



ESG Supply Chain Standards

Working in partnership
with our suppliers to build
a sustainable future

Phoenix Group is passionate about building a sustainable future, using our position as the UK’s largest long-term savings and retirement business. We are committed to making a positive contribution to society, our environment, and to securing a life of possibilities for our customers and in this context, we will play a leading role in informing the debate and driving change across our industry.

Becoming a leading responsible business means that we are also committed to building a sustainable supply chain. This is why partnerships based on responsible business practices and sourcing are a priority, as they help to strengthen our supply chain and the businesses within it, while mitigating risk and building trust among our customers and stakeholders.

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An introduction

Our vision for our supply chain

We are committed to transforming our supply chain into a dynamic, connected ecosystem that generates value for all our partners and stakeholders and delivers action and impact to create a more just and sustainable world. We don't just want to raise industry standards, we want to create a better way of doing business by collaborating with our partners to tackle emerging challenges, innovate and develop new solutions, and make meaningful collective progress on the biggest issues facing society and the planet.

Our Open Letter

In December 2021, we published an Open Letter for all 1,500 of our partners and suppliers. The letter was a call to action, setting out our expectations for all partners and suppliers to develop clear sustainability ambitions and targets for their businesses, aligned with our own. This included supporting our collective journey to net zero, protecting human rights, providing a safe place of work, and minimising our direct and indirect environmental impact.

[Our Open Letter can be read here →](#)

Our ESG Supply Chain Standards

We have developed the ESG Supply Chain Standards to reinforce our commitment of embedding sustainable best practice and achieve our purpose of helping people secure a life of possibilities. We want to work in partnership with our stakeholders to adopt the highest sustainability standards and lead by example, drive real-world change and deliver positive impact.

Our ESG Supply Chain Standards reinforce our commitment to embedding sustainable best practice into our supply chain operations, so that our partners are aligned with Phoenix Group's values and commitments, as articulated in our Group Sustainability Strategy.

Working together to achieve our ambitions

We are looking to all our partners and suppliers to implement requirements and targets which reflect our own standards as a minimum. We expect all key suppliers* to have fully met best practice standards outlined in this document by no later than June 2025.

We understand that this is a significant challenge, and we are committed to working with our suppliers in a supportive way to achieve our collective ambitions together.



Jackie Noakes
Group Chief Operating Officer

* Key suppliers include: strategic (those that we work closely with due to the strategic nature of the services they provide); critical (suppliers where the goods or services provided are limited in the market and barriers to change are complex); and operational (suppliers that are numerous but where value to Phoenix Group is significant).

Our business

Who we are

Phoenix Group is the UK's largest long-term savings and retirement business. We offer a broad range of pensions and savings products to support people across all stages of the savings life cycle.

Our vision

To grow a strong and sustainable business to help more people on their journey to and through retirement.

Our purpose drives everything we do:

Helping people secure a life of possibilities.

Our business

£259bn

total assets under administration

c.12m

customers

c.6,800

colleagues as at 1 March 2023

FTSE 100

and FTSE All World

c.£6.4bn

market capitalisation as at 1 March 2023

£12.1bn

of Group in-force long-term free cash to emerge from our current in-force business

Our family of brands



Our values



Growth

We grow our business through finding new ways to develop our expertise and innovate.



Passion

We are passionate about understanding and acting on what's important to our customers, colleagues and society.



Responsibility

We build trust by taking accountability and empowering others to do the right thing.



Courage

We're ambitious in the challenges we solve and we always speak up.



Difference

We collaborate across boundaries and embrace difference to deliver the best customer and colleague outcomes.

Our sustainability strategy

We believe that Phoenix Group has a significant opportunity to make a difference in creating the sustainable future we all want.

That is why we have set a comprehensive sustainability strategy which is fully aligned to our purpose of helping people secure a life of possibilities, and which addresses the issues impacting our industry such as the growing pension savings gap and climate change.

