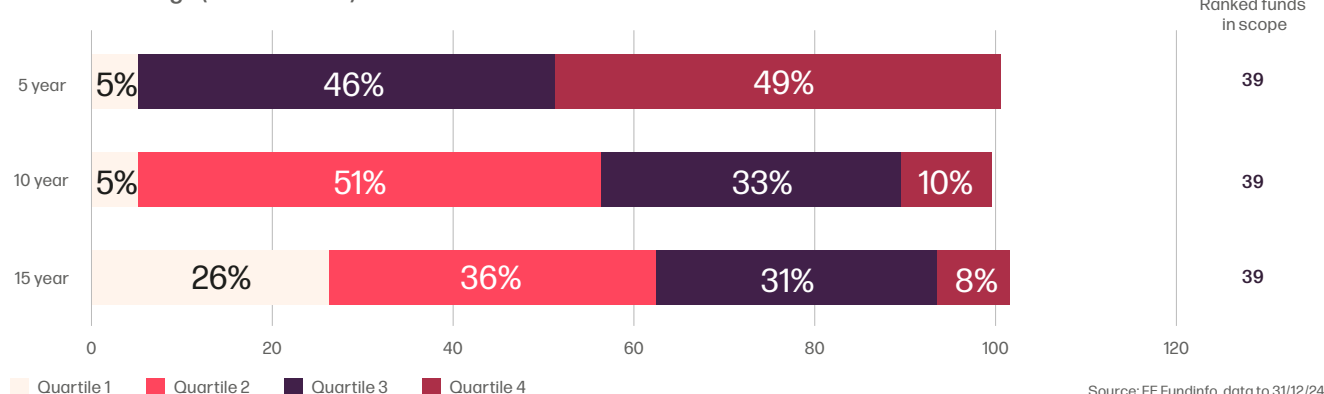
Fund performance against inflation matters for the long-term purchasing power of your pension pot. The unexpected surge in consumer prices in 2022 and 2023 affected the medium-term inflation adjusted returns from your funds. We were reassured that the significant equity holdings in your funds, in combination with the better performance of UK equities in 2024 and especially in 2025, meant that all Phoenix Life CA funds have provided a total return above inflation over the past one, three and five years. For example, over the five years ending in 2025, fund performance of 5.5-8.0% on average each year has exceeded consumer inflation of about 5% a year.

Asset Allocation

As part of its assessment, the IGC closely examines the strategic asset allocation (SAA) processes underpinning the design of your funds and where appropriate lifestyle profiles, ensuring that they are fit for purpose. In particular, the SAA has to be flexible enough to take into consideration potentially very different investment regimes, say high or low economic growth or inflation, during the lifetime of a fund.

Several of Phoenix Life CA funds are solely invested in UK equities. The others have a composite benchmark, including an array of global assets – bonds, equities and alternatives. However, the weighting of the UK equity market in such funds has historically been much higher (about 33%) than warranted by the size of the UK within the global index. Action has begun to address these issues as discussed in the next section.

Quartile rankings (ranked funds)



Addressing issues

As there was strong evidence of under-performance versus benchmarks and competitors across Phoenix Life CA funds, then the IGC immediately discussed the various causes with Standard Life.

We welcomed the actions taken to address these issues. One aspect has been changes to fund manager mandates, removing under-performing managers and altering the instructions to others. The process to amend exposure to European equities took place last year, whilst the UK and Asian markets will be transitioned during the course of 2026. In addition, the team is exploring alternative approaches for real estate exposure in view of the sub-scale nature of the Phoenix Life CA property fund, and expects to deliver major changes in 2026.

A second aspect concerned the strategic asset allocation (SAA) in view of the significant UK equity home bias relative to global capitalised market weights. Action is being taken on a phased basis to create a more suitable multi-asset portfolio for such funds. This re-positioning will take some time, as the team sensibly takes account of market volatility and valuation issues. This transition will continue into 2026.

Summary

We have determined that the most popular funds offered to Phoenix Life CA customers were not offering good value for money in the period covered by this report. However, firm action is already in hand to improve the situation. Once this process has been completed, we are hopeful that the funds will provide suitable long-term returns to help you build a decent pension pot for your retirement. The IGC is pleased with the speed and progress undertaken by the company to address these issues. Although there is no formal challenge to the firm, the IGC will continue to monitor the situation very closely into 2026.

The score of 4 is the first assessment made by the IGC on Phoenix Life CA funds and is therefore Amber.

Conclusion

Historical performance of the five most popular funds offered to Phoenix Life CA customers has not been as good as many competitors. The IGC is pleased, however, that the company has taken immediate steps to improve many aspects of these funds, especially the strategic asset allocation and fund componentry. As it will take time for these measures to take effect, the IGC will continue to monitor and encourage further progress.

Investment services

“We regard the principles, framework and processes that Phoenix Life CA use to oversee asset managers and funds for customers as fit for purpose and representing value for money.”



"The IGC is satisfied with the overall governance of Phoenix Life CA funds, and has given the firm a rating of Amber (Adequate) for investment services."

Andrew Milligan, Independent Member



Summary

Why we gave this rating

The five key funds offered to Phoenix Life CA customers are administered and managed in the same way as all the other funds overseen in the Standard Life group. The design of the funds is improving over time.

Our score reflects a regular assessment of the reports from the governance teams, particularly focusing on actions taken to address any performance or process issues which are uncovered.

Key areas of strength

The relevant parts of the Standard Life group, namely the Investment Office, and within that the Fund Manager Oversight team, demonstrate an in-depth knowledge and oversight of the asset managers responsible for handling the Phoenix Life CA key funds.

The IGC was reassured that such analysis found that there were no major concerns regarding these asset manager partners in relation to four Red/Amber/Green (RAG) ratings, namely operations, incidents, ESG and selected performance aspects.

Improvements made over the last year

We strongly encouraged the company in 2024 and 2025 to ensure that fund design was improved as rapidly as possible.

The IGC has been pleased that the processes to deal with under-performing fund managers have been reviewed and improvements made.

Actions continue to implement the Standard Life group's Responsible Investment Policy in these funds where applicable.

Challenges

As we have rated investment services as 'Adequate', there are no major challenges for Phoenix Life CA for 2026.

Further commentary

The term 'Investment services' covers a variety of ways in which the creation, oversight and development of your funds is carried out to ensure they are fit for purpose. This is separate from the actual management of the various assets, and how they perform, which is covered in the "Investment performance" section of this report.

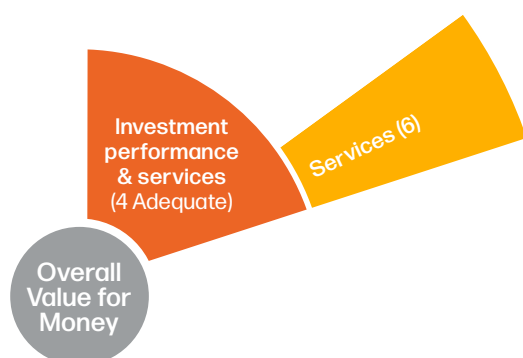
We are responsible for determining if the servicing of such funds is fit for purpose, and properly takes into account different customers' characteristics, needs and objectives.

