Supporting material

Annual Report for year ending 31 December 2024

Independent Governance Committee

Contents

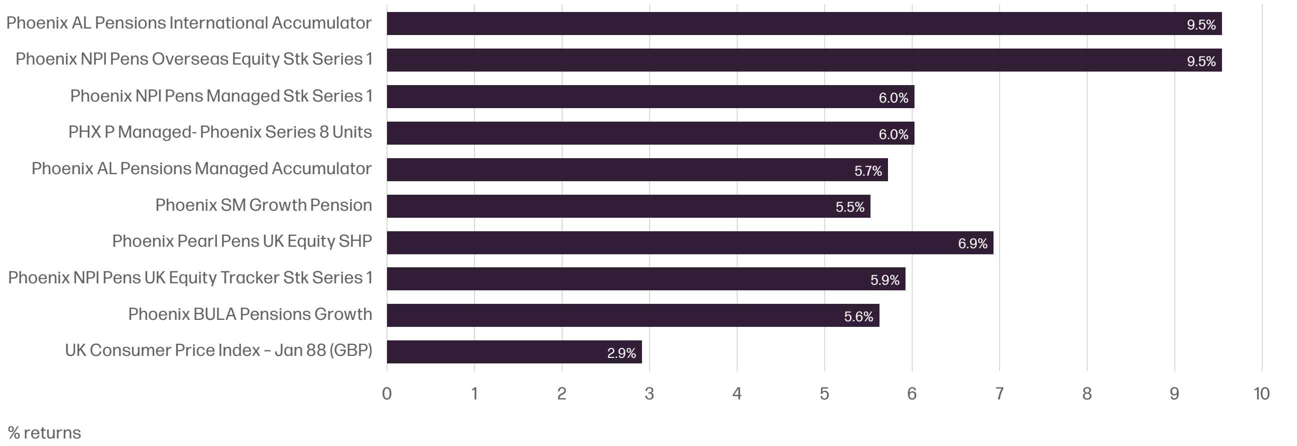
This document is the supporting material to the Phoenix Independent Governance Committee Annual Report for the year ending 31 December 2024 which can be found here.

Investment performance

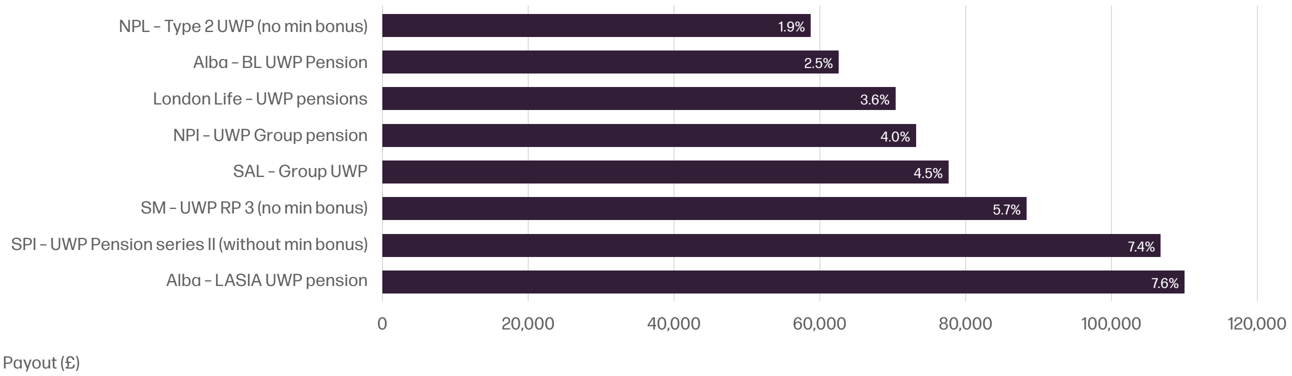
Investment performance

The following charts and tables have been chosen to demonstrate (a) the long-term performance of several of the most important Phoenix default funds in relation to consumer inflation; (b) an example of the return on premiums over the long term for a range of with profits funds (c) the Red Amber Green distribution by the number of funds; (d) a fuller breakdown of the overall range of funds in terms of quartile rankings; (e) a fuller list of with profit fund performance in recent years in relation to inflation and (f) how changes in annuity rates have interacted with changes in the size of pension pots.

15 year annualised performance (%) of key funds and CPI

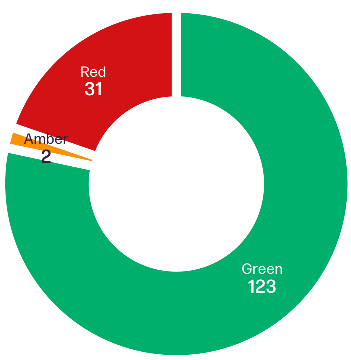


Example 20 year payouts and return on premium



Performance RAG distribution pie chart and Quartiles ranking table

Performance RAG distribution (rated funds by number of funds)



There were 6 unrated funds due to unavailability of data

Summary (Proportion of overall fund in each quartile)	Quartile rankings		
	5 Year	10 Year	15 Year
Quartile 1	12%	13%	13%
Quartile 2	29%	24%	19%
Quartile 3	31%	32%	36%
Quartile 4	29%	31%	33%
Total number of ranked funds	146	138	138

Where funds are in ABI Unclassified and ABI Specialist sectors performance ranking of these funds as a whole is inappropriate given the diverse nature of the sector constituents. Values below show the percentage of Phoenix IGC Unit Linked Insured Funds which are either Unclassified or Specialist.

