


# Driving positive impact through our purpose

Sir Nicholas Lyons  
Chair of the Group Board



We want to help people journey to and through retirement while investing in a better future for us all. That's why our purpose-led approach focuses on two critical areas: People and Planet. We are looking to address the UK pensions savings gap and manage the risks and opportunities of climate change.

 For further reading in the **Sustainability Report**

## Driving positive impact through our purpose

In the UK we face a crisis of retirement readiness. As the UK's largest long-term savings and retirement business<sup>1</sup> we are striving to inspire people to take action and influence the policy agenda to help people secure a life of possibilities.



At the heart of Phoenix is its purpose and it drives our determination to help more people journey to and through retirement, while delivering better outcomes for all our stakeholders.

In order to increase our customers' preparedness for the future, we are investing to develop innovative retirement savings and income solutions. We also continue to advocate for the implementation of policies that increase pension and long-term savings to the benefit of our customers throughout their savings life cycle.

We welcomed the government's commitment to look at pension outcomes, including assessing retirement adequacy. There is an ever-growing body of research evidencing the scale of the retirement savings gap in the UK and that by the early 2040s we expect 3-in-5 people will be entering retirement with inadequate savings<sup>2</sup>. The government's retirement adequacy review is essential to assess the complexity of factors impacting adequacy and create consensus on an implementation timeline for recommended policy solutions. In support of the review, Phoenix Insights has proposed a way forward to address challenges and improve the retirement prospects for future generations, which includes furthering automatic enrolment, and increasing contribution rates from 8% to at least 12% gradually. Increasing default contributions into workplace pensions is undoubtedly the single biggest lever the

c.12m

customers  
(2023: c.12m)

£292bn↑

total assets under administration **APM**  
(2023: £283bn)

52%

reduction in the carbon intensity of  
our listed equity and credit portfolio<sup>3</sup>

government could pull to increase the amount of private pension savings.

To compound the positive impact of our customers saving more for retirement we strive to provide them with better returns. As a founding signatory to the Mansion House Compact in 2023, we advocated for reforms to enable pension funds to invest more into alternative asset classes. We are delighted that the reforms we advocated for are now being implemented by the UK government and enabling us to take tangible action. In collaboration with Schroders we launched Future Growth Capital ('FGC'), the first private market investment manager to be established in the UK to promote the objectives of the Mansion House Compact. FGC aims to deliver improved outcomes for long-term pension savers in the UK by enabling efficient access to private markets investments and their potential for delivering higher long-term investment returns.

We can drive good outcomes for our customers and manage the risks of climate change by delivering on our Net Zero Transition Plan commitments and understanding our impact and dependency on nature. In parallel we are helping to unlock the barriers to allow capital to flow at scale into productive and sustainable investments. Our Unlocking Investment in Climate Solutions report found that, with the right reforms and on the right terms for pension savers, the UK pension sector could quadruple its investment in UK climate solutions