
**TERMS OF REFERENCE OF THE SUSTAINABILITY COMMITTEE
OF
PHOENIX GROUP HOLDINGS plc**

Adopted by the Phoenix Group Holdings plc Board
on 24 November 2022

PHOENIX GROUP HOLDINGS PLC
(the 'Company')
TERMS OF REFERENCE OF THE SUSTAINABILITY COMMITTEE
OF THE BOARD
(the 'Committee')

1. CONSTITUTION

- 1.1. The Committee has been established by resolution of the board of directors of the Company (the "Board") and is to be known as the Sustainability Committee. Its terms of reference replace the terms of reference of any pre-existing sustainability committee or equivalent.

2. ROLE

- 2.1. The role of the Committee is to assist the Board in overseeing the Group's sustainability strategy, related activity and approach to sustainability¹ related matters. In doing so, the Committee shall challenge and oversee the Group's Sustainability Strategy and carry out the duties specified in section 9 of these terms of reference.

3. MEMBERSHIP

- 3.1. The Committee shall comprise not less than three members appointed by the Board. The Committee Chair shall be appointed by the Board and shall be a non-executive director. The quorum for meetings of the Committee shall be two, both of whom must be non-executive directors.
- 3.2. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods.
- 3.3. No person shall be permitted to attend Committee meetings unless they are:
- (a) a member of the Board;
 - (b) a member or secretary of the Committee;
 - (c) the Group Company Secretary;
 - (d) the Group Chief Executive Officer;
 - (e) the Director of Corporate Affairs & Investor Relations;
 - (f) the Group HR Director;
 - (g) the Chief Sustainability Officer;

¹ For the purpose of these terms of reference, 'sustainability' is deemed to include only those environmental, social or governance aspects related to our defined sustainability strategy and material areas of focus, and other such matters as determined by the board from time to time.

- (h) a Life Companies² Board representative (as agreed with the Committee Chair); or
- (i) invited by the Committee Chair to attend the meeting in question (including but not limited to members of the Group Executive Committee and the Head of Sustainability) and any external advisers as appropriate).

3.4. Members of the Committee shall be named in the annual report and accounts of the Company.

4. SECRETARY

4.1. The Company Secretary or their nominee shall act as the secretary of the Committee.

5 MEETINGS

5.1 The Committee shall normally meet at least five times a year and at such other times as the Committee Chair shall require.

5.2 Meetings of the Committee shall be conducted in accordance with the provisions of the Company's articles of association (the "Articles") governing the proceedings of directors.

6 NOTICE OF MEETINGS

6.1 Meetings of the Committee shall be scheduled in accordance with paragraph 5.1 above and, in addition, may be summoned by the secretary of the Committee at the request of any of its members.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of the items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend no later than two working days before the date of the meeting.

6.3 No person other than permitted attendees and members of the Company Secretariat shall be entitled to receive any papers relating to the Committee unless expressly authorised by the Committee Chair.

6.4 Notwithstanding paragraph 6.3 above, the Board will have access to copies of the minutes of any meeting of this Committee (provided that no conflict of interest with the business of the meeting exists).

7 REPORTING RESPONSIBILITIES

7.1 The secretary shall minute the proceedings and the resolutions of all Committee meetings, including the names of those present and in attendance. The secretary shall ascertain, at the beginning of each meeting, the existence of any conflict of interest and minute it accordingly. Minutes of Committee meetings shall be circulated promptly to all members of the Committee.

² The Life Companies, collectively, include Phoenix Life Limited, Phoenix Life Assurance Limited, Standard Life Assurance Limited, ReAssure Limited and ReAssure Life Limited.

- 7.2 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities, including but not limited to the attainment of annual Sustainability KPI targets set by the Committee. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3 The Committee shall bring to the attention of the Board and/or make appropriate recommendations to the Board concerning those matters that have been considered or reviewed by it at the meeting of the Board next following a meeting of the Committee.
- 7.4 The Committee shall bring to the attention of the Board Audit and/or Board Risk Committee(s) any material non-financial risks (including but not limited to risks relating to reputation or ethical matters) identified by it, as appropriate.
- 7.5 The Committee shall, as appropriate, engage with the following Board and Board Committees in respect of the matters set out below:
- (a) PGH plc Board Audit Committee – in the exercise of that committee’s duties relating to reporting in the Company’s annual report and accounts and such other material documents in respect of climate change and sustainability matters for compliance with relevant sustainability related regulations, legislation and standards;
 - (b) PGH plc Board Risk Committee – in the exercise of that committee’s duties relating to the identification, assessment, management and reporting of sustainability and climate related risks within the Group Risk Management Framework including but not limited to oversight of the Group’s climate related stress and scenario testing; and oversight of risk disclosures in respect of climate related risks;
 - (c) PGH plc Nomination Committee - in the exercise of that committee’s duties relating to diversity and inclusion matters;
 - (d) PGH plc Remuneration Committee – in the exercise of that committee’s duties relating to the inclusion of appropriate sustainability related elements within the relevant parts of the Group remuneration framework.
 - (e) Life Companies Board and Life Companies Board Investment Committee (as appropriate) – in the exercise of their duties relating to the implementation of responsible investment strategy as part of the overall Sustainability Strategy.
- 7.6 The Committee Chair shall be invited to attend the annual general meeting of the Company and shall be prepared to respond to any shareholder questions on the Committee's activities raised at that meeting.