[Read our Sustainability Report here →](#)

Our purpose: Helping people secure a life of possibilities

Group strategic priorities



Optimise our in-force business



Grow organically and inorganically



Enhance our operating model and culture

Our sustainability strategy pillars

The three pillars of our sustainability strategy define **how** we deliver impact and are aligned to the Group strategic priorities



Invest in a sustainable future

Our customers and shareholders trust us to reflect their priorities in how we invest. That means keeping their money safe and providing them with strong, long-term financial returns, while using our scale to play our part in delivering a secure and sustainable future.



Engage people in better financial futures

We are committed to meeting our customers' needs through innovative product offerings and fund solutions, and engaging them in their financial futures by providing the right education, tools and guidance that promote financial wellness and inclusion for all.



Lead as a responsible business

It is important that we adopt the highest sustainability standards across our business and lead by example for the stakeholders we engage with to drive real-world change and deliver positive impact.

Our priority ESG themes

Our thematic areas are **what** we focus on across our pillars and set the structure of this report



Planet

By transitioning our business to net zero and nature positive, we aim to deliver better outcomes for our customers and stakeholders and play our part in tackling the climate and nature emergency.



People

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

Embedding sustainability and good governance

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

Why ESG is integral to our supply chain strategy

We strongly believe that by driving ESG considerations into their businesses, our partners and suppliers will improve their long-term sustainability, their financial returns and reduce their climate impact.

By working with partners that share our values and ambitions around sustainability, we can establish long-term relationships that are both mutually beneficial and which help to protect the interconnected interests of people and planet. We strongly believe that this journey will benefit both Phoenix Group and our suppliers' own businesses.

We have focused on the following commitments as they are connected to the most material issues in our supply chain, represent best practice, and will have a significant positive impact in terms of long-term behaviour change.

Our vision for our supply chain

We are committed to transforming our supply chain into a dynamic, connected ecosystem that generates value for all our partners and stakeholders to create a more just and sustainable world. We want to collaborate with our partners to make meaningful collective progress on the biggest issues facing society and the planet.

Our Supplier Code of Conduct

- Regulations and legislation
- Gifts and entertainment
- Using information responsibly
- Conflicts of interest
- Anti-competitive behaviour
- The Bribery Act 2010
- Tax evasion and the Criminal Finances Act 2017
- [Read more about our Supply Chain Code of Conduct here →](#)

Our Environmental Standards

Our key and high-risk partners and suppliers must:

- Adopt Science Based Targets initiative ('SBTi') carbon reduction targets
- Procure wholly renewable energy
- Participate in CDP supplier survey
- Undertake carbon reporting annually
- Establish sustainability governance

Our SME partners and suppliers must:

- Adopt SME Science Based Targets initiative ('SBTi') carbon reduction targets
- Procure wholly renewable energy
- Participate in CDP supplier survey

Our Social Standards

Our key and high-risk partners and suppliers must:

- Prevent child labour
- Establish human rights due diligence
- Prevent modern slavery
- Comply with the Modern Slavery Act
- Uphold the rights of workers
- Hire employees with a legal right to work

Our SME partners and suppliers must:

- Prevent child labour
- Prevent modern slavery
- Develop Modern Slavery Statement and training

All suppliers must:

- Comply with health and safety laws
- Provide health and safety training
- Identify and eliminate health and safety risks

Our Governance Standards*

Our key and high-risk partners and suppliers must:

- Have a clear sustainability governance process and representative(s) in place
- Have a clear governance structure in place
- Have a risk management process in place to ensure that any key environmental or social risks are dealt with swiftly and effectively

* Note: Our Governance Standards do not apply to SMEs.

The Supplier Code of Conduct

The Supplier Code of Conduct ('Code of Conduct') applies to all suppliers and their affiliates and subcontractors ('suppliers'), which provide goods or services to us and/or any of our subsidiaries.

