Phoenix

Asset Manager Entity TCFD Report 2024

Phoenix Unit Trust Managers Limited

Asset Manager entity in this report

This report sets out the entity-level climate-related financial disclosures for the year ended December 31, 2024, in line with the recommendations and recommended disclosures of the Task Force on Climate-related Financial Disclosures ('TCFD') and the Financial Conduct Authority's ('FCA') Environmental, Social and Governance ('ESG') Sourcebook for Assets Under Management ('AUM') by Phoenix Unit Trust Managers Limited ('PUTM').

PUTM is a member of the Phoenix Group (the 'Group'). In 2023, the PUTM TCFD report was included in the additional information section of the Group climate report. This year a separate Group climate report is not being published. Instead, given the progress made by the overall Group in embedding the recommendations of the TCFD across the business and need for transparent reporting, the Group level TCFD disclosures have been integrated into the Phoenix Group 2024 Annual Report and Accounts ('Group ARA'). As a result, the entity disclosures for PUTM are published in this standalone report.

The entity-level reporting for PUTM also continues to develop as part of the Group wide commitment to support the regulatory agenda for more efficient, improved non-financial disclosures and transparent reporting.

The entity-level disclosures in this report are designed to be read in conjunction with the cross-references to the Group TCFD disclosures within the Group ARA to meet the requirements of the ESG Sourcebook. Together, these reports aim to provide stakeholders with an overview of the Group's progress towards net zero by 2050 and detailed disclosure of the continued progress towards managing the impacts of climate-related risks on the business and unlocking climate-related opportunities.

Key terms:

A glossary of key terms used within this report is on pages **13** to **14**.

Compliance statement

Phoenix Unit Trust Managers Limited

This compliance statement confirms that the disclosures in this report have been prepared in accordance with the TCFD recommendations and are compliant with the disclosure requirements documented in the FCA ESG Sourcebook and FCA Policy Statement 21/24.

Will Swift
Director
June 2025

Links to referenced reports:

Group reports to December 31, 2024, published in March 2025, the Stewardship report published in May 2025 and the Net Zero Transition Plan published in May 2023 are available via the links below:

Phoenix Group Annual Report and Accounts 2024

ESG Data Appendix 2024

Phoenix Group Sustainability Report 2024

Phoenix Group Net Zero Transition Plan

Phoenix Group Stewardship Report 2024

Entity-level compliance with the TCFD Framework

This report presents PUTM's TCFD climate-related financial disclosures under the FCA's ESG Sourcebook section 2.1.5 R for entities with AUM exceeding £5bn.

As PUTM operates under the Strategy, Governance and Risk management frameworks of the Group, there is alignment over how climate-related risks and opportunities are managed and embedded into processes. PUTM therefore places reliance on the Group TCFD climate-related disclosures when producing its TCFD entity report, but only to the extent that the Group disclosures are relevant to the entity and cover the assets the firm manages as part of its in-scope business.

The table below includes references to the location of the disclosures for PUTM where reliance is placed on the Group TCFD disclosures located within the' Sustainability review' section of Group ARA, supplemented by TCFD entity-level disclosures where appropriate.

TCFD elements	TCFD Recommended Disclosures	Cross-reference location Phoenix Group ARA	PUTM
Governance Disclose the organisation's governance around climate-related risks and opportunities.	**a.** Describe the board's oversight of climate-related risks and opportunities.	Governance section – pages **56 - 57**	Governance section in this report: page **4**
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Governance section – pages **57 - 58**	Governance section in this report: page **4**
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	**a.** Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Strategy section – pages **59 - 60**	Strategy section in this report: pages **5 - 6**
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Strategy section – pages **59 - 60**	Strategy section in this report: pages **5 - 6**
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario.	Strategy section – pages **61 - 65**	Strategy section in this report: pages **5 - 6**
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.	**a.** Describe the organisation's processes for identifying and assessing climate-related risks.	Risk management section – pages **66 - 67**	Risk management section in this report: page **7**
	b. Describe the organisation's processes for managing climate-related risks.	Risk management section – pages **66 - 67**	Risk management section in this report: page **7**
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Risk management section – pages **66 - 67**	Risk management section in this report: page **7**
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	**a.** Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics and targets section – pages **68 - 75**	Metrics in this report: pages **7 - 11**
	b. Disclose 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions, and the related risks.	Metrics and targets section – pages **68 - 75**	Metrics in this report: pages **7 - 11**
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Metrics and targets section – pages **68 - 75**	Metrics in this report: pages **7 - 11**

Governance

Group Board Oversight

The Group Board has overall oversight of the Group's strategic approach to climate change including the Net Zero Transition Plan and directing the overall Group's risk appetite. In addition to the Group Board, the Board Risk Committee also has oversight of climate-related risks and opportunities, and the Board Sustainability Committee monitors performance against the Group's sustainability strategy. There is a robust governance framework in place to ensure action and accountability on climate-related risks and opportunities can be addressed across the business with clear oversight from the top down.

Mitigating the impact of climate-related risks on the business is a strategic priority. As such, the consideration of climate change is embedded within the governance framework and processes through delegations within approved terms of reference.