	5 Year	10 Year	15 Year
Unranked (% of total number of funds which are unranked)	10%	15%	15%
Total number of funds in scope	162	162	162

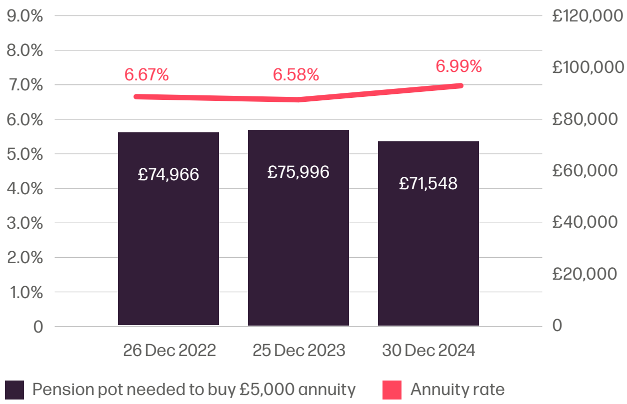
With Profits underlying asset share performance vs CPI

Phoenix Life	IGC Bonus series	1yr	3yr	5yr	10yr	15yr
London Life	Trad pensions	-5.2%	-9.4%	-6.7%	-3.0%	-0.4%
London Life	UWP pensions	-1.2%	-7.8%	-4.8%	-0.8%	2.7%
NPL	Type 1 UWP (with min bonus)	-3.2%	-8.9%	-6.2%	-2.7%	-1.6%
NPL	Type 2 UWP (no min bonus)	2.0%	-4.8%	-2.4%	0.1%	1.5%
NPI	UWP Group Pension	1.5%	-6.1%	-3.1%	0.6%	4.5%
Pearl	Personal Pensions	2.8%	-4.9%	-2.0%	1.5%	5.9%
SM	UWP RP 1 & 2 (with min bonus)	-1.1%	-7.4%	-4.4%	-0.8%	2.8%
SM	UWP RP 3 (no min bonus)	1.8%	-4.5%	-1.7%	1.3%	5.7%
SPI	UWP Pension series I (with min bonus)	-1.4%	-6.9%	-4.1%	-0.9%	–
SPI	UWP Pension series II (without min bonus)	1.7%	-4.2%	-1.5%	1.5%	–
SAL	Group UWP	1.8%	-7.0%	-3.4%	0.2%	4.8%
SAL	Trad Regular Premium Pensions	2.3%	-2.6%	-1.6%	0.6%	–
Alba	Trad Pension BLL/FS series B	1.0%	-5.6%	-3.5%	-1.0%	–
Alba	LASIA UWP pension	-2.2%	-6.9%	-5.0%	-1.8%	–
Alba	BL UWP Pension	1.0%	-5.6%	-3.5%	-1.0%	–

The actual payout from any with profits fund will also include such items as the benefits of any annual guarantee, estate distribution, and market value reductions if applied.

Changes in annuity rates & pension pot (after tax-free cash) needed to buy £5,000 annual income (65 year old, single life, level, five year guarantee)

The following chart shows how changes in annuity rates as well as the size of any investment pot affects the amount of annuity which you could purchase at different points in time. In brief, although stock markets fell in 2022 and recovered in 2023 and 2024, the higher annuity rates available in the market place were also important to determine final outcomes for those entering retirement.



Source: Phoenix Group (best in market rates for a 65 year old, single life, level contract with a five year guarantee at an average postcode)

Costs and charges

Costs and charges

Transaction costs by type of asset

As in previous years, we have included a table that shows the transaction costs for the Phoenix Unit Trust Managers (PUTM) collective investment schemes that Phoenix uses to construct many of the unit-linked and with-profits funds that customers invest in. Each collective investment scheme invests in a particular type of asset. PUTM include the Anti-Dilution Levy (ADL) offset in their reporting which represents the value within the pricing of the collective investment scheme that is taken to cover the cost of trading as units are sold or purchased. For the purpose of transaction cost reporting, the ADL can be used to offset the costs associated with trading in the underlying stocks and bonds that such unit movements generate. The level of transaction costs should be considered alongside the level of investment return; for example, a high transaction cost is not necessarily poor value for money if it results in overall better returns.

Table 1

Type of transaction cost	Implicit (%)	Explicit (%)	Anti Dilution Levy (%) (3)	Total (%)	Total (%)
Year	2024	2024	2024	2024	2023
Type of investment				1+2-3	
UK Gilts	0.00	0.00	0.00	**0.00**	**0.01**
UK Corporate Bonds	-0.01	0.04	0.04	**-0.01**	**0.00**
Overseas Bonds	0.04	0.01	0.01	**0.04**	**0.31**
Supernationals	-0.01	0.02	0.01	**0.00**	**0.09**
UK Equity	0.05	0.08	0.02	**0.11**	**0.07**
N America Equity	0.02	0.00	0.01	**0.01**	**0.00**
Japanese Equity	0.23	0.01	0.02	**0.22**	**0.02**
Asia Pacific	0.15	0.17	0.04	**0.28**	**0.02**
European Equity	0.06	0.02	0.01	**0.07**	**0.05**
Emerging Markets	0.22	0.16	0.03	**0.35**	**0.00**
Property (estimated)	0.00	0.07	0.00	**0.07**	**0.03**
Global Credit	0.11	0.01	0.02	**0.10**	**0.32**
Tactical Asset Allocation	0.64	0.05	0.00	**0.69**	**0.52**
Emerging market debt	0.21	0.02	0.07	**0.16**	**0.30**
Cash	0.00	0.00	0.00	**0.00**	**0.01**
Typical (managed) fund	**0.10 to 0.12**	**0.03 to 0.04**	**0.02 to 0.03**	**0.11 to 0.13**	**0.11 to 0.13**