The terms of the Code of Conduct are in addition to any other commercial or contractual terms or obligations agreed. We recognise that there are different legal and cultural environments in which suppliers operate. This Code of Conduct outlines the minimum conduct standards to which suppliers must adhere when doing business with us. Suppliers must be able to demonstrate adherence to the Code of Conduct if requested; failure to demonstrate compliance will lead to a review of the supplier contract.

[Read our Code of Conduct here →](#)

1. A conflict of interest is any situation where the interests of a company, or of its people, are in competition with those of a customer or client leading to a risk that a customer or client may be adversely affected. Conflicts of interest can also happen when an employee's own interests interfere or conflict with their loyalty to their employer.
2. All gifts or entertainment given or received are recorded in a register by Phoenix Group employees. We exercise care when offering or accepting gifts or entertainment from any third party. These should never create a feeling of obligation or be perceived as an attempt to influence or bribe the recipient.

All our partners and suppliers are required to comply with these requirements, summarised below:

-  **Regulations and legislation:**
 Comply with all laws in the countries in which partners and suppliers operate and seek similar commitments across their own supply chains.
-  **Safeguarding information and data:**
 Understand and comply with data protection and privacy laws and require the same from their own supply chains. Our partners and suppliers have a duty and commitment to protect the information they process on our behalf for the service(s) agreed, including information about Phoenix Group employees, customers, and clients, as well as corporate information, and any information deemed to be Phoenix Group's Intellectual Property.
-  **Bribery:**
 Have a zero-tolerance approach to bribery and corruption in any form and comply with the Foreign Corrupt Practices Act, the Bribery Act 2010, and all applicable laws, regulations, and industry standards in the countries in which partners and suppliers operate. Also have in place appropriate anti-bribery policies and procedures.
-  **Tax evasion:**
 Have a zero-tolerance approach to tax evasion in any form and comply with the Criminal Finances Act 2017 and all applicable laws, regulations, and industry standards in the countries in which partners and suppliers operate.
-  **Conflicts of interest¹:**
 Have procedures in place to identify actual and potential conflicts of interest with Phoenix Group or our customers and clients. Disclose to us any actual or potential conflicts of interest so that they can be dealt with appropriately.
-  **Gifts and entertainment²:**
 Respect that Phoenix Group employees must not give or receive excessive or inappropriate entertainment and may only offer or accept gifts of modest supply. Have appropriate controls in place so that the gifts and entertainment they provide are not bribes or perceived to be bribes.

Phoenix Group ESG Supply Chain Standards: an overview

We work with around 1,500 partners and suppliers. The majority of our spend is with suppliers of fully managed outsourced services, IT, professional services, and goods and services related to management of our premises. Clearly, this has a significant environmental impact and additional negative consequences if we fail to act.

We recognise that our partners and suppliers operate across different industries and are also subject to varying asks from other customers and partners. Nonetheless, by becoming our partner and supplier, you are making a commitment that you have already met or are prepared to commit to meeting our standards.

We are working closely with key suppliers¹ who represent approximately 80% of our spend to adopt the stretch standards set out below by June 2025.

Specifically, we are asking our partners and suppliers to²:

- 1 **Adopt Science Based Targets initiative ('SBTi') carbon reduction targets** that support Phoenix Group's supply chain decarbonisation strategy and net zero transition plan, helping us to reduce our own supply chain emissions by at least 50% by 2030.
- 2 **Implement a plan to tackle and report on modern slavery**, including developing a Modern Slavery Statement, rolling out employee training, and implementing a programme and governance to manage any issues.
- 3 **Meet best practice health and safety standards** by complying with all applicable health and safety laws and regulations in the countries and communities in which they operate, including having in place Occupational Health and Safety ('OHS') management systems.

1. Key suppliers include: strategic (those that we work closely with due to the strategic nature of the services they provide); critical (suppliers where the goods or services provided are limited in the market and barriers to change are complex); and operational (suppliers that are numerous but where value to Phoenix Group is significant).

2. Phoenix Group reserves the right to update the ESG Supply Chain Standards at any time to reflect additional or emerging sustainability ambitions. All suppliers and partners will be notified when such an update occurs with clarity on revised expectations and target.