A subsection of the Group Board Oversight diagram from the 'Governance' section on page **56** of the Group ARA is presented to the right. With the PUTM board added to the Diagram for reference purposes. This diagram distinguishes and differentiates the Governance structure for PUTM for reporting in the year ended December 31, 2024.

Climate Governance Framework

The primary activity of PUTM is the asset management of unit trusts for the Life Companies within the Group and for directly invested customers. It therefore operates an independent Board of Directors (the 'PUTM Board').

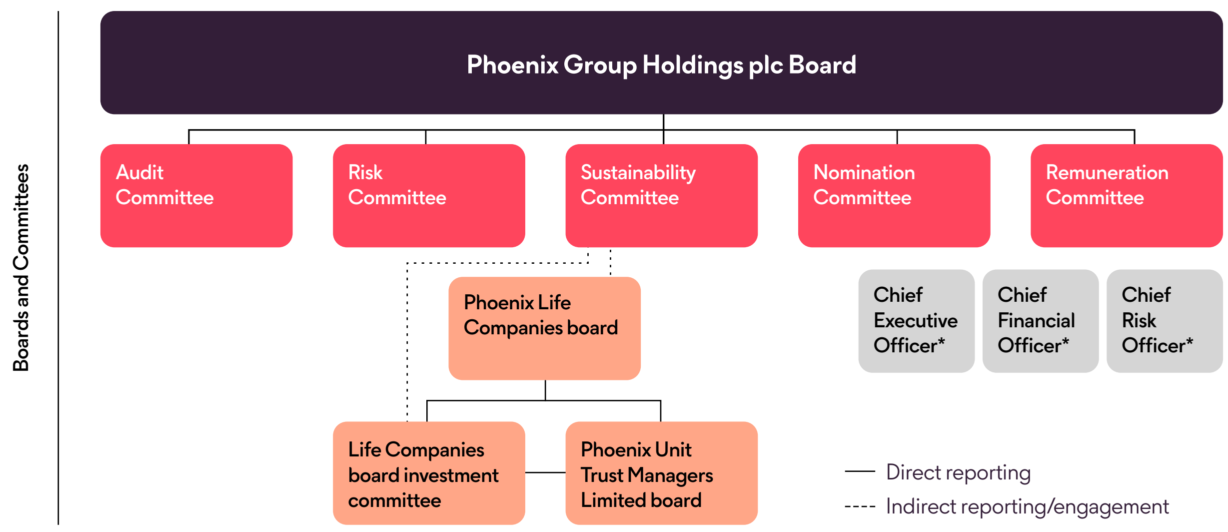
Although independent, the PUTM Board is responsible for reviewing, providing challenge and subsequently approving the Group Strategy. The PUTM Board then adopts this as the PUTM strategy and retains responsibility for monitoring that the PUTM strategy remains consistent with the Group strategy. It therefore follows the priorities set out in the Group strategy in respect of managing the climate-related risks and opportunities, driving consistency with how climate-related matters are addressed across the Group's governance framework.

The Phoenix Life Companies Board Investment Committee discusses sustainable investment, stewardship and ESG policies and objectives. It engages with the Group Board Sustainability Committee, the Phoenix Life Companies Board and the PUTM Board in relation to the setting and execution of the Group's Sustainable Investing strategy ensuring a consistent approach across the Group and appropriate ESG reporting on material investment matters.

The Climate Governance Framework across the different Group Committees and Boards which govern PUTM are set out per the 'Governance' section on pages **56** to **58** of the Group ARA.

Climate governance framework

The governance framework in place ensures climate-related matters can be addressed across the business



* These are the individuals accountable for climate assisted by Management Committees and working groups in making day-to-day climate related decisions and escalating and reporting upwards as and when required.

Climate-related Governance Responsibilities

Individual responsibility for ensuring the appropriate identification, assessment, management and reporting of climate-related financial risks and opportunities that could impact the Group sits with Senior Managers responsible for climate-related financial risk under the UK Prudential Regulation Authority's and FCA's Senior Managers and Certification Regime. Policy and management of climate-related issues are set at the Group level via the Group's Enterprise Sustainability Committee. At entity level, the climate and sustainability roles and responsibilities follow the priorities laid out by the Group.

Strategy

Risk horizons

The strategy for PUTM is set at the Group level. The Group has undertaken quantitative and qualitative analysis to identify and assess the climate-related risks and opportunities, which could materially impact different areas of the business, strategy, and financial planning over short-, medium-, and long-term time horizons. These timeframes are defined on page **59** in the 'Strategy section' of the Group ARA. The Group Net Zero Transition Plan outlines the approach to meet its climate targets and mitigate climate risks.

Identifying climate-related risks and opportunities

PUTM operates as a long-term savings business adopting the Group's Risk Management Framework ('RMF') and has a system of governance that embeds clear ownership of risk and supports the identification, measurement, assessment, management and reporting of risks (including climate) within approved risk appetites.

The fiduciary duty to customers to identify and manage potential climate-related risks and opportunities that may impact PUTM's business and customers over time is recognised in the climate strategy.

Embedded within the RMF is the identification of climate-related risks from both top down and bottom-up perspectives. The Group is committed to continually review and improve this approach, recognising that risks and opportunities evolve and emerge over time. See 'Risk management' section on page **66** of the Group ARA.