How we assess value for money

We examine several aspects including whether:

- The funds are designed in the interests of customers and clearly described.
- There are regular reviews of the suitability of default funds, asset allocation and manager selection.
- There is adaptability of defaults and other funds to changing circumstances.
- The range and suitability of alternative fund choices.
- The processes to identify and address poorly performing funds.

Our assessment



There are no major concerns in relation to investment services. On the basis of detailed discussions, the IGC has been reassured by the extensive work of the Standard Life group's Investment Office, and within that the Fund Manager Oversight team. They demonstrated an in-depth knowledge of the global fund managers who generally manage your money, across different asset classes and investment styles.

We also examine the strategic asset allocation process underpinning the multi-asset funds on a regular basis, to assess how it is updated to take account of key changes in the economic environment and market conditions.

After our examination, we are assured that the principles, framework and processes through which the asset manager capabilities and funds are overseen look fit for purpose. There is also clear evidence of regular ongoing manager and mandate reviews and suitable evidence of changes being made where necessary.

Conclusion

After such analysis, we concluded that the principles, framework and processes through which the asset manager capabilities and funds managed for Phoenix Life CA customers look fit for purpose. There is also clear evidence of regular, ongoing manager and mandate reviews, and suitable changes being implemented where there is evidence of under-performing funds.

In particular, the IGC was reassured that analysis found that there were no major concerns regarding the asset managers in relation to the four important RAG areas.

Our scoring assessed investment services as six, or Adequate, and we expect to be able to give a higher score in next year's report.

Costs and charges

“Since July 2024, following challenge from the IGC, we have seen Phoenix Life CA take positive action by significantly reducing the ongoing charges you pay.”

“We are pleased that all customers are now paying ongoing charges of 0.75% per year or less and believe this represents value for money.”



"We are extremely pleased that Phoenix Life CA has reduced ongoing charges to a maximum of 0.75% per year. The IGC has given a rating of Green for costs and charges."

Steven Blight, Company Nominee



Summary

Why we gave this score

The level of costs and charges from Phoenix Life CA provide good value for money, with all customers paying 0.75% or less per year.

The level of ongoing charges customers are paying has significantly reduced since customers have come under the scope of the IGC from June 2024. This has resulted in ongoing charges for all customers reducing to a maximum of 0.75% per year, from August 2024, following IGC challenge.

As a result, we give a good value for money rating for costs and charges.

Key areas of strength

Phoenix Life CA has costs and charges which offer good value for money in the following ways:

- A maximum ongoing charge of 0.75% per year.
- Transaction costs are low for all the main unit linked funds and in line with peers.
- No exit charges applied.

Improvements made over the last year

Phoenix Life CA has taken actions in response to the challenges we have posed following this business being acquired and coming under the remit of the IGC:

Reduction of charges over 0.75% per year

- At the time of the acquisition of this business, over 90% of customers were paying ongoing charges above 0.75% per year, some of you significantly above this charge point.
- From 1 August 2024, following challenge from the IGC, the ongoing charges you pay have been capped at 0.75% per year. This change has been implemented in the form of extra units added to your policy to reflect the lower level of charges you are now paying.
- Phoenix Life CA has agreed to keep this in place until at least the end of 2027 whilst further work is carried out around the best long-term options for customers.

Removal of exit charges

- Customers had previously been subject to exit charges should they wish to transfer their policy to another provider.
- Following IGC challenge, all exit charges have been removed.

Further commentary

Why we gave this score

A number of costs and charges may apply to your plans and include:

- A Ongoing charges:** Regular charges deducted to cover the costs of administration and investment of your funds.
- B Transaction costs:** Deductions to cover the costs of buying and selling the investments within the plan.
- C Exit charges:** Some providers may apply an 'exit charge' taken if your pension is transferred to another provider.
- D Other charges:** A very small number of you have additional protection benefits on your plan in the form of waiver of contribution cover.

The main factor to determine if the costs and charges you pay provide you with value for money is assessment against reasonable scheme comparators that are available to you.

These comparators can be within the Standard Life group as a whole or available in the wider open market. This is in line with Financial Conduct Authority (FCA) rules.

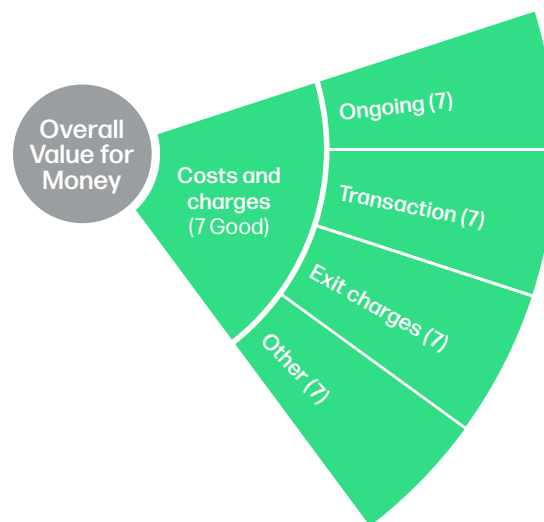
For you to receive good value for money, we believe that your ongoing charges should not be above 0.75%.

We expect **transaction costs** to be within normal market ranges or, where they appear materially higher, to understand why this is the case and any action taken to offset the impact on customers.

We are concerned if **exit charges** are above 1% of the value of the plan.

Where customers pay **other charges** for other additional benefits and services, then we consider this to be reasonable provided customers know they are paying them, they understand (and still need) the benefits or services, and receive adequate communications. We also look to see that these other charges are reviewed periodically to ensure they remain appropriate.

Our assessment



A. Ongoing charges

We have rated ongoing charges as Green (7) given that ongoing charges for all customers are 0.75% per year or less.

The Phoenix Life CA business came under the remit of the IGC following the acquisition of the business by the Standard Life group. At that point, customers were paying a wide range of charges which included a mix of policy fees (based on a £ amount) and more common charges that are a percentage of your fund value.

Even though the policy fee amounts you were paying were not large in absolute terms, given some of the small fund values held by customers, these were a high percentage of your overall fund value.

Upon this business coming within the scope of the IGC in May 2024, the IGC challenged the total level of charges some of you were paying.

We were extremely pleased that Phoenix Life CA took swift action to address this challenge by capping the total ongoing charges any customer pays to 0.75% per year. This resulted in over 90% of customers seeing a reduction in the ongoing charges they pay.

This change was implemented from August 2024 with a commitment that it remains in place until the end of 2027 while Phoenix Life CA look at a longer-term solution to improve the overall value for money you receive from your policy.

Due to system constraints, the reduction in charges has been applied in a pragmatic manner in the short term. Rather than an explicit reduction to the charge you are paying, it has been applied through an addition to the number of units you hold. We have worked with Phoenix Life CA to get comfortable with this approach and can assure you that whilst this may not be completely obvious in your annual statements, the effective benefit from a reduction in charges, where applicable, is being applied.