Transaction costs for the relevant With Profits funds

Phoenix provides us with transaction costs for the with-profits funds that are invested in by some customers. The costs shown represent the assets within the fund that inform policy payouts and, while the asset mix for certain groups of policies within each fund may vary, they are indicative of the level of costs.

In general, the costs appear reasonable.

Table 2

Fund name	Fund average Net Asset Value (NAV) (£bn)	Aggregate transaction costs 2024 (%)	Aggregate transaction costs 2023 (%)
PLL London Life	0.04	**0.058**	**0.127**
PLL NPL	0.4	**0.058**	**0.042**
PLL Pearl	3.2	**0.049**	**0.076**
PLL Alba	0.2	**0.062**	**0.068**
PLL SAL	1.0	**0.068**	**0.065**
PLL Scottish Mutual	0.8	**0.055**	**0.091**
PLL SPI	0.5	**0.055**	**0.085**

Transaction costs for the main unit-linked funds

The following table shows transaction costs for the main unit-linked funds used by you. While these are not 'default' funds (because customers made a decision to invest in them), they are used by a large proportion of customers so we treat them as 'pseudo' default funds.

Table 3

Fund name	Fund average asset value (£bn)	Total transaction costs 2024 (%)	Total transaction costs 2023 (%)
RSA Pension Managed	1.22	**0.007**	**0.081**
Abbey Life International	1.66	**0.013**	**0.024**
NPI Pensions Managed	1.00	**0.099**	**0.055**
Abbey Life Pensions Managed	1.35	**0.061**	**0.062**
Scottish Mutual Growth Pension	0.24	**0.134**	**0.118**
NPI Pensions UK Equity Tracker	0.07	**0.030**	**0.029**
Pearl Pensions UK Equity	0.02	**0.107**	**0.057**
Phoenix Pension Growth Stakeholder	0.04	**0.111**	**0.129**
NPI Pensions Overseas Equity	0.08	**0.098**	**0.051**

Transaction costs – benchmarking

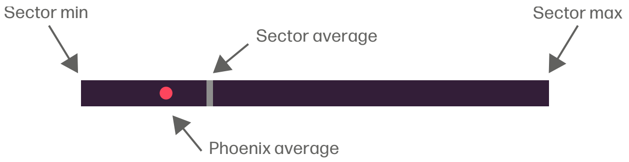
The chart illustrates that the average Phoenix transaction costs relative to those of other companies in the market are within normal market ranges for funds with a similar strategy, albeit that market participants may use a range of different interpretations and methodologies.