Our Environmental Standards

The impact of climate change is one of the biggest global issues we will face in our lifetime. The societies in which we live, the companies that we represent and the ambitions and aspirations we have for the future are under threat.

At Phoenix Group we recognise that the financial sector has a key role in cutting emissions at the scale and pace needed to combat climate change. As well as committing to ensuring our investment portfolio is net zero by 2050, we have committed to net zero emissions from our own operations by 2025 and we are also engaging with our suppliers to halve our supply chain emissions by 2030.

We know that we need to lead by example through the decarbonisation of our own operations and our supply chain and that we can maximise our impact by engaging with our suppliers to cut their own carbon footprint, and by working collaboratively to deliver cross-sector change and action – to drive higher industry standards and demonstrate that change can be achieved. We will publish our Group Net Zero Transition Plan in 2023.

Science Based Targets initiative ('SBTi')






SBTi defines and promotes best practice in science-based target setting for achieving the goals of the Paris Agreement. We are using the SBTi framework to set, assess and certify the delivery of our ambition to pursue a 1.5°C-aligned emissions reduction target and are currently seeking SBTi validation for net zero carbon.

Taskforce on Climate related Financial Disclosures ('TCFD')

TCFD aims to ensure consistent and transparent reporting of climate-related financial information. This framework is being embedded within Phoenix to allow us to effectively manage the impact of climate-related financial risks and opportunities for our organisation.




Our Environmental Standards for key and high-risk suppliers

Our key and high-risk partners and suppliers must:

- 
Adopt Science Based Targets initiative ('SBTi') carbon reduction targets that support Phoenix Group's supply chain decarbonisation strategy and net zero transition plan ('NZTP'), helping us to reduce our own supply chain emissions by at least 50% by 2030. We expect key and high-risk suppliers to achieve full approval of SBTi targets within 10 months of initial application.
- 
Commit to procuring wholly renewable energy throughout your operations (premises, services, manufacturing), as a minimum.
- 
Sign up to our CDP supplier survey to support us with tracking our Scope 3 emissions and ensure that we have full visibility of our footprint.
- 
Undertake and keep up to date full and complete records of carbon reporting activity and data and report to Phoenix Group on an annual basis.
- 
Establish or have in place a clear sustainability governance process and representative(s) who shall oversee the development, implementation, and review of your net zero strategy, plan, and targets (see governance section below for further details), advised by an appropriately qualified climate, sustainability, or environmental consultant.

Our Environmental Standards for SMEs

Our SME partners and suppliers must:

- 
Adopt Science Based Targets initiative ('SBTi') carbon reduction targets that support Phoenix Group's supply chain decarbonisation strategy and net zero transition plan ('NZTP'), helping us to reduce our own supply chain emissions by at least 50% by 2030. We expect SME suppliers to sign up to SBTi via the SME route and achieve full approval of SBTi targets within 10 months of initial application.
- 
Commit to procuring wholly renewable energy throughout your premises, as a minimum.
- 
Sign up to our CDP supplier survey to support us with tracking our Scope 3 emissions and ensure that we have full visibility of our footprint.

Our Social Standards

Human rights and modern slavery

At Phoenix, we recognise that human rights issues, including modern slavery, are critical and challenging issues that can affect everyone. The ability for people, both in the UK and around the world, to enjoy their human rights has been negatively impacted by global events and this trend will continue as the impacts of climate change increase. Not everyone is equally affected; vulnerable groups and communities are at increased risk of abuse and modern slavery.

As a business, we recognise our responsibility to respect the human rights of employees of Phoenix, workers in our value chain and people in the communities we serve. We are committed to raising awareness and preventing modern slavery and human rights violations and expect our suppliers to do the same.

1. <https://www.gov.uk/government/publications/modern-slavery-and-public-health/>
 2. ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/bulletins/childvictimsofmodernslaveryintheuk/march2022.