The table below shows that all customers are now paying ongoing charges between 0.60% and 0.75% per year

Total member charge	Number of workplace and former workplace personal pension members	Percentage	Assets under Administration (£m)	Percentage
0.60% to 0.75%	621	100%	10	100%

Our review of other IGCs' reports shows that an ongoing charge of 1% per year is becoming less typical among other firms with 'legacy' workplace pension policies. Providers are looking to restrict charges for 'legacy' business to 0.75% per year where these did not have additional valuable benefits and other certain exclusions.

This demonstrates that ongoing charges you pay Phoenix Life CA compare reasonably among its peers.

B. Transaction costs

The IGC have rated transaction costs as Green (7) as the level of transaction costs are low for the vast majority of funds.

Transaction costs for all relevant unit-linked funds

Transaction costs for all unit-linked funds offered by Phoenix Life CA to customers who are within the scope of the IGC are available in the IGC section of the Phoenix Life CA website. The chart below provides a summary view of costs split into bands.

This shows that 82% of funds in 2025 saw transaction costs below 0.20%, with all funds being below 0.30%.

Transaction costs	Funds	AuM	Funds %	AuM %
<0.10%	7	111,875	19%	1%
0.1% - 0.2%	23	8,195,571	62%	81%
0.2% - 0.3%	7	1,854,264	19%	18%
>0.3%	0		0	0
Total	37	10,161,711		

We are comfortable that the transaction costs are reasonable overall.

Finally, it should also be noted that a higher transaction cost is not necessarily bad value for money if it has resulted in a better investment return for customers or is due to a change in investment strategy designed to improve future returns. Overall, we continue to be comfortable with the level of transaction costs.

C. Exit charges

We have rated exit charges as Green (7) as no Phoenix Life CA customers are subject to any exit charges.

Previously, upon acquisition of this business, customers were either subject to a 5% exit charge or a lower 1% exit charge where they were either over age 55 or retired early due to ill health.

D. Other charges

We have rated other charges as Green (7) as we are comfortable that for the very few of you that have additional protection benefits, in the form of waiver of contribution, these charges are currently covered within the ongoing charges that you pay.

As described earlier within this report, your ongoing charges (including any waiver of contribution charges) are a maximum of 0.75% per year.

Conclusion

Since May 2024, significant action has been taken by Phoenix Life CA following challenge from the IGC to reduce the costs and charges you are paying. This has resulted in all customers now paying a maximum of 0.75% per year in ongoing charges and no exit charges now being applied to customers should they choose to transfer to another provider. Overall, we are pleased with the costs and charges you pay and award this area a Green rating.

Customer service

“The telephone service is particularly strong, but the digital functionality is limited and there is no app.”

“Sample testing of calls confirmed that the quality of telephone service remained high throughout the period. Quality assessment of back-office processing also remains high, with 95% passing quality standards first time during 2025.”

“The IGC would like to see some improvements to the service for vulnerable customers.”



"Overall Phoenix Life CA service levels are adequate and their call centre service is particularly strong. The IGC has given Phoenix Life CA a rating of Amber (Adequate) for customer service."

Rachel Haworth, Independent Member



Summary

Why we gave this score

All Phoenix Life CA IGC customers are serviced through an external provider, Diligenta. During 2024 and 2025 Phoenix Life CA worked well with Diligenta to progress the service you received. As a result, there is an improving trend into the current year.

The telephone service you receive from Phoenix Life CA is particularly strong. Alongside Phoenix Life CA telephone and postal channels, they also provide you with the ability to view your pension online. The online self-service offering remains limited and they do not currently offer an app.

At this time, Phoenix Life CA do not request customer feedback on its service, so the IGC has no current measure of customer satisfaction. We are pleased that Phoenix Life CA are progressing solutions to this currently, but it does leave a gap in the IGC's ability to assess your satisfaction with the service you receive.

The service offered to vulnerable customers requires improvement as does the timescales for resolving your complaints. The IGC has been pleased with the firm's focus on customer service and to see improvement plans progressing to safeguard customer outcomes.

For these reasons the IGC has given an Amber (Adequate) rating for the period of this report.

Key areas of strength

Phoenix Life CA are committed to delivering higher quality service and are particularly strong in these areas:

- 95% of queries were resolved on first contact and call quality remains high.
- Average speed to answer is just 37 seconds.
- 95% of back-office tasks met internal quality standards first time.

95% of callers' queries resolved first time

95% of back-office tasks met quality standards

Areas for improvement

We have one formal challenge for Phoenix Life CA for 2026:

- **Improve processes for vulnerable customers to be evidenced through outcomes monitoring.**

We are also keen to gain further insight into their levels of customer service and customer satisfaction through improved MI and monitoring, with a particular focus on complaint management timescales. The IGC will also continue to pursue more digital service options for you.

Further commentary

The IGC's responsibility under the FCA regulations is to determine "whether core scheme financial transactions are processed promptly and accurately". Our actual assessment of customer service is much wider than this and over the last 19 months, we looked at customer service across 16 customer journeys.

How we assess value for money

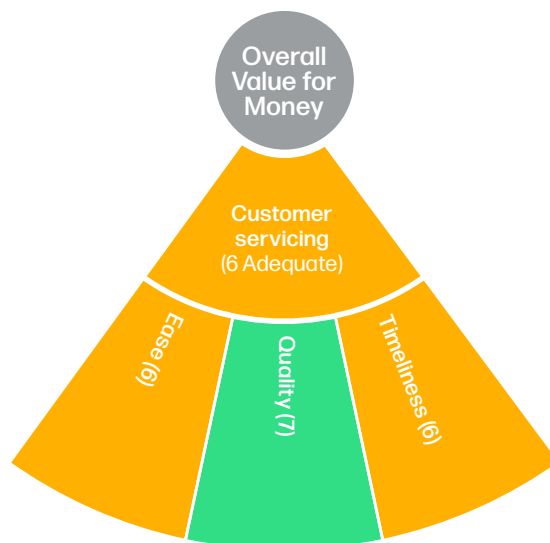
We scored each of the 16 journeys on a quarterly basis; 7-9 for good-outstanding, 4-6 for adequate but with areas for improvement and 1-3 for poor customer service.

Representatives from different parts of the Standard Life group meet on a quarterly basis to compare and calibrate their customer service offering and their scores, to ensure consistency of approach.

To inform our assessment we look across these three lenses, considering a variety of information in each including:

- A Did you receive timely service?**
 - Performance against target service levels.
 - How complaints are dealt with.
 - Call centre answer and abandonment rates.
- B Was the quality to expected standards?**
 - How the firm services vulnerable customers.
 - The output of internal assurance activity and testing.
 - Data security standards.
- C Did you feel it was easy to service your pension?**
 - Customer survey satisfaction scores and feedback - where available.
 - Complaint levels, themes and the action taken by the firm in response.
 - The number of complaints overturned by the Financial Ombudsman Service.
 - Availability and functionality of online and offline channels to service your pension.