Overview of material climate-related risks and opportunities and impact on the business, strategy and financial planning

The material climate-related risks and opportunities identified over the short-, medium- and long-term are:

- climate risk exposure within the investment portfolio;
- emerging government policy, regulatory and legal;
- reputational damage if climate risks are not appropriately managed;
- disruptions to business operations and supplier base; and
- changing demand for products, funds, and solutions.

The potential impact of these is set out on page **60** in the 'Strategy' section of the Group ARA.

The mitigating actions being taken to ensure the Group remains resilient to the impacts of the identified material climate-related risks and opportunities are also outlined on page **67** of the Group ARA. The management actions available to PUTM to manage these risks follow the three pillars of the Group Climate Action Model: Invest, Engage and Lead. The physical and transition risks and actions taken will differ for PUTM as these align to its asset portfolio mix and product offerings.

Strategic approach to managing climate-related risks and opportunities

The management of material climate-related risks and opportunities has been embedded into the Group's strategy and financial planning process, recognising that this is an important process in delivering the Group's strategic ambition to meet more of the long-term savings and retirement needs of customers helping them to secure a lifetime of possibilities.

The Group's medium- to long-term strategic planning incorporates the consideration of the financial impacts of climate-related risks and opportunities. This includes: the increased operational costs associated with regulatory compliance; the impact of physical and transition risk on assets; and shifts in consumer behaviours driven by changing preferences. The Group climate strategy applies to all entities but the approach to implementing the strategy and managing risks/opportunities will differ between entities due to their differing products, customer base and legacy asset portfolio mix.

The Phoenix Group Sustainability Report discloses the Group's progress towards the key decarbonisation goals as set out in the Group's Net Zero Transition Plan. This plan along with other initiatives helps to track and document the Group risks and opportunities which subsequently pass through to PUTM's risks and opportunities to support the delivery of the Group's climate strategy.

Scenario Analysis

Scenario analysis use across the Group

Scenario analysis is a critical tool for stress-testing the Group strategy and the resilience of PUTM to climate risks. The Group assesses how climate-related risks and opportunities may play out over a range of possible climate scenarios to understand the potential exposure to risks and to identify the management actions available to manage the risks over time.

The Group continues to build on the progress in developing the approach to climate scenario analysis with a focus on producing decision useful outputs, noting there remain material challenges experienced across the industry. This uses both quantitative and qualitative climate-related scenario analysis to meet different business needs across the Group, including PUTM.

Scenarios selected and their key characteristics

In line with the scenario analysis performed at Group level, three scenarios from the Network for Greening the Financial System ('NGFS') Phase IV were chosen to represent a possible range of climate outcomes with varying pace of global transition to a low carbon economy. These range from a transition to net zero starting immediately and unfolding in an orderly fashion to achieve a temperature rise of below 1.5 degrees Celsius by 2050, to a delayed transition with globally misaligned climate ambitions leading to emissions growth causing irreversible climate change and high physical risk.

The analysis was performed on PUTM's investment portfolio, testing the impacts on each asset class, and the exposure across geographies, sectors and holdings across individual counterparties. The analysis assumes a static asset allocation throughout the projection period 2025 – 2050 and does not take into account actions to manage climate risk, or adaption and abatement actions to reduce climate change impacts.

The scenarios provide only an indicative view of the potential impacts arising from climate change for PUTM's assets out to 2050. In practice, impacts may be more or less significant than modelled given the uncertainty around climate change outcomes and limitations with climate scenario modelling. Further information on the definition of the scenarios, modelling limitations and the insights from a Group perspective are presented in the 'Scenario analysis' section of the Group ARA on pages **61** to **65**.

Scenario impacts and conclusion

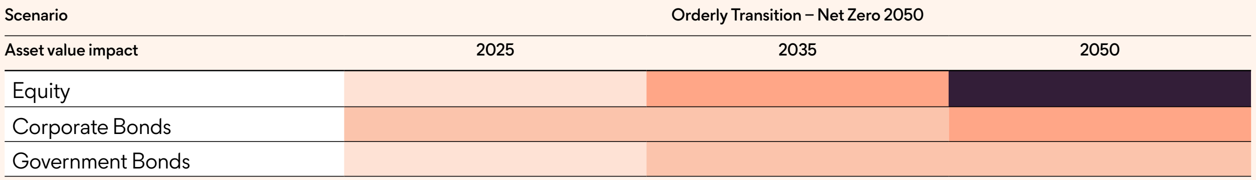
If the Group, including PUTM, does not continue to take action to manage and mitigate the risks, the scenario analysis results highlight potentially material exposure to transition risks across each of the scenarios. Indicating that the impacts of climate change have the potential to materially reduce the investment returns and increase the volatility for PUTM and its customers.

In line with the 'Scenario analysis' section on pages **61** to **65** of the Group ARA, for illustrative purposes, this report shows the results for the PUTM portfolio under the 'Orderly Transition – Net Zero 2050' scenario only. The analysis highlights the impacts of climate change can differ significantly between asset classes. For example, equities are potentially more exposed to the impacts of climate change due to the expected higher reduction in the long term holding value of these assets under the three scenarios compared to other asset classes.