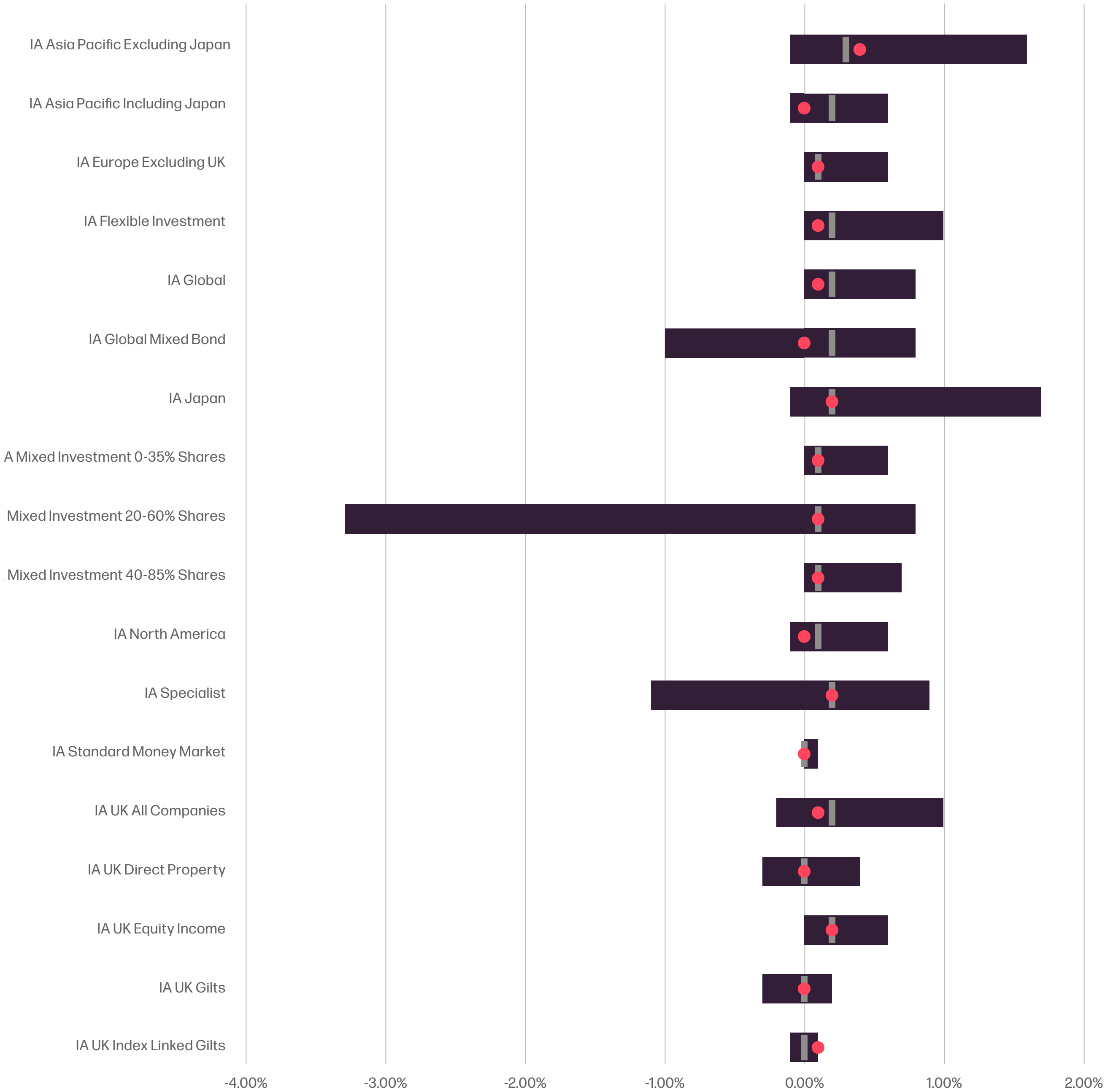
Methodology

The chart shows the range of transaction costs being reported in the Investment Association (IA) sectors.

Each bar demonstrates the minimum, maximum and average transaction cost reported for each IA sector.

The average Phoenix insured fund transaction cost has been overlaid for comparison purposes. Insured funds have been aligned to IA sectors based on their respective ABI sector.





Increased disclosure of costs and charges

The tables of costs and charges for all investment funds, together with sample illustrations to show the impact of those costs and charges, are available on the **website**.

The tables show the range of costs and charges incurred by individual customers and demonstrate that not all customers pay the same for the same fund, but that costs and charges vary, generally due to the terms agreed at outset. What you pay may also vary by the fund(s) that you are invested in. It is important, therefore, to understand how your charges compare with what you may be able to get elsewhere. The sample illustrations also show how significant ongoing charges can be on the ultimate value of your pension, particularly if you have a larger pot invested over a long period.

In addition, the Financial Conduct Authority (FCA) rules around assessing value for money in workplace pension schemes require IGCs to consider the most appropriate and proportionate way to assess an employer's scheme so that the IGC can produce a value for money assessment that is most useful for members. IGCs have a judgement to make on whether to assess costs and charges at an individual employer level, at an aggregated level or by a combination of both. We have chosen to assess costs and charges at an individual employer level rather than an aggregated level. We feel this is most appropriate, as it is at this level that you experience the service offered for the charge that you are paying and allows you to fully understand where your level of charges sit in comparison to others.

While we consider individual employer data points available for the business across the Phoenix Group, we are unable to get the same level of detail for external market comparators. Therefore, we also group data based on key employer level characteristics that influence the price you pay (e.g. number of members in an employer arrangement and average fund size of those members) and compare against similar groups from external comparators that we have access to through benchmarking surveys and information published by other IGCs.

Given the legacy nature of the Phoenix business, the vast majority of employer arrangements will no longer be active and only have a very small number of members. Therefore, the ability and likelihood of an employer arrangement transferring to another provider is remote and it will be down to the individual member to make that decision. Therefore, we also feel it is appropriate to additionally consider and report at an individual member level to show how your charges compare to all other Phoenix customers.

In considering our value for money assessment, we have looked at costs and charges information available both internally within Phoenix (with data set out in this report) and also across the wider Phoenix Group. We have considered looking at how charges compare across schemes with similar numbers of members and/or assets under administration as these can be key factors that will have initially influenced the level of charges applied to a particular scheme. However, the legacy nature of Phoenix's business, with only one or two members in individual employer arrangements that are no longer active, makes this approach less relevant.

Externally, we have taken part in industry-wide benchmarking surveys to understand how the level and spread of charges compare with those across the industry. We will also continue to look at disclosures within our peer IGCs' reports to see how Phoenix's costs and charges compare across the industry.

We strongly encourage you to understand how the level of charges you pay compares to charges paid by other employer arrangements with Phoenix. Within this report (for pseudo default funds) and on the website (for all funds) there are details that show the distribution of charges at an employer and individual member level. We have chosen to present the data in this fashion as we believe this is a useful and effective way for you to understand how the level of charges you are paying compares with those of other employer arrangements within the same fund, and as such, what relative value for money you may be receiving.