Our assessment

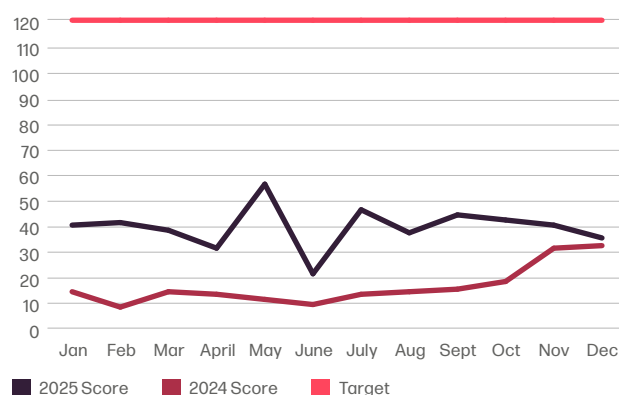


A. Did you receive timely service?

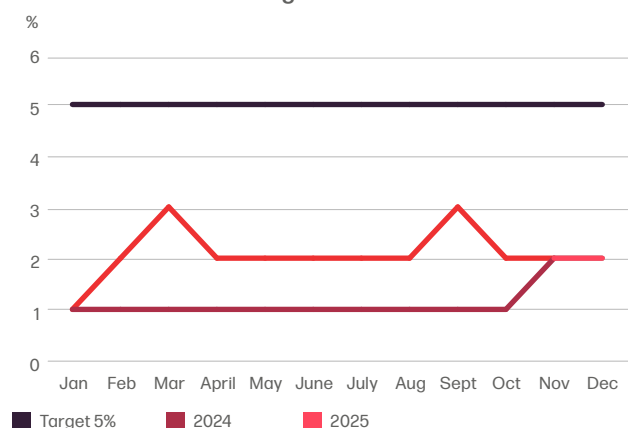
The IGC rated Phoenix Life CA Amber (6) for timely service during the period of review. Customers were informed about the rebranding of Sun Life of Canada to Phoenix Life Canada Limited in late 2024 via post. A high volume of these letters were returned to Phoenix Life CA because customers were no longer at the address held. Consequently, Phoenix Life CA have been processing these returned letters which has caused some minor impacts on timescales throughout the period. The mailing also caused a higher than normal volume of calls into the call centre at the time.

The telephone service you receive is particularly strong and they have recently implemented new telephony software to further improve the service given to you on the telephone. The number of customers who abandoned their call was only 1.2% in 2024 and 2.1% in 2025. The average time it took them to answer your call was only 37 seconds and 95% of caller queries were resolved with the first person they spoke to.

Average time to answer in seconds

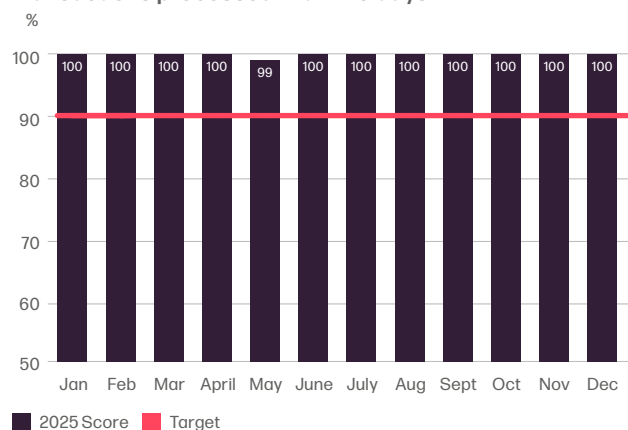


Phoenix Life CA Percentage Calls Abandoned



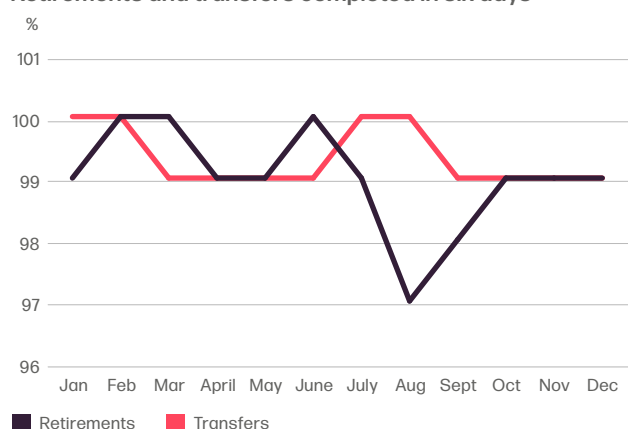
They also processed 100% of transactions within 10 days.

Transactions processed within 10 days



Those customers wishing to take money out in retirement or transfer to another provider, had their transactions completed quickly, with 99% in 6 days or under.

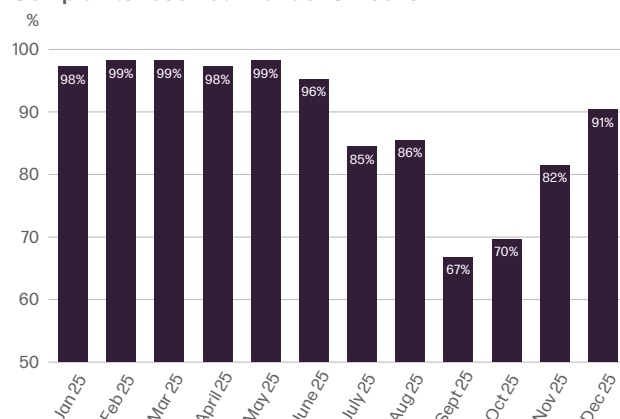
Retirements and transfers completed in six days



Overall complaints took longer to resolve than the IGC would like, with just 17% resolved within 3 days in 2025 and 80% in 8 weeks in the second half of 2025 against an internal target of 90%. This was caused by a temporary increase in complaints in other areas of the business not covered by the IGC and has since recovered to near target service levels. Improvements are being made to how Diligenta

handles complaints for Phoenix Life CA, including strengthening processes, oversight and record-keeping.

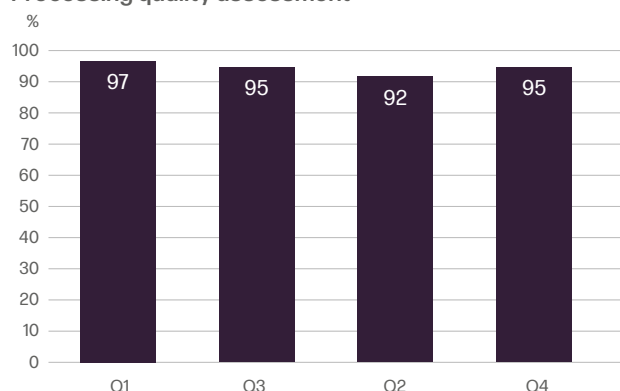
Complaints resolved in under 8 weeks



B. Was the quality to expected standards?

The IGC rated Phoenix Life CA Green (7) for quality of service during the period of review. Sample testing of calls confirmed that the quality of telephone service remained high throughout the period. Quality assessment of back-office processing also remains high, with 95% passing quality standards first time during 2025.

Processing quality assessment



The IGC has had regular updates regarding the treatment of vulnerable customers throughout 2025 following an unsatisfactory internal review in 2024. A follow-up internal review of Diligenta found that improvements had been made including additional training and a focus on the Bereavement journey, but more needs to be done to improve how they identify and assist vulnerable customers. This continues to be an area of focus for the IGC.