The analysis concluded that the strategic objectives of PUTM were not deemed to be significantly threatened by the impacts of climate change under the scenarios assessed.

However, they do indicate that climate change has the potential to materially reduce investment returns, if PUTM does not continue to take action to manage and mitigate the risk. These actions include decarbonising its investment portfolio, ensuring effective stewardship of PUTM's assets and investing in climate solutions. Further details of the actions taken by the Group are outlined in the 'Risk management' section in the Group ARA on pages **66** to **67**.

PUTM will continue to assess the impact of possible climate pathways. This will help inform the appropriate pace of actions taken in managing climate risks and assess the implication on strategic decisions if the global transition does not follow a net zero 2050 pathway, considering external factors including the impact of the United States' anti-climate headwinds.



Indicative climate change impact	Positive	Very Low	Low	Moderate	Medium	High
Scale	Above 0.5%	Below 0.5%	-0.5% to -2.5%	-2.5% to -5%	-5% to -10%	Below -10%

Risk Management

Strategic approach to climate risk
PUTM applies the Group RMF. The RMF sets out the processes that identify, assess, control, monitor, manage and report on the risks to which each area of the business is, or could be, exposed. Adopting the Group RMF ensures that a consistent approach is taken to managing these risks, this includes climate-related risks.

The Group, and in turn PUTM, is committed to continuing to enhance the risk management approach to reflect both an increased understanding of climate risks and evolving market practice. Full details of how climate-related risk has been integrated into the RMF are disclosed in the 'Risk management' section on pages **66** to **67** of the Group ARA.

Developing the approach to managing climate risk
The Group's understanding of climate risks continues to evolve as new risks emerge. This ongoing commitment to develop the RMF has led to an evolution of the framework to consider climate risk as part of wider sustainability risk management instead of on a standalone basis.

Climate risk is considered a subset of sustainability risk. This is defined as the risk of financial failure, poor customer outcomes, reputational damage, loss of earnings and/or value arising from a failure to manage the impacts of ESG matters on customers, financial results and strategy.

Risk identification, assessment, management and reporting
The identification of climate-related risks has been embedded into the components of the RMF which support the identification of risks both quantitatively and qualitatively, and from a top-down and bottom-up perspective on an ongoing basis. Individual business areas ensure their strategies suitably allow for climate risk proportionately to the materiality of other risks faced. This will inform how and when to make climate risk-driven decisions over time.

The following risk management tools are used to understand and assess climate risk exposures:

- annual stress and scenario testing programme;
- carbon footprinting exercises for assets and operations;
- horizon scanning; and
- monitoring and reporting progress against climate risk metrics and targets.

In addition to incorporating climate risk into the RMF, the management of climate risk has been embedded into a variety of key processes to ensure effective day-to-day management of the risk. Examples of how key components of the Net Zero Transition Plan and wider business processes are considering and actively managing climate risk are noted on page **67** of the Group ARA.

Industry methodology and guidance on climate risk measurement is evolving and the Group continues to evaluate the changing landscape and how this will impact ongoing climate risk assessment and reporting against external targets. See page **67** of the Group ARA for further details.

Metrics and Targets

Strategic approach to climate risk
PUTM contributes to the comprehensive suite of metrics used across the Group investment portfolio, operations, and supplier base to help measure and manage exposure to climate risk. At a Group-level these metrics are reported in the 'Metrics and targets' section on pages **68** to **75** in the Group ARA. Full details of the Group's net zero ambitions can be found in the Group's Net Zero Transition Plan.

At entity-level, the historical asset profile and different product offerings available from PUTM varies from that of the Group overall. As a direct consequence the metrics reported differ for PUTM as these naturally reflect the inherently different risks, opportunities, and actions available across PUTM's investment portfolio. Accordingly, PUTM therefore produces separate entity-level metrics disclosures. These can be seen in the 'PUTM investment portfolio' section on pages **8** to **10** of this report.

Target setting approach
All climate-related net zero ambitions and targets are set and managed at Group level only. Although no entity-level targets have been set, PUTM contributes towards the Group achieving its targets. Near-term targets have been set by Group to navigate the path towards achieving the net zero ambition in support of good long-term customer outcomes. See full details of the Group targets set in the 'Metrics and targets' section on pages **68** to **75** of the Group ARA.

Investment metrics framework
PUTM leverages the Group approach in producing metrics measuring the Scope 3 Category 15 financed emissions as outlined by the Greenhouse Gas ('GHG') Protocol, and adopts the financed emissions methodologies developed by the Partnership for Carbon Accounting Financials ('PCAF') insofar as possible to calculate metrics. PCAF is a partnership of financial institutions that work together to develop and implement a harmonised approach to assess and disclose GHG emissions associated with their loans and investments.

The primary metrics utilised across the Group to analyse investment portfolio emissions are absolute financed emissions and economic emissions intensity. Economic emissions intensity is used as the basis for external-facing investment portfolio targets at Group level. To support the interpretation of these metrics, data quality scores and data coverage at an asset class level are also disclosed.

In addition, there are a suite of investment metrics measured which help to better understand underlying exposure to transition risk, and to determine how aligned the PUTM investment portfolio is to net zero.