In order to help you to be able to assess this, Phoenix have delivered a digital solution that allows you to find the level of charges for all funds that you are invested in or are available to you. From the Phoenix **website**, you are able to enter the name of your employer who your pension arrangement was with and be presented with all relevant costs and charges for both invested funds and funds available to you.

In order for you to consider how the charges you are paying compare to those being applied to other members or employer arrangements provided by Phoenix, for each fund available we have set out, using various charge bands, the proportion of members and employers invested within that fund who are paying the level of charges indicated within the relevant band.

For example, the table below shows the distribution of charges for employer arrangements invested in the Phoenix NPI Pensions Managed Fund. If you are invested in this fund and are paying a charge of between 0.96% and 1.00%, then 11% of other employer arrangements who are invested in this fund will be paying a lower charge, some significantly so. There may have been valid reasons for this, but, in this scenario, we would encourage you to consider whether you are receiving value for money given the charges being applied to other members, alongside the fact that there will be significantly lower-charging alternatives available in the new business market.

Fund name	< 0.30%	0.30% to 0.39%	0.40% to 0.49%	0.50% to 0.59%	0.60% to 0.75%	0.76% to 0.85%	0.86% to 0.95%	0.96% to 1.00%
Phoenix NPI Pensions Managed	**0.20%**	**0.00%**	**0.86%**	**4.25%**	**2.32%**	**1.79%**	**1.33%**	**89.25%**

The distribution of charges for all other pseudo default funds can be found within this report. For all other investment funds, the distribution of charges are available on the Phoenix **website**. The charges in the table above and within this report do not include the value adjustment, as described earlier in this report, that will be applied to many customers.

Finally, we are required to publish the charges that apply to each fund that is available to invest in for each individual employer arrangement with Phoenix. We feel that the most effective approach for members to understand the charges applicable to them, and how they compare to the charges of other members or employer arrangements invested in the same fund, is through use of the digital solution described above in conjunction with the distribution of charges set out in this report. However, we do view it as important that we present data that satisfies the regulatory requirements, and this information is available on the Phoenix **website**.

Although charges may vary, it is not always possible to switch to a lower-charging option within Phoenix and, depending on the features of the current policy, the size of the pot and time to retirement, it may not be in a customer's best interests to do so. However, as mentioned above, it emphasises the importance of customers considering whether their pension pot and the way it is invested with Phoenix remains suitable for them. If you need help in understanding what level of charge you are paying, you should contact your employer, ex-employer or Phoenix to help explain. If you are still working for the same employer, you could ask them how recently their pension arrangements and charges have been reviewed. You should also consider seeking professional advice before making any changes.

Disclosure of costs and charges by individual customer

The table below shows the range of charges applied to individual customers' pension pots for each of the nine main unit-linked funds used by customers within the relevant schemes. Customers can see from their annual benefit statement the name of the funds in which they are invested. For example, the table below shows that, if you are invested in the Phoenix NPI Pensions Managed Fund, most customers, around 82%, pay an ongoing charge, of between 0.96% and 1.00% per year. Some customers are paying a lower ongoing charge with around 12% paying between 0.60% and 0.95% per year and around 6% paying ongoing charges less than 0.59% per year.

Some customers pay different types of charges but, in the table below, these have all been converted to an equivalent percentage ongoing charge to make comparisons easier. The data presented is before the value adjustment, as described earlier in the report, that will be applied in 2024 and the ongoing reduction in charges to some customers described earlier in this report.

Costs and charges for Phoenix default investment funds by individual

Fund name	< 0.30%	0.30% to 0.39%	0.40% to 0.49%	0.50% to 0.59%	0.60% to 0.75%	0.76% to 0.85%	0.86% to 0.95%	0.96% to 1.00%	1.01% to 1.25%	1.26% to 1.40%	> 1.40%	Transaction cost
Abbey Life Pensions International	0.00%	0.00%	0.00%	0.00%	0.00%	48.14%	15.28%	36.58%	0.00%	0.00%	0.00%	0.0130%
Abbey Life Pensions Managed	0.00%	0.00%	0.00%	0.00%	0.00%	48.28%	13.86%	37.86%	0.00%	0.00%	0.00%	0.0610%
Phoenix BULA Pension Growth Fund	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.1104%
Phoenix NPI Pensions Managed	0.20%	0.00%	0.86%	4.25%	2.32%	1.79%	1.33%	89.25%	0.00%	0.00%	0.00%	0.0818%
Phoenix NPI Pensions Overseas Equity	0.00%	0.00%	5.29%	7.75%	7.94%	5.86%	4.35%	68.81%	0.00%	0.00%	0.00%	0.0852%
Phoenix NPI Pensions UK Equity Tracker	0.00%	0.00%	5.97%	9.73%	10.62%	6.86%	4.20%	62.62%	0.00%	0.00%	0.00%	0.0221%
Ex-RSALI Managed Growth Fund	0.00%	0.00%	0.00%	89.06%	5.58%	0.00%	0.00%	5.36%	0.00%	0.00%	0.00%	0.0560%
Pearl Pensions UK Equity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.0596%
Phoenix Scottish Mutual Growth Pension	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.1444%