Throughout the year, the IGC has continued to monitor the controls that Standard Life group (including Phoenix Life CA) has in place to protect customers' information and money. Based on the assurance and reporting received, the IGC is satisfied that the Group continues to maintain an effective Information Security strategy and control framework. During the year, the Group has also progressed a significant programme of cyber security enhancements, further strengthening its capability to identify, protect against, detect and respond to cyber threats. Whilst recognising that further improvements remain, the IGC is satisfied that appropriate action is being taken to keep your data and money safe.

C. Did you feel it was easy to service your pension?

The IGC places significant importance on your opinions of the service you receive and give this a double-weighting in our assessment scoring. The IGC rated Phoenix Life CA Amber (6) for ease of service during the period of review.

Unfortunately Phoenix Life CA are not currently measuring customer satisfaction, but the IGC is pleased that Management are focused on implementing a solution in the near future. Previous surveys in 2024 indicated customer satisfaction at 90%.

We do know that the telephone service is particularly strong, but the digital functionality is limited and there is no app. There are currently no plans to improve the digital offering. The IGC will continue to pursue future development of digital options for you to service your pension.

Although Phoenix Life CA is currently unable to provide us with the volumes of complaints specifically for IGC customers, the volume of complaints for all Phoenix Life CA customers averaged 3 complaints per month per 1000 customers in 2025 compared to 4 in 2024, mainly as a result of delays. These volumes were as a result of proactive contact with some customers outside of the remit of the IGC, and is being actively managed by the firm.

The IGC also monitors those complaints that get referred to the Financial Ombudsman Service (FOS). Approximately 5% of all Phoenix Life CA complaints are referred to FOS, of which 28% were overturned compared with the decumulation and pension sector industry of 45%, indicating Phoenix Life CA approach to complaint management is more in line with FOS' expectations than its peers. However, FOS overturns have reached over 46% at times throughout the year and this is an area the IGC will continue to monitor.

Conclusion

Phoenix Life CA have offered you a strong telephony service throughout the period.

The increased work following the rebranding exercise and proactive complaint activity has caused some minor impacts to customer service and the digital offering remains limited. The service for vulnerable customers requires continued management focus.

Overall the level of service is adequate and management are focused on the right areas for improvement.

Communication and engagement

“The Phoenix Life CA communications and engagement offering does not currently compare well with either the rest of the Standard Life group or the overall market. IGC believes that Phoenix Life CA understands this.

The IGC notes that there have been some improvements since the firm joined the Phoenix Group, now Standard Life - for example the communications suite refresh and the improvements to bereavement communications. Significant improvements in communications can take time and we encourage the firm to give focus to this area during 2026.”



"Communications are regulatory compliant and there have been some improvements since it came under the IGC's remit. However, the communications offering is text-based with very few diagrams or charts to help customer engagement and understanding. The IGC has given Phoenix Life CA an Amber rating for communications and engagement."

Maggie Craig, Independent Member



Summary

Why we gave this score

Since Phoenix Group acquired Phoenix Life CA (formerly Sun Life of Canada) the focus has been on embedding it into the Standard Life group. It is understandable that embedding should have been the initial priority, but this has meant there has been little focus on developing communications and engagement. The IGC encourages Phoenix Life CA to increase its focus on these areas.

Phoenix Life CA communications are regulatory compliant and there have been some improvements since it came under the IGC's remit. However, the communications offering is text-based with very few diagrams or charts to help customer engagement and understanding.

This is out of line both with the market and with customer expectations. Notably customers cannot easily communicate by secure email and there is no digital communications offering.

Key areas of strength

There are paperless journeys around key moments such as bereavement journeys.

The work done on vulnerable customers across the group has made the "Helping Hands" option available to provide additional support for customers where needed.

Recent improvements

The suite of Phoenix Life CA communications was rewritten in line with FRESH principles (Friendly, Reassuring, Engaging, Simple and Helpful). There was also a review of high priority communications through a Consumer Duty lens.

Improvements were made to bereavement communications making them succinct with clear and easy to follow instructions. The language used is customer friendly, acknowledges the sensitive nature of the correspondence and is adapted as necessary.

Areas for improvement

There are a number of areas where improvements to communication could be made. The IGC accepts that improvements will take time.

We are setting Phoenix Life CA three challenges for 2026:

- Identify three key communications and make them more engaging to customers by, for example, making more and better use of charts, pictures and diagrams.
- Make a significant reduction in the percentage of customers classed as "gone away" from 23.6% at end 2025 towards the industry median figure of 8%.
- Bring forward a plan, including timescales, to develop the digital communications offering for customers.

Further commentary

Communications in whatever form, by letter, email, through the website, app, or by telephone, are essential to provide you with information about your pension and services that Phoenix Life CA offers.

Your IGC are responsible for determining whether Phoenix Life CA communications to customers are fit for purpose and properly take into account customer characteristics, needs and objectives.

How we assess value for money

We evaluated specific communication material across each stage of a customer's journey from joining, through accumulation to leaving or retirement. Using a scoring system of 7-9 for good-outstanding, 4-6 for adequate but with areas for improvement and 1-3 for poor, we rated the communications against each of the following:

A Are the communications clear and well presented?

- Good content e.g. appropriate use of tone and terminology, written in plain English and easy to understand, relevant and informative.
- Clear layout e.g. well presented, professional in appearance with good use of imagery and graphics.
- Personalised e.g. relevant to each reader with customer specific data and issued in a timely manner to enable customers to make informed decisions.
- Supports vulnerabilities e.g. takes into account any disabilities or vulnerabilities of customers.

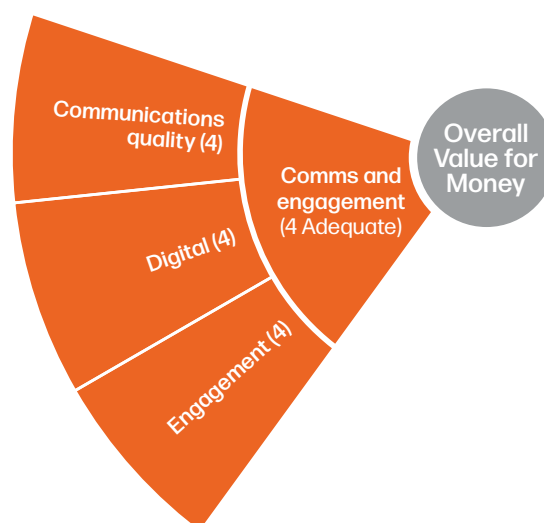
B Are there suitable options to engage digitally?

- Multi-channel e.g. website and/or apps with consistency of communication across online and paper.

C Are customers engaging with the communications?

- Reaction e.g. if the communication is opened and read.
- Interaction e.g. the extent that customers use the information or interact further with Phoenix Life.
- Action e.g. if customers take action as a consequence of the communication.
- What is the firm doing to reduce the numbers of customers classed as "gone away".

Our assessment



A. Communications are clear but not well presented

The IGC has given the quality of Phoenix Life CA communications an Amber (4) rating.

Communications are in Plain English, the tone is appropriate and readability is in line with FRESH principles (Friendly, Reassuring, Engaging, Simple and Helpful). They are relevant and use customer specific data. It is good to see that recording customer vulnerability is embedded in communications as is colleague training and support on areas of vulnerability.