8 AUTHORITY

- 8.1 The Committee is authorised by the Board to:
- (a) investigate and undertake any activity within its terms of reference;

- (b) seek any information it properly requires from any employee of the Company or of any subsidiary company in order to perform its duties; and all employees are directed by the Board to co-operate with any request made by the Committee; and
- (c) call any employee to be questioned at a meeting of the Committee as and when required.

8.2 If the Committee considers it necessary so to do, it is authorised to obtain appropriate external advice to assist it in the performance of its duties and to secure the services of external parties with relevant experience and expertise and to invite those persons to attend meetings of the Committee. The cost of obtaining any advice or services shall be paid by the Company within the limits authorised by the Board.

9 DUTIES

9.1 The duties of the Committee shall be to:

- (a) review, challenge, oversee and recommend for Board approval the Sustainability Strategy, ensuring alignment with the Group's purpose, culture and values;
- (b) review and approve KPIs, targets and metrics aligned with the sustainability pillars defined in the Sustainability Strategy and related externally communicated commitments in support of the Group's purpose;
- (c) ensure the Sustainability Strategy is considered as part of the setting of the overall strategy of the Group by the Board;
- (d) drive a consistent approach to the execution of, and ensure embedding of, the Sustainability Strategy across the entire Group;
- (e) review, robustly challenge and oversee progress against the Sustainability Strategy (including associated KPIs, targets and metrics) and related management initiatives to ensure a coherent and consistent approach is adopted across the Group;
- (f) challenge the balance of non-financial targets and commitments within the Sustainability Strategy with the delivery of financial value for shareholders and other stakeholders;
- (g) review reports and MI from sustainability pillar leads, working groups and committees relating to the sustainability pillars (defined in the Sustainability Strategy) and ensure alignment of associated activities with the Sustainability Strategy and Group's purpose;
- (h) review reports and MI relating to people and corporate culture, including reports from the Designated NED for Workforce Engagement and updates relating to the Group's 'people strategy', monitoring the appropriateness of corporate culture in support of the Group's purpose and values;
- (i) where appropriate, review key sustainability related non-risk Group policies, ensuring alignment with externally and internally communicated sustainability commitments and the Group's Sustainability

Strategy, noting the Board's responsibility to approve the Group's material sustainable investment (including stewardship) related policies subject to the Life Companies Board approval³;

- (j) review and oversee the content of the Group's sustainability reporting, including but not limited to the Group's annual Sustainability Report and TCFD disclosures, recommending the approval thereof by the Board of PGH plc - subject to the Board Audit and Board Risk Committee's respective duties to recommend for approval or to approve such content;
- (k) keep up to date with sustainability best practice and thought leadership, keeping under review the extent and effectiveness of the Group's external reporting of relevant sustainability performance, and its participation in external benchmarking indices;
- (l) consider the appropriateness of the Group's position on relevant existing and emerging sustainability related issues;
- (m) receive updates on and review compliance with material regulation and legislation on sustainability related issues (as appropriate);
- (n) oversee compliance with (or progress against) publicly communicated sustainability-related commitments voluntarily subscribed to by the Group; and
- (o) consider any other matters as may be requested by the Board.

10 OTHER MATTERS

10.1 The Committee shall:

- (a) have access to the services of the Company Secretariat function on all Committee matters, including assisting the Committee Chair in planning the Committee's work, drawing up meeting agendas, maintenance of minutes, drafting of material about its activities for the annual report, collection and distribution of information and provision of any necessary practical support;
- (b) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the rules and regulations of any market on which the Company's securities are listed from time to time;
- (c) oversee any investigation of activities which are within its terms of reference and act as a court of the last resort; and
- (d) at least annually, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

³ See the Group Board Matters Reserved at 6.2.