What are human rights?

They are what every individual is entitled to in order to live a life of fundamental welfare, dignity and equality, including:

Civil and political rights

Rights to life, freedom from harassment and discrimination, privacy, and freedom of expression.

Labour rights

Rights to collective bargaining, and freedom from forced labour and the worst forms of child labour.

Economic, social and cultural rights

Rights to work, social security, food, housing and education.

What is modern slavery?

It is the recruitment, movement, harbouring or receiving of children, women or men through the use of force, coercion, abuse of vulnerability, deception, or other means for the purpose of exploitation¹.

It is a crime under the UK Modern Slavery Act 2015 and includes holding a person in a position of slavery, servitude, forced or compulsory labour, or facilitating their travel with the intention of exploiting them soon after (human trafficking).

Human trafficking and forced labour are both forms of modern slavery. They sometimes overlap but they are not the same².

[Read the UK Modern Slavery Act 2015 here →](#)

Our Social Standards continued

We are fully committed to playing a leading role in supporting and driving the global effort to eliminate modern slavery and human rights abuses and are continuing to strengthen our approach. As part of this, we developed a group-wide Human Rights Policy that sets out our commitments to respecting human rights in our supply chain, operations and investment portfolio aligning with the UN Guiding Principles.

[Read the Human Right Policy here →](#)

We recognise that our partners and suppliers operate within different countries and legal requirements. Nonetheless, by becoming our partner and supplier you are stating you are committed to or are prepared to commit to meeting our standards.




Our Social Standards for key and high-risk suppliers

We have zero tolerance towards child labour, human trafficking, and labour abuses of any kind. The employment of underage children is unacceptable, and our employment of young workers adheres to UK regulations regardless of location.

-  **Adhere to international standards and not permit the employment of individuals under the age of 15** or under the age of mandatory schooling, whichever is higher. Partners and suppliers must ensure that child labour in their own operations and supply chains is prohibited, and that the employment of young workers adheres to local regulations.
-  **Meet the obligations in accordance with the UK Modern Slavery Act 2015**, including developing a Modern Slavery Statement and take steps to address modern slavery in all their operations and supply chains by rolling out employee training, and implementing a programme and governance to manage any issues and ensuring that any contracts with subcontractors have similar obligations.
-  **Establish and maintain a human rights due diligence process** to be aware of and address any human rights impacts that they cause or contribute to or that are directly linked to their operations, products, or services.
-  **Not interfere with the right of employees** to legally organise and join associations such as labour unions, employee consultation committees or employee associations.
-  **Prohibit the use of all forms of modern slavery**, including forced labour or bonded labour and give their employees, whether local or migrant, the right and the ability to leave employment when they choose.
-  **Ensure they only employ people with a legal right to work in that geography.** Where employing staff in the UK, suppliers must confirm they adhere to the Equality Act 2010.

Our Social Standards for SMEs

Our SME partners and suppliers must:

-  **Adhere to international standards and not permit the employment of individuals under the age of 15** or under the age of mandatory schooling, whichever is higher. Ensure that child labour in their own operations and supply chains is prohibited, and that the employment of young workers adheres to local regulations.
-  **Prohibit the use of all forms of modern slavery**, including forced labour or bonded labour that involves work conducted under coercion or threat.
-  **Meet the obligations in accordance with the UK Modern Slavery Act 2015** and take steps to address modern slavery including committing to developing a Modern Slavery Statement and training employees on it.

Our Social Standards continued

Health and safety

We are committed to improve not just our own health and safety performance, but also that of our suppliers and partners who undertake work on our behalf. We expect robust health and safety conditions for all workers in the supply chain.

Our Health and Safety Standards for all suppliers

Our partners and suppliers must:

- ✔ Comply with local workplace health and safety laws including the UK Health and Safety Act if they have operations in the UK or local equivalent. This compliance should be publicly referenced and available.
- ✔ Provide health and safety training to all their staff and any necessary specific training to complete any role safely, giving staff sufficient knowledge, skills and experience. This should include new or reassigned employees, bearing in mind the required knowledge of the industry and of any specific hazards.
- ✔ Have in place management systems including Occupational Health and Safety ('OHS') Management Systems to identify and eliminate health and safety risks.