However, there is little use of imagery or graphics which, combined with the focus on text, means that communications are not as engaging as we would like to see.

B. There is no option to engage digitally

The IGC has rated Phoenix Life CA digital offering Amber (4). There is some education and support communication material available on the website together with a customer-friendly video.

However, there is currently no digital communications offering for customers, which is a serious gap in the Phoenix Life CA communication offering.

C. Are customers engaging with the communications?

IGC has given Phoenix Life CA engagement an Amber (4) rating.

There is currently no process to collect data on "open rates" or customer satisfaction with communications.

Email addresses

Currently there is no smooth process for customers to communicate by email. This is another serious gap in the communication offering. IGC is, however, pleased to see that efforts are being made to collect email addresses to enable this to be offered in future. We look forward to some progress in this area in 2026.

'Gone aways'

The Phoenix Life CA "gone away" rate at the end of 2025 was 23.6% which is disappointing. However, the IGC is pleased to note that they were part of a group wide programme using the results of an independent review of gone away processes in the industry.

As a result, they are now using a new tracing agency which should lead to better results. They have also completely redesigned the customer re-engagement letter. These letters are designed to encourage a better response rate, have been tested independently and received very positive feedback. There has been an uplift in response rates to these letters. IGC understands that results will take time to impact "gone away" rates and will report back on this next year.

Conclusion

Phoenix Life CA has work to do on its communication and engagement offering to customers. The IGC understands that this reflects the historical position when the firm joined the Group. Therefore, it will take time to make changes.

The IGC hopes to see evidence that this journey has started when it reports on 2026.

Environmental, Social and Governance (ESG)

“Phoenix Life CA takes its responsibilities to the environment and wider society seriously.”

“Phoenix Life CA and the Standard Life group continue to take an ESG leadership role in the industry. They participate in various industry initiatives to advance collective thinking, raise awareness of various issues, and champion good practice. The Group continues to be a signatory to the UK Stewardship Code.”



"Phoenix Life CA takes its responsibilities to the environment and wider society seriously. Following its acquisition by Standard Life plc, Phoenix Life CA adopted the Group's framework and policies that have been built to ensure ESG and Stewardship considerations are appropriately taken into account in investment decisions affecting customer returns. The IGC has given Phoenix Life CA a rating of Green for ESG and Stewardship."

Barry Butler, Independent Member



Summary

Why we gave this score

Standard Life plc ("the Group") continues to have a strong policy framework that sets out clearly how ESG and Stewardship considerations should be taken into account in investment decisions that impact customer outcomes.

We have seen evidence of the continued evolution of its policy framework to keep pace with the latest standards and the Group's understanding of ESG matters, and have retained a Good rating.

Additionally, peer benchmarking indicates that the Group remains an industry leader.

Key areas of strength

The Group ESG and Stewardship policy framework covers factors that can influence the financial return from investments, and also recognises that some customers may wish to have their ethical, non-financial, values reflected in how their pension savings are invested. Financial and non-financial factors are therefore considered in the development of the policy framework.

The policy framework is backed up by a strong governance framework, to ensure that policy intentions are carried out.

All investment decisions that the Group takes are required to meet certain minimum ESG standards. As the product range is further simplified, there is expected to be a stronger emphasis on ESG considerations.

The Group continues to take a leadership role in the industry, and participates in various industry initiatives to advance collective thinking, raise awareness of various ESG issues, and champion good practice. The Group continues to be a signatory to the UK Stewardship Code.

Improvements made over the last year

In 2025, the Group completed its first three-year climate engagement programme with 25 of its highest emitting companies. The Group has engaged directly with all 25 companies, both individually and collaboratively through organisations such as Climate Action 100+ and the Net Zero Engagement Initiative.

In 2025, the Group analysed the voting behaviour of a selected group of its asset managers in relation to 300 target companies to identify any areas of misalignment. The Group continues to engage with its managers to encourage alignment with the Group's Global Voting Principles.

The Group achieved its 2025 target to reduce the carbon intensity of its listed equity and credit portfolio (where it has control and influence) by 25%. The Group has delivered a 58% reduction in the carbon intensity of its listed equity and credit portfolio relative to a 2019 baseline.

Areas for improvement

As the Group is strong in this area we are not setting a specific challenge for 2026, however we are encouraging them to continue to embed responsible investment considerations across the fund range.

In particular, priorities for 2026 include:

- Complete the roll-out of climate-aligned benchmarks and decarbonising strategies across the Group's listed equity and corporate bond portfolios.
- Launch the Group's second three-year engagement programme which will consider both climate and nature together.
- Launch a new thematic stewardship engagement programme on human rights.

Further commentary

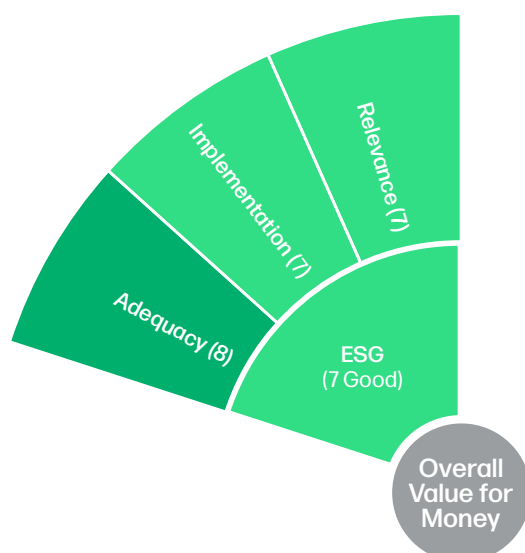
Your IGC is required to consider and report on how ESG considerations and other aspects of what is often called “Responsible Investment” are taken into account in the provider’s investment decisions that impact in-scope customers’ pension pots and/or investment pathway funds.

This is an important part of the UK Government’s strategy to ensure that pension savings play their part in combatting climate change and promoting good outcomes for society as well as good outcomes for pension savers.

Our role is to provide an independent consideration of the Group’s policies on:

How we assess value for money

- A ESG financial considerations:** Environmental, social and governance (ESG) factors that are material to the sustainability of an investment;
- B Non-financial matters:** Factors which may influence a firm’s investment strategy or decision, and which are based on the views (including ethical concerns regarding ESG issues) of the firm’s clients or relevant policyholders;
- C Stewardship:** The FRC (Financial Reporting Council) defines this as “the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society”;
- D Other financial considerations:** To the extent that they pose a particular and significant risk of financial harm. vfm fan below.



The Group takes its responsibilities to ESG and stewardship seriously and publishes the following sustainability disclosures at a group-level: Group Annual Report, Group Sustainability Report, Net Zero Transition Plan and Stewardship Report.

Fund-level and entity-level climate reporting are produced together with a Climate Information Guide that aims to explain commonly used terms and metrics.