Disclosure of costs and charges by individual employer arrangement

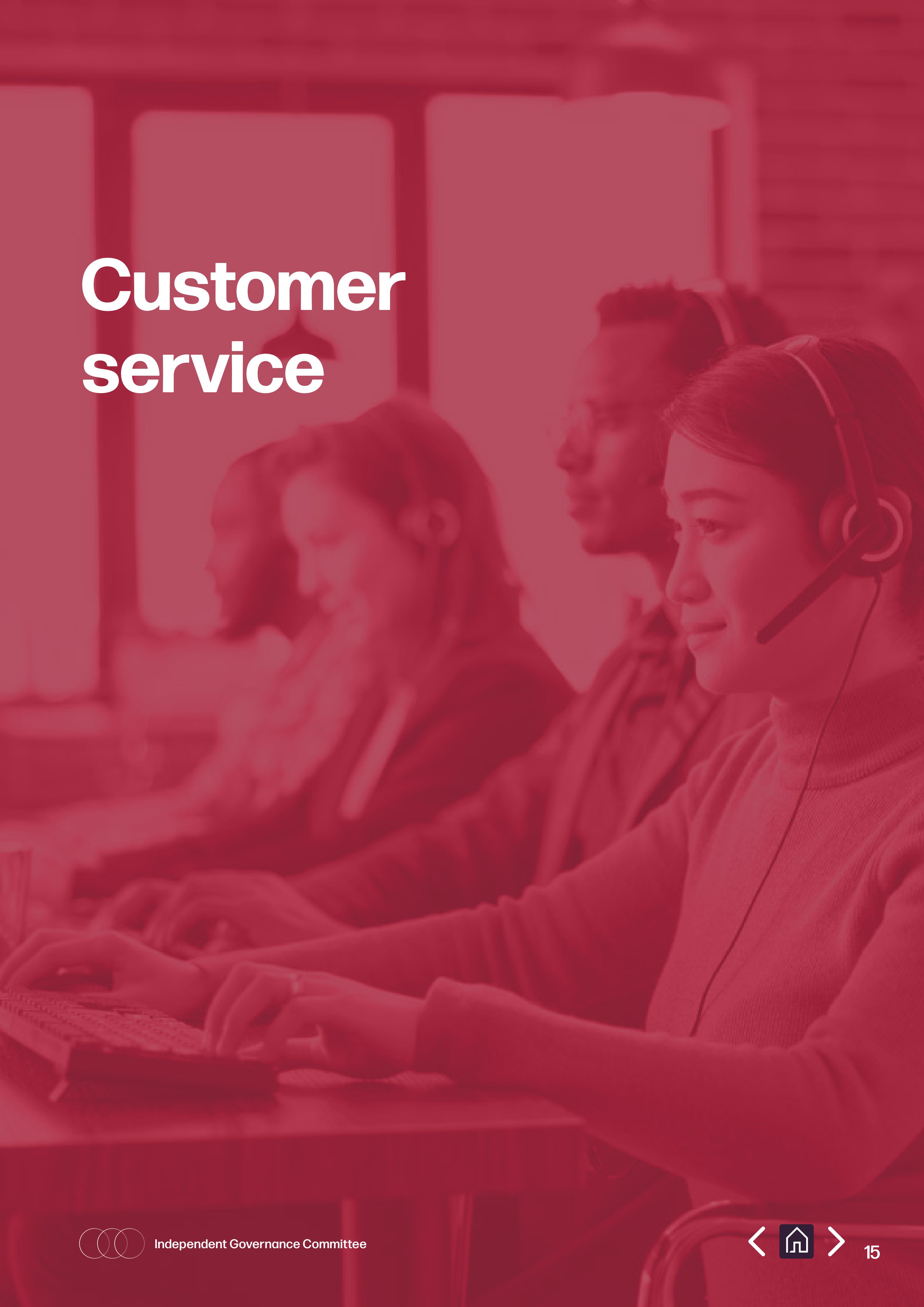
The table below shows the range of charges applied within each employer arrangement for each of the nine main unit-linked funds used by customers. Customers can see from their annual benefit statement the name of the fund or funds in which they are invested. The data presented is before the value adjustment, as described earlier in this report, that will be applied in 2024 and the ongoing reduction in charges to some customers described earlier in this report.

Some customers pay different types of charges but, in the table below, these have all been converted to an equivalent percentage ongoing charge to make comparisons easier.

Costs and charges for Phoenix default investment funds by employer

Fund name	< 0.30%	0.30% to 0.39%	0.40% to 0.49%	0.50% to 0.59%	0.60% to 0.75%	0.76% to 0.85%	0.86% to 0.95%	0.96% to 1.00%	1.01% to 1.25%	1.26% to 1.40%	> 1.40%	Transaction cost
Abbey Life Pensions International	0.00%	0.00%	0.00%	0.00%	0.00%	48.86%	12.12%	39.02%	0.00%	0.00%	0.00%	0.0130%
Abbey Life Pensions Managed	0.00%	0.00%	0.00%	0.00%	0.00%	51.05%	9.70%	39.25%	0.00%	0.00%	0.00%	0.0610%
Phoenix BULA Pension Growth Fund	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.1104%
Phoenix NPI Pensions Managed	0.05%	0.00%	1.61%	4.14%	5.52%	4.35%	2.04%	82.29%	0.00%	0.00%	0.00%	0.0818%
Phoenix NPI Pensions Overseas Equity	0.00%	0.00%	9.57%	6.67%	6.23%	3.82%	2.31%	71.40%	0.00%	0.00%	0.00%	0.0852%
Phoenix NPI Pensions UK Equity Tracker	0.00%	0.00%	9.38%	8.44%	10.10%	11.57%	2.23%	58.29%	0.00%	0.00%	0.00%	0.0221%
Ex-RSALI Managed Growth Fund	0.00%	0.00%	0.00%	81.12%	7.47%	0.00%	0.00%	11.41%	0.00%	0.00%	0.00%	0.0560%
Pearl Pensions UK Equity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.0596%
Phoenix Scottish Mutual Growth Pension	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.1444%