The primary source of counterparty carbon emissions data is Institutional Shareholder Services ('ISS'), an established sustainability data vendor. The analysis captures the Scope 1 and Scope 2 emissions of investee companies. Separate analysis has also been conducted to consider the Scope 3 emissions of investee companies.

Extending our analysis to consider Scope 3 emissions
Extending analysis to consider the Scope 3 emissions of investee companies enables a more complete view of the carbon profile of PUTM's investment portfolio. The financed emissions reported under Scope 3 far exceed the financed emissions reported under Scope 1 and 2. This is because Scope 3 emissions capture the upstream and downstream activities of the company. This is the first year PUTM is reporting this metric and, in line with Group, the underlying drivers of change will be explored in subsequent reporting periods. Whilst methodologies continue to improve, it is recognised that there are still significant limitations to Scope 3 emissions data, which is dependent on high-quality and transparent reporting by investee companies.

Investment portfolio metrics
The 2024 entity-level metrics reflect the asset values of the PUTM investment portfolio at year-end ('YE') 2024, and carbon emissions largely from calendar year 2023, which is the latest year for which emissions data is readily available.

PUTM investment portfolio

PUTM falls under the scope of the FCA's ESG Sourcebook in its capacity as an asset manager through the performance of its in-scope business as a manager of authorised contractual schemes and unit trust funds backed by the asset classes disclosed to the right.

Metrics have been disclosed for YE24 and comparatives for YE23 in the following pages. This allows narrative behind the movements for a year-on-year comparison to raise informed insights and track how the application of the Group strategy has had implications on the specific entity results to mitigate climate risk.

In the year PUTM had a significant transfer in of assets under management from other asset owner entities within the group. The transfer and increase of c. £25bn of assets will however distort metrics comparative analysis with implications being referenced in the analysis presented alongside against each metric impacted.

PUTM has no new asset classes reported in the year therefore there are no restrictions arising from a lack of asset class comparatives for the metrics presented.

Asset portfolio and metrics approach

The approach and methodology used for the calculation of PUTM's investment portfolio metrics is consistent with that applied in the 'Metrics and targets' section of the Group ARA. Further details of this approach are outlined in the ESG data appendix 2024 for each of the respective metrics disclosed.

Assets under Management (£bn)		2024 £bn	2023 £bn	% movement
Total AUM (£bn)		**94**	**68**	**38%**
In-scope assets	Listed equities	71	48	48%
	Listed credit	10	8	21%
	Sovereign debt	11	9	20%
Total in-scope assets	Total	**91**	**65**	**41%**

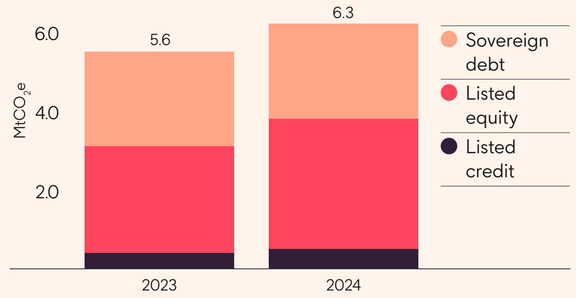
AUM in the table above are shown rounded to the nearest billion.

A comparison of PUTM's AUM from the prior year to the current year with percentage change in total and per asset class basis is given in the table above. This supports the illustration of how changes in PUTM's investment portfolio positions are reflected in the financed emissions and movements in the year.

Analysing PUTM's investment portfolio emissions

Analysing Scope 1 and 2 absolute emissions of investee companies

Absolute emissions of PUTM's baselined investment portfolio



PUTM's financed absolute emissions increased by 0.7 $MtCO_2e$ from 5.6 $MtCO_2e$ in YE23 to 6.3 $MtCO_2e$ in YE24 which represents an increase of c.12%. Absolute emissions increased across all in-scope asset classes. The increase in emissions is the expected result of an additional c.£25 billion assets being placed under the management of PUTM by other entities within the Group at YE24.

The largest proportion c.53% of PUTM's absolute emissions are generated by listed equities, followed by sovereign debt c.39% with the remainder arising from listed credit.

PUTM investment portfolio
continued

PUTM's exposure to high transition risk sectors

There are four industry sectors the Group has identified as being particularly vulnerable or susceptible to transition risks due to policy, technology or market changes – energy, utilities, materials and industrials. c.23% of PUTM's listed asset portfolio (listed credit and listed equity) is invested in these high transition risk sectors, and collectively they account for c.75% of PUTM's listed asset Scope 1 and 2 portfolio emissions.

PUTM's proportion of Scope 1 and 2 absolute emissions from high transition risk sectors is broadly in line with those in YE23 at c.77% and exposure remains elevated in terms of AUM increasing by c.2% from c.21% at YE23. The high transition risk sectors the Group has identified continue to be responsible for a significant proportion of PUTM's portfolio emissions.

In addition to the analysis of high transition risk sectors, a filter has been applied to PUTM's investee companies which generate greater than 20% of their revenues from the fossil fuel value chain, including production, exploration, distribution and services. The proportion of PUTM's listed asset portfolio exposed to the fossil fuel industry is c.9%.