While Group-level reporting sets a helpful context for the IGC’s assessment, our focus is narrower and concentrated on the adequacy and quality of the policies that impact the investment returns that in-scope customers receive. Our view is formed with consideration to three factors:

- **Adequacy:** Extent to which policies adequately seek to mitigate relevant risks and take advantage of relevant opportunities.
- **Relevance:** Extent to which policies are relevant to customers and the expected duration of their investment.
- **Implementation:** Extent to which the policy is reviewed regularly and has been actively implemented into processes.

Group Policy Framework

The Group ESG and Stewardship policy framework includes the following policies:

- **Our Approach to ESG Integration** sets out the Group approach to integrating ESG into its investment analysis and decision-making.
- **The Group Investment Exclusion Policy** sets out the principles that should guide the focused use of portfolio exclusions alongside other ESG engagement and investment strategies.
- **The Group Stewardship Policy** sets out the Group’s definition of stewardship and commitment to support effective engagement and voting through internal and outsourced activities in collaboration with asset managers and service providers.
- **Global Voting Principles** summarise the Group’s high-level beliefs and expectations of good corporate governance, environment and social practices that should be followed by the Group’s asset management partners.
- The **Group Human Rights Policy** includes reference to collaboration with the Group’s asset management partners to integrate human rights considerations into the investment processes and support effective stewardship of assets.
- **Our view on key sustainability themes** outlines the priority ESG risks and opportunities that inform our investment analysis and approach on sustainability matters with portfolio companies.
- **A Classification Framework for Private Markets** that applies to investments in private markets.
- **Conflicts of interest policy** sets out the minimum operating standards relating to the management of conflicts of interest risk throughout the Group.
- A Sustainable Investment Risk Policy sets out the minimum operating standards relating to the management of Sustainable Investing risk throughout the Group.

- Investment position statements on **freshwater scarcity** and **tropical deforestation**, which sets out how the Group identifies, assesses and manages exposures to these nature-related risks.

All policies are reviewed each calendar year and evolve accordingly to reflect the Group's understanding of ESG matters.

Governance framework

The policy framework is supported by a strong governance framework, to ensure that policy intentions are carried out. The governance framework continues to evolve and, to an increasing extent, integrates nature-related risks and opportunities.

A description of the Board Committees who have defined roles and responsibilities relating to the management, oversight and reporting of climate and nature-related risk and opportunities is provided on p54-55 of the **Group ARA**.

Details of training is provided to the Board and Group Board Committees on ESG and stewardship is provided on p133 of the **Group ARA**.

Progress in 2025

In 2025, significant further progress has been made to strengthen the policy framework that applies and ensure that it is robustly implemented.

Adequacy

- The Group has continued to strengthen and evolve its policy framework. ESG and Stewardship policies were reviewed and updated during the year, with greater emphasis placed on nature-related considerations.
- The Group continues to play a leading role in the industry through participation in initiatives including the Climate Action 100+ Global Steering Committee, the Transition Pathway Initiative Board and the Partnership for Carbon Accounting Financials Core Team. It also remains a signatory to the UK Stewardship Code. This involvement helps ensure the policy framework remains aligned with emerging best practice.
- In 2025, the Group published its first investment position statements on tropical deforestation and freshwater scarcity. These identify both issues as material financial risks and set out how the Group will identify, assess and manage them on behalf of customers.

Relevance

- The Group regularly researches customer attitudes towards ESG investing and uses the findings to inform its fund range and communications. The **Responsible Investing Viewpoint 2025** found that investment returns remain customers' top priority, while most customers expect their pension provider to manage responsible investment considerations on their behalf. Many also wish to avoid harm through their investments, with climate change remaining the most important responsible investment issue for almost half of respondents.
- The Group also refined its 2030 decarbonisation target while maintaining its ambition to reduce emissions intensity by 50% from a 2019 baseline.

Implementation

- Following its acquisition by Standard Life plc, the Group applied its overarching ESG and stewardship policy and governance framework to Phoenix Life CA. The ESG VFM assessment for Phoenix Life CA captures (amongst other scoring elements) the average implementation status of ESG and stewardship policies over the review period, and so reflects that the Group implemented its policies over time.
- The Group completed its first three-year climate engagement programme covering 25 of its highest-emitting investee companies. Through direct and collaborative engagement initiatives, progress was observed in areas including climate-related disclosures, capital allocation and transition planning.
- During the year, the Group reviewed the voting behaviour of selected asset managers across 300 target companies and continued engagement to improve alignment with its Global Voting Principles.
- The Group also completed a human rights due diligence review of its investment portfolio, which will inform a thematic engagement programme in 2026. In addition, it exceeded its 2025 target to reduce the carbon intensity of its listed equity and credit portfolio (where it has control and influence) by 25%, delivering a 58% reduction in carbon intensity across its listed equity and credit portfolio relative to its 2019 baseline.

Conclusion

The Group's ESG and Stewardship policies are clearly defined and address the key financial risks and opportunities arising from ESG considerations. They set clear standards for the investment of customers' savings and promote responsible investment practices. The framework also recognises the importance of non-financial considerations and provides appropriate investment options to meet customers' ethical preferences.

The IGC considers the Group's ESG and Stewardship framework to be robust and effective. Peer benchmarking indicates that the Group remains an industry leader, and we therefore award Phoenix Life CA a Green rating.

Measuring value for money

How we assess value for money

Assessing value for money is not just about what something costs. You also need to look at the quality of what you get in return and how it compares with similar alternatives.

That's why our assessment takes into account a number of different aspects of your workplace pension or Investment Pathways experience, to form a holistic view of the value for money that Standard Life is providing.

We have developed a value for money framework that is closely aligned to the factors the regulator, the FCA, requires us to use, but with additional granularity in respect of the 'quality of services'. Our framework covers and reports on the following areas:

- **Investment performance and services**
- **Costs and charges**
- **Customer service**
- **Quality of communications and customer engagement**

Environmental, social and governance (ESG) factors are also reviewed and reported by the IGC, but as a separate assessment alongside the value for money analysis.

The IGC carries out a rigorous and wide-ranging analysis of Phoenix Life CA performance, reviewing lots of different information. We also compare Phoenix Life CA to other pension providers using data from other available reports and specially commissioned benchmarking research. We also use this approach to compare performance across the other pension providers within the wider Standard Life group (Standard Life, Phoenix Life, ReAssure and Phoenix Life CA).

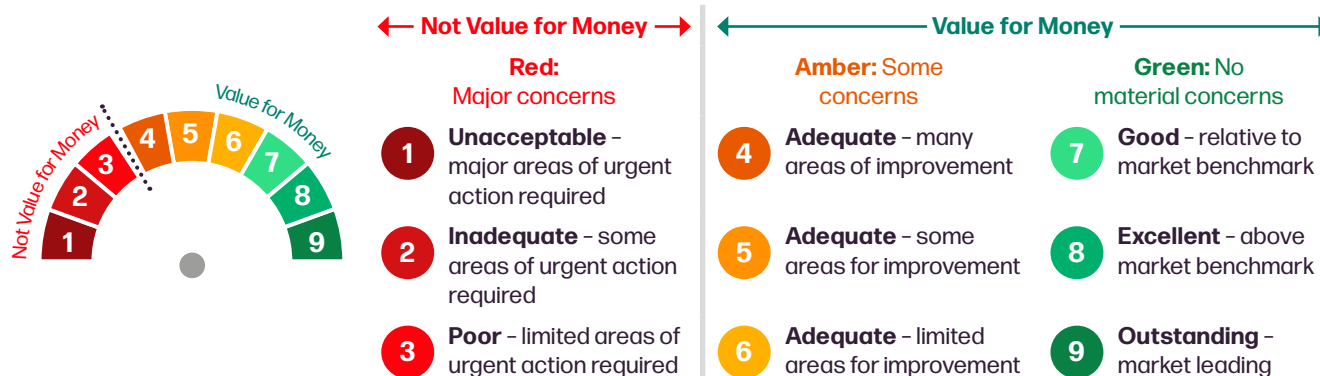
We recognise that assessing value for money is not an exact science as some aspects are more difficult to measure than others and individual customers value things differently. Nevertheless, we try to be as objective and fact-based as possible.