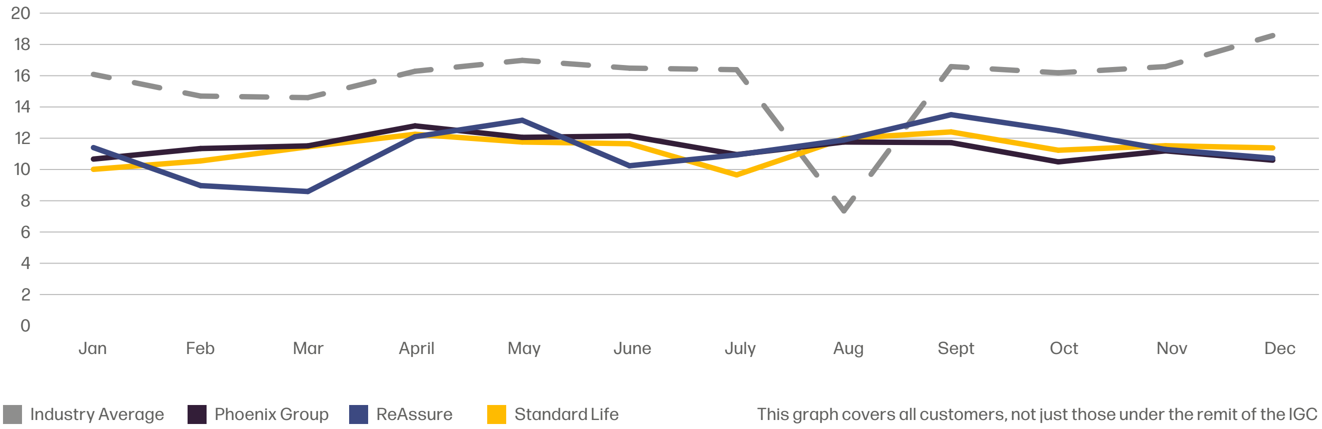
Customer service



Customer service

Average days to transfer out

- Phoenix remained in the top quartile for Transfers Out through ORIGO, averaging 11.6 days over the 12 months of 2024, against the 2024 industry average of 13.5 days. Supporting customers trying to access their money, without unreasonable delay.



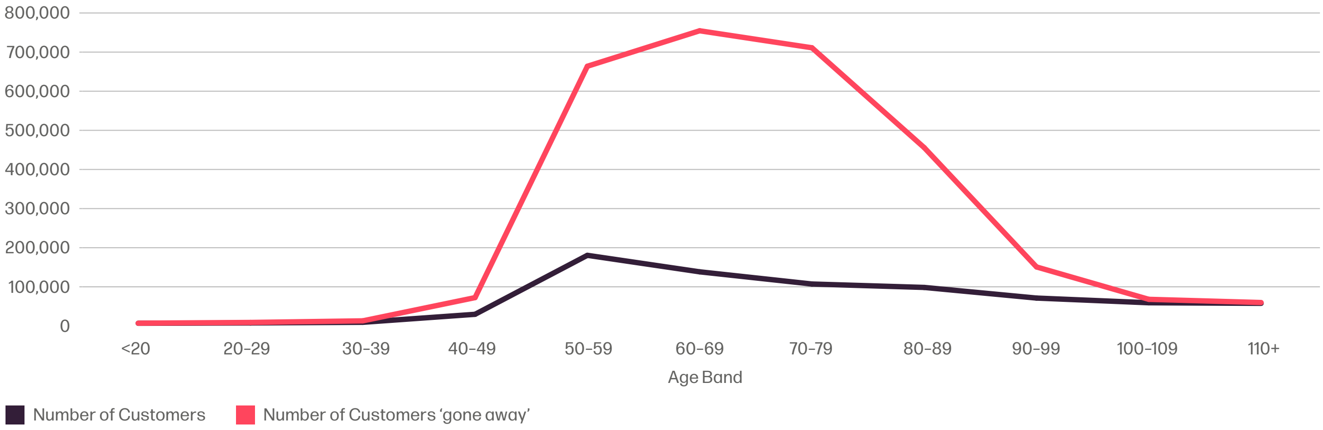
This graph covers all customers, not just those under the remit of the IGC

Communication and engagement

Communication and engagement

The IGC is particularly interested in the efforts Phoenix goes to, to reunite customers with their pensions. We estimate that about 30% of customers are conside red 'gone away' where they do not have up to date contact details.

Age of customers with active roles on inforce policies



Environmental, Social and Governance (ESG)

ESG and stewardship

Group Sustainability Strategy

The Group Sustainability Report 2024 sets out the Group's sustainability strategy, consisting of three components:

- **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."
- **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."
- **Building a sustainable business:** "We are committed to embedding sustainability and best practice governance to maintain high standards of oversight, integrity and ethics."