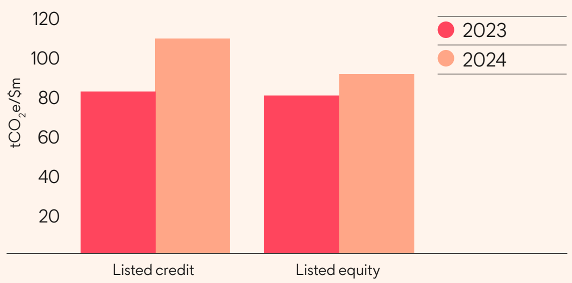
Analysis of the Scope 3 absolute emissions of investee companies

PUTM's financed Scope 3 absolute emissions of all investee companies in its listed asset portfolio are 60.9 $MtCO_2e$ as at YE24, based on reported numbers (where available) and estimated data.

c.71% of these emissions are from investee companies in four sectors: industrials, energy, utilities and materials. This corroborates that investee companies within these sectors have a relatively greater impact on emission generation and therefore higher susceptibility to certain drivers of transition risk.

Revenue emissions intensity

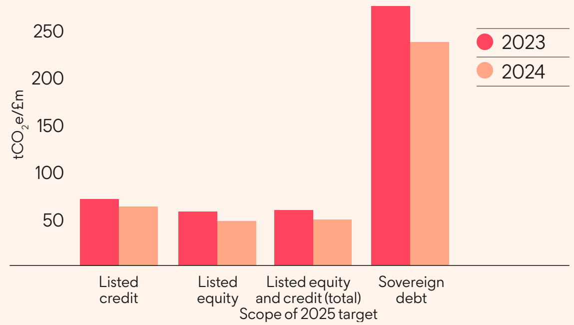
Revenue emissions intensity for PUTM's listed asset portfolio



PUTM observed a c.33% increase in revenue emissions intensity for listed credit from YE23 to YE24, and a c.14% increase for listed equity over the same period. PUTM's revenue emissions intensity change is primarily driven by investments held in energy and materials sectors. The increases in the intensities within these sectors further support the view that these high transition risk sectors continue to be responsible for a greater concentration of PUTM's portfolio emissions.

Economic emissions intensity

Economic emissions intensity of PUTM's baselined investment portfolio



PUTM observed a reduction in the economic emissions intensity of its listed asset portfolio of c.17% from 58 tCO_2e /£m in YE23 to 48 tCO_2e /£m in YE24. This consists of reductions in both in listed credit and listed equity. This overall decrease aligns to the directional movements seen across the Group for the listed portfolio in total.

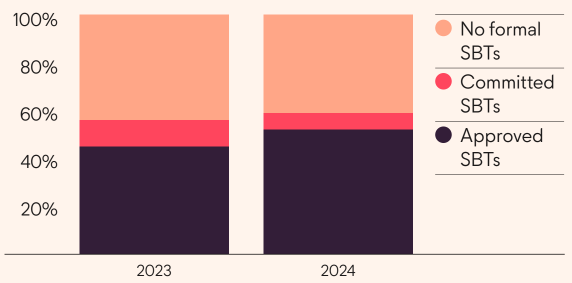
This is driven by an increase in the Enterprise Value Including Cash ('EVIC') component of the intensity calculation, which is a measure of a company's capital base. An increase in company value since YE23 is in line with expectations given market performance over this period.

Whilst the intensity of the emissions arising from sovereign debt is considerably larger than emissions from both listed equity and listed credit, there has been an overall reduction in the emissions arising from this asset class year-on-year. The sovereign debt assets in YE24 reported lower economic emissions intensity of 236 tCO_2e /£m versus the sovereign debt economic emissions intensity in YE23 of 274 tCO_2e /£m. This year-on-year reduction of c.14% was a result of intensity reducing in UK sovereign debt instruments which reflects PUTM's largest positions over this period.

PUTM investment portfolio
continued

Climate alignment

Split of the listed asset portfolio by SBT status (based on AUA)

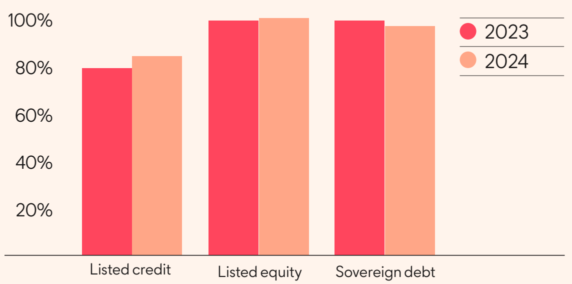


At YE24, c.59% of the PUTM listed portfolio was invested in counterparties that had committed to set or already have approved science-based targets ('SBTs'). There is an increase in counterparties that have approved and committed SBTs (c.56% at YE23).

PUTM has seen an increase in investees successfully gaining SBT initiative validation of their SBTs, demonstrating the investee companies' intent by setting out their commitments to reducing emissions.