For each area, Phoenix Life CA performance is rated on a numerical scale (from 1 to 9) based on the data, evidence and our own knowledge of the workplace pension market. We are also able to look at the historic data to track the trends.

We use 'speedometer gauges' to show their performance as either Red (not value for money), Amber (value for money but could be improved) or Green (value for money).

For each area, we measure several different aspects:

Area	Criteria
Investment performance and services	▪ Fund performance against inflation ▪ Fund performance against benchmarks ▪ Fund performance against competition ▪ Investment services
Costs and charges	▪ Ongoing charges (with and without additional benefits) ▪ Transaction costs ▪ Exit charges ▪ Other charges
Customer servicing	▪ Timeliness ▪ Quality ▪ Ease
Communication and engagement	▪ Relevance and clarity ▪ Digital capability ▪ Customer engagement
ESG	▪ Relevance ▪ Implementation ▪ Adequacy



Who we are



The role of the Independent Governance Committee (IGC) is to ensure customers are receiving value for money from their provider.

To perform this role, it is essential we operate independently from Phoenix Life CA. The majority of the Committee are therefore independent, although from time to time, we select company-nominated members to bring valuable in-depth policy-specific knowledge. In these cases they do not have a direct link to any areas they are scrutinising.

We carefully identify all of the different skills, knowledge and expertise required to perform our role. All IGC members are selected to ensure a complementary fit against these requirements. We also continually monitor and deliver training and personal development needs.

This 2024/2025 value for money report has been prepared and written by the following Committee members:



Andy Davies
Chair, Independent Member

Andy joined the IGC as an independent member in September 2023 and was appointed as the Chair in January 2025. Andy is an experienced strategist, marketer and business development professional with a strong customer focus. His career of over 35 years spans the breadth of Financial Services covering pensions, wealth management, life, healthcare and general insurance. He has held a wide-range of senior management positions including Director of Marketing Strategy & Customer Insight for AXA UK & Ireland during which he established their first customer-centricity strategy. While Head of Strategic Development for AXA Life, Andy created the initial strategy, and was one of the founder members of the Elevate investment platform (now Aberdeen Elevate).

Andy is also an independent non-executive trustee for the Standard Life Master Trust Co Ltd. He also runs his own management consultancy business specialising in strategic change and business transformation and chairs a business 'Mastermind' group for leaders of small/medium businesses in the South West.

Andy has qualified as a Chartered Insurer and Financial Planner in addition to holding separate professional Project and Proposal Management qualifications and is an Accredited Professional Trustee with the Pensions Management Institute.



Rachel Haworth
Independent Member

Rachel joined the IGC as an independent member in August 2022. She is a customer-focussed strategic leader with extensive experience in the financial services industry, including Marketing and Digital roles with HSBC First Direct and Product, Proposition and Customer Experience Director roles for Coventry Building Society. Rachel's expertise spans strategy, marketing, digital transformation, risk management, ED&I, ESG and cultural leadership.

She holds a number of other non-executive roles within financial services, currently as a Non-Executive Director and Chair of Remuneration Committee for Mansfield Building Society and the Mortgage Advice Bureau.

Rachel has a personal passion for ensuring customers are treated fairly and is particularly keen to make sure consumers, including those considered vulnerable, get value for money and good outcomes from their pension decisions.

Rachel's wide-ranging experiences will help the IGC build on its assessment of the value offered in both retirement products and investment pathways.



Steven Blight
Company Nominee

Steven joined the IGC as an Employee Member in September 2021. He is a qualified actuary who has been with the Phoenix Group for over 20 years with his current role being the Deputy Chief Actuary for the UK Life Companies of the Group, focused on overseeing the reserving calculations, managing risk, ensuring compliance with regulatory requirements and developing strategic financial policies within the life companies of the Group.

Steven's previous roles at Phoenix have mainly been within the Actuarial team where he was responsible for pricing of new business for annuities and protection products, managing the Group's exposure to longevity, mortality, expense and persistency risks. He also has experience in developing the Group's approach to determine the amount of regulatory capital required to be held given the type of business and risks the Group has on its books and also the workings and management of with-profits funds within the Group, and therefore has a broad experience across the business.



Andrew Milligan
Independent Member

Andrew joined the IGC as an independent member in July 2022. He is an independent economist and investment consultant, who has 35 years' experience in financial markets, most notably at Aviva Investors as Head of Economic Research and Business Risk and then Aberdeen/Standard Life Investments as Head of Global Strategy. He currently has a portfolio of roles, including trustee to the Central Board of Finance, one of the three national bodies which handle the investments of the Church of England, as well as sitting on the investment committee of the Health Foundation endowment. He is a Fellow of the Society of Professional Economists. Andrew's expertise helps the IGC maintain a consistent approach to analysing the company's investment processes and their evolution over time.



Maggie Craig
Independent Member

Maggie joined the IGC in January 2023. She spent all her executive career in the financial services industry. She has worked in the industry with Standard Life and Aegon, lobbied for the industry when at the Association of British Insurers and regulated the industry when at the FCA where she led pension policy during the pension freedom years, led the strategy for the FCA Scotland's Office and set up the FCA Devolved Nations team. She was a Trustee on the Board of the FCA's Pension Plan for two years. Alongside her day job at the FCA, Maggie regularly lectured on financial services regulation at Glasgow College and Heriot Watt University.

Maggie sits on the Board of the Scottish Courts and Tribunal Service where she chairs the Audit and Risk Committee and is the Chair of Glasgow Credit Union. She is an honorary Fellow of the Institute and Faculty of Actuaries.

Maggie has been active on Diversity and Inclusion issues for several years with particular focus on mental health issues in part because she lives with a significant mental health issue.



Barry Butler
Independent Member

Barry joined the IGC as an independent member in February 2025. He is a qualified actuary with over 35 years of experience in the insurance industry, most notably at MetLife as EMEA Head of Product, Underwriting & Sustainability, and Zurich as Global Head of Savings & Investment Propositions. He is an accomplished professional with extensive experience in products, customer propositions, risk management, sustainability and cultural leadership. Currently he is a non-executive and consumer duty champion with MetLife. He is also studying for his Masters in Sustainable Development at the University of Sussex.

Barry is passionate about the customer and will use his expertise in products, investments and sustainability to support the IGC in ensuring customers get good value for money.