The Group's approach to sustainable investing and stewardship are seen as key enablers to fulfilling its business strategy, purpose and vision.

Group Climate Action Model

The Group Climate Action Model comprises three strategic pillars:

- **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."
- **Engaging to multiply our impact:** "We are engaging with decision-makers, peers, customers and colleagues to inform our approach and drive wider system change."
- **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."

Group policy framework

The Group ESG and stewardship policy framework covers factors that can influence the financial return from investments, but also recognises some customers may wish to have their ethical, non-financial, values reflected in how their pension savings are invested. The policy framework is backed up by a strong governance framework, to ensure that policy intentions are carried out.

A summary of the policies in place:

- 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 expectations of companies sets out ESG expectations of companies on key sustainability issues, consistent with the expectations set out in the Global Voting Principles.
- 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.
- The Group's latest Stewardship Report which underscores its position as a signatory to the UK Stewardship Code.
- A Sustainable Investment Risk Policy (completed in 2024) sets out the minimum operating standards relating to the management of Sustainable Investing risk throughout the Group.

Each of these policies are reviewed on at least an annual basis, and evolve accordingly to reflect the Group's understanding of ESG matters.

Group reporting and disclosures

The Group continues to improve the visibility of its ESG and stewardship activities. The key publicly available documents produced at a Group level are set out below:

- **Group Annual Report:** This includes the Group's TCFD disclosures (covering strategy, governance, risk management and metrics and targets) and inaugural TNFD-aligned disclosures on pages 52-79.
- **Group Sustainability Report:** This report covers the Group's progress on sustainability in 2024 and is split into three key sections – people, planet, and building a sustainable business.
- **Stewardship Report:** This report sets out the Group's stewardship and engagement approach and progress made in 2024 (published in May 2025).
- **Net Zero Transition Plan:** This report sets out how the Group will become a net zero business by 2050. It was published in 2023 and is due for refresh in 2026.

Governance framework

The Group has a clear governance framework in place to ensure a foundation for action and accountability on ESG-related risks and opportunities. The framework continues to evolve and, to an increasing extent, integrates the governance of nature-related risks and opportunities.

The following Board Committees have defined roles and responsibilities relating to the management, oversight and reporting of climate risk and opportunities:

- The Group Board Sustainability Committee has oversight of the Group's sustainability strategy, including monitoring performance against climate-related targets.
- The Group Board Audit Committee has oversight of the adequacy and effectiveness of the systems of internal control, of climate-related and non-financial reporting and external disclosures.
- The Group Board Risk Committee has oversight of climate-related risks and opportunities, by assessing the effectiveness of the Risk Management Framework, strategy, risk appetite, risk profile and compliance with prudential regulatory requirements, including transition, litigation and physical risk and other relevant sustainability risks.
- The Group Audit, Risk and Sustainability Committees established joint bi-annual meetings from 1 January 2024 to ensure a more harmonised and collaborative approach in relation to sustainability reporting. The main focus of these meetings is to review sustainability reporting, internal and external assurance, climate risk and the implementation of new regulation.
- The Group Board Remuneration Committee ensures appropriate ESG elements (including climate-related targets) are included within the Group remuneration framework.
- The LifeCo Board approves the investment, asset and liability management strategies for all Life Company assets, and seeks to include ESG considerations such as climate change where applicable. A nominated Non-Executive Director from the Life Companies Board is also a standing attendee at Group Board Sustainability Committee meetings.
- The LifeCo Board Investment Committee discusses sustainable investment, stewardship and ESG policies. It engages with the Group Board Sustainability Committee in relation to execution of the Group's Sustainable Investing strategy to drive a consistent approach to the execution of the sustainability strategy across the Group and to ensure appropriate ESG reporting on material investment matters.

In 2024, deep-dive sessions were provided to Group Board Committees on a range of topics including in relation to the Group's Net Zero Transition Plan; risks of greenwashing; climate-related reporting in financial disclosures; Taskforce on Nature-related Financial Disclosure ('TNFD'); sustainable, transition or productive investments; as well as climate litigation and associated potential risks.

Customer research

The Group conducts an annual survey to track how customers feel about responsible investing when it comes to their pension savings (now in its 4th year).

For this year's survey, 1,400 customers of different ages, levels of wealth and financial understanding shared their views on responsible investing.

The results show that customers' responsible investing needs and wants vary. The Group uses the answers to inform how it designs and communicates its investment solutions. The Group's aim is to continue to deliver good retirement outcomes for its customers, by managing the financial risks that global environmental and social issues present, while also helping to support a sustainable future for them to retire into.

In response to the customer research:

- To meet the majority of customers' needs and preferences, the Group offers **easy investment options.**
- The Group offers a choice of individual funds for customers who want to target specific environmental and social goals, together with aiming for growth over the long-term. The full range includes impact and thematic funds (focusing on specific themes such as climate or gender), and those where consideration of ESG issues is integrated into the design and management of the fund.
- The Group aims to encourage companies to improve (known as stewardship). Voting and engagement are the two main ways in which the Group carries this out.
- The Group improved the reporting factsheets for many of the funds in its easy options, showing where and how they are invested. An example is **here**.