Breakdown of data coverage

Breakdown of PUTM's data coverage

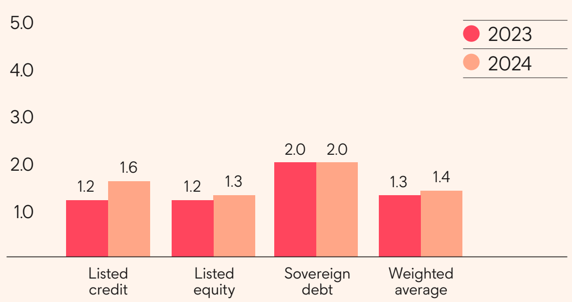


Data coverage at YE24 for PUTM's listed equity is broadly comparable with YE23. Sovereign debt coverage marginally reduced by c.2% to c.97% in YE24. PUTM experienced an uplift in data coverage across listed credit, from c.79% at YE23 to c.84% at YE24.

This metric reflects the proportion of PUTM's investments held for which financed emissions have been successfully calculated. The implication being that an increase in coverage provides a more complete view of the emissions PUTM is financing.

Analysis of data quality

Breakdown of PUTM's data quality score



PUTM's total portfolio score in the year has remained broadly flat at 1.4 versus 1.3 at YE23. The entity has experienced small movements in data quality for listed equity and listed credit due to availability of reported data. The continuous use of high-quality data allows the comparison year-on-year of reliable climate metrics which produce informed insights.

Investment metrics summary

PUTM's results primarily reflect the additional AUM volume of c. £25bn contributing to the c.41% increase in in-scope AUM in the year. This increase in AUM within the investment portfolio contributed to an increase of c.12% in Scope 1 and 2 absolute emissions, most notably in listed equities.

The economic emissions intensity from PUTM's investment portfolio reduced, largely reflecting increased EVIC values versus YE23 for listed assets. Sovereign debt economic emissions intensity also reduced largely driven by UK sovereign debt holdings.

Revenue emissions intensity movements in YE24 were predominantly generated by adverse changes in high transition risk sectors identified by the group, particularly energy and materials. Whilst data coverage and quality remain broadly flat which facilitates the comparability of other metrics.

PUTM continues to be an integral member of the Group, with it managing a significant proportion of the assets under administration of the Group's Life Companies. The strategic role PUTM plays in executing the Group's strategy across its investment portfolio enables PUTM to actively participate in the Group's strategic activities and continue to decarbonise its expanded portfolio base.

Operations and supplier base

Group Operations

Services are controlled and operated at the Group level and managed through service companies common across all entities, therefore operational metrics and targets evaluating exposure to climate risks and opportunities are also managed at the Group level and no disaggregation or apportionment of these are directly made to PUTM.

The Group is on track to achieve its 2025 interim target, which is to achieve net zero absolute operational emissions – Scope 1, Scope 2 and Scope 3 (category 6, business travel only) emissions (market based). Further insight to key achievements made in 2024, metrics, progress and approach at Group-level are reported in the Group ARA in the sections 'Our Operations' on pages **72** to **73** and the 'Streamlined Energy and Carbon Reporting (SECR) statement on pages **80** to **81**.

Group supplier base

The Group's supplier base comprises material suppliers and non-material suppliers who deliver goods and services that help Phoenix Group to deliver its strategic objectives. The supplier base's emissions are calculated on an annual basis and are reported at the Group level on page **75** in the Group ARA. The Group does not currently adopt any methods of apportioning the supplier base carbon emissions directly to PUTM.

In 2024, the Group concluded an exercise to enhance the underlying primary data sources and emission factors that form part of the calculation of the Group's supplier base carbon emissions. This exercise resulted in the Group revising its category 1 and 2 emission calculation methodologies, the ESG Supplier Standards and refining the Group supplier targets to provide greater clarity on progress towards achieving a net zero supply chain target by 2050 as outlined in the Group Net Zero Transition Plan.

Whilst the Group has made significant improvements to its methodologies, it is acknowledged that there are some limitations in both the availability and quality of underlying spend data integrated into the calculation of emissions. Where relevant, the Group only includes spend data from sources that are considered reliable. It is acknowledged that Scope 3 categories 1 and 2 emissions are not based on the Group's complete spend data, and work is ongoing to improve this data coverage for future years. Further details on the Group's progress are reported on pages **74** to **75** in the 'Our supplier base' section of the Group ARA.

Limitations and future enhancements

Limitations

Under 1.1.5 G of the ESG Sourcebook the specific limitations and future enhancements are disclosed below, including the implications and steps being taken to address the limitations.

Limitations	Implications
Data quality	The quality of underlying climate reporting data can vary which may impact the outputs of models and methodologies.
Data coverage	The availability of underlying climate reporting data can vary, which may impact the outputs of models and methodologies.
Sophistication of models for scenario analysis and modelled climate outputs	Models developed by a third party could be subject to adjustment which is beyond the Group's control.
Methodology differences between the different data sources and tools	Methodologies are in continual development and refinement and can be materially affected by the quality of the underlying data used.

Future enhancements

As data quality improves PUTM will start to produce disclosures for sectors and counterparties for assets which are susceptible to climate transition risks.

Cautionary statements

Basis of preparation

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

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

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

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

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

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

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

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

Caution to references and materials

Any graphics or case studies contained in the 2024 entity-level TCFD Report are illustrative and are designed to be read in the context of the report; and

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

Note on materiality

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

This approach to materiality means that this report, and many of our sustainability reporting disclosures, including with respect to climate-related risks and opportunities includes certain information that we have not included in our LSE filings for which we use a different approach to materiality.