Specific expectations of service suppliers:

- ✔ Ensure that all employees, contractors and subcontractors have appropriate OHS management systems in place. If working from home or in a hybrid role, workers should be aware of any additional at-home or office equipment and services which they can access, to ensure that they are always operating in a safe working environment.

Specific expectations of commodity suppliers:

- ✔ Ensure that workers have free access to personal protective equipment ('PPE') as well as appropriate training on its use, including for those workers procured through third-party labour providers and agencies.

Our Governance Standards

Robust governance structures are vital to ensuring that a company's environmental and social commitments are properly implemented, progress is recorded and risks to delivery are managed appropriately, as well as ensuring that these are effectively operationalised.

We expect all our suppliers and partners to establish or have in place a clear sustainability governance process and representative(s) who shall oversee the development, implementation and review of their sustainability strategy, plan, and targets, including regular external assurance and validation.

As a minimum, we expect that any commitments made around environmental sustainability and social rights are agreed by the board of a supplier, that a member of the executive team is responsible for the commitment and that progress is tracked against key performance indicators. We expect our suppliers to publish progress against these commitments externally on the supplier's website either under a separate report or as part of an integrated annual report.

Our Governance Standards for key and high-risk suppliers

Our key and high-risk partners and suppliers must:

- 1 Establish or have in place a clear sustainability governance process and representative(s) who shall oversee the development, implementation and review of the supplier's strategy, plan and targets, include a dedicated board sponsor and at least one senior sustainability representative.
- 2 Establish or have in place a clear governance structure including senior level committees, relevant TORs, and roles and responsibilities to support decision-making and operationalisation of the plan.
- 3 Establish or have in place a risk management process to ensure that any key risks relating to either implementation of the sustainability plan or external environmental or social issues which may have a material impact on the supplier are dealt with swiftly and effectively, and a remedial action plan put in place.

Note: Our Governance Standards do not apply to SMEs.

Further support and information

	Organisations	Frameworks and tools	Relevant legislation
Environmental	<p>Carbon Disclosure Project ('CDP')</p> <p>COP27</p> <p>UN Climate Change</p>	<p>Science Based Targets initiative ('SBTi')</p>	<p>2021 Environment Act</p>
Social	<p>Ethical Trading Initiative ('ETI')</p> <p>UN Global Compact</p>	<p>UN Guiding Principles on Business and Human Rights</p> <p>ILO Declaration on Fundamental Principles and Rights at Work</p> <ul style="list-style-type: none"> • ILO Forced Labour Convention • ILO Freedom of Association • Right to Organise and Collective Bargaining <p>ILO Minimum Age Convention</p>	<p>2010 Equality Act</p> <p>2015 Modern Slavery Act</p> <p>1974 Health and Safety at Work Act</p> <p>2010 Anti-Bribery Act</p> <p>2017 Criminal Finance Act</p>
Governance	<p>International Corporate Governance Network</p> <p>UN Principles for Responsible Investment (PRI)</p>	<p>ESG Governance: Board and Management roles and responsibilities</p> <p>Taskforce on Climate-related Financial Disclosures</p>	<p>Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022</p> <p>Limited Liability Partnerships (Climate-related Financial Disclosure) Regulations 2022</p>

How we can help

We want to work with partners and suppliers who share our values and standards. We recognise the challenges of tackling these critical climate change and human rights issues and believe our approach needs to adapt to better understand how to support our partners and suppliers. We are committed to supporting our partners and suppliers to implement these standards to collectively make positive change.

If you're a partner or supplier and would like to discuss our standards and implementation of these, get in touch with the Phoenix Group ESG Supply Chain team on:

esgsupplychain@corp.standardlife.com

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

thephoenixgroup.com



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