Our approach to materiality in this report and other sustainability and climate-related disclosure also means that statements made in this report and in our other sustainability and climate-related disclosures use a greater number and level of assumptions and estimates than many of our LSE filings. These assumptions and estimates are subject to change over time, when coupled with the longer time frames used in these disclosures, make any assessment of materiality inherently uncertain. We expect that certain disclosures made in this report are likely to be amended, updated, recalculated, and restated in the future as the quality and completeness of our data and methodologies continue to improve.

Forward looking statements

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

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

Cautionary statements
continued

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

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

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

This forward-looking statement in relation to sustainability and climate-related disclosures should not be regarded as a complete and comprehensive statement and should be read together with the forward-looking statements and the risks identified in the 'Risk management' section on pages **66** to **67** of the Group ARA respectively.

Glossary of terms

Assets under management ('AUM')
The management of assets using a structured approach to guide the act of acquiring and disposing of assets, with the objective of meeting defined investment goals and maximising value for investors, including policyholders.

Assets under administration ('AUA')
Assets administered by or on behalf of the Group and its entities, covering both policyholder funds and shareholder assets. This includes assets recognised in the Group and its entities IFRS consolidated statement of financial position together with certain assets administered by the Group but for which beneficial ownership resides with customers.

Carbon footprint
A carbon footprint is the total greenhouse gas ('GHG') emissions caused by an individual, event, organisation, service, place or product, expressed as carbon dioxide equivalent ('CO_2e').

Carbon offsets
A reduction or removal of emissions of carbon dioxide or other greenhouse gases made in order to compensate for emissions made elsewhere.

Climate-related opportunities
The potential positive impacts of climate change on an organisation. Efforts to adapt to climate change can produce opportunities for organisations, such as through resource efficiency and cost savings and the development of new products and services.

Climate-related risk
The potential negative impacts of climate change on an organisation. The risk consists of physical risks and transition risk.

Climate scenario
A plausible representation of future climate that has been constructed for explicit use in investigating the potential impacts of anthropogenic climate change.

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

Customer
A customer could be a lead policyholder on more than one policy and some policies could have more than one customer, therefore the customer number is approximate. The number of customers is measured as number of lead policyholders.

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

Equity release mortgage ('ERM')
An ERM product enables a homeowner aged over 55 to draw a lump sum or regular smaller sums from the value of the home, while remaining in their home.

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

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

Financial Conduct Authority ('FCA')
The body responsible for supervising the conduct of all financial services firms and for the prudential regulation of those financial services firms not supervised by the Prudential Regulation Authority ('PRA'), such as asset managers and independent financial advisers.

Full-time equivalent ('FTE')
A measure that allows the Group to calculate the equivalent number of full-time employees for all types of employees.

Greenhouse Gas ('GHG') emissions
GHGs are atmospheric gases that absorb and emit radiation within the thermal infrared range and that contribute to the greenhouse effect and global climate change. They include water vapour, carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), hydro chlorofluorocarbons (HCFCs), ozone (O3), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs).

Greenhouse Gas Protocol
Global standard for companies and organisations to measure and manage their GHG emissions.

Glossary of terms
continued

High transition risk sectors
Sectors that are vulnerable in a transition to a net zero by 2050 economy – energy, utilities, materials and industrial.

IASB
International Accounting Standards Board.

International Financial Reporting Standards ('IFRS')
Accounting standards, interpretations and the framework adopted by the International Accounting Standards Board.

Life Company
A subsidiary company to the Phoenix group providing life and pension products.

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

Net zero
A state where no incremental greenhouse gases are added to the atmosphere. Emissions output is balanced with the removal of carbon from the atmosphere.

Network for Greening the Financial System ('NGFS')
A group of central banks, supervisors and observers committed to sharing best practices, contributing to the development of climate and environment-related risk management in the financial sector and mobilising mainstream finance to support the transition towards a sustainable economy.

Operations intensity metrics
Metrics based on Scopes 1 and 2 emissions within the Group's occupied premises.

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

Partnership for Carbon Accounting Financials (PCAF)
PCAF is a global partnership of financial institutions that work together to develop and implement a harmonised approach to assess and disclose the GHG emissions associated with their loans and investments.

Physical risks
Risks related to the physical impacts of climate change which can either be acute or chronic. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes or floods. Chronic physical risks refer to longer-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause sea level rise or chronic heatwaves.

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

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

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

Streamlined Energy and Carbon Reporting ('SECR')
Reporting of emissions sources required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Task Force on Climate-related financial disclosures ('TCFD')
The TCFD was created in 2015 by the Financial Stability Board ('FSB') to develop consistent climate-related financial risk disclosures for use by companies in providing information to stakeholders.

Task Force on Nature-related financial disclosures ('TNFD')
The TNFD is a new global market-led initiative which aims to provide financial institution and corporates with a complete picture of their environmental risks and opportunities. The TNFD will deliver a framework for organisations to report and act on evolving nature-related risks, building on the success of the TCFD.

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

Phoenix

Contact us

News and updates
In line with our Sustainability Programme and our commitment to reduce our environmental impact, you can view key information on our website:
www.thephoenixgroup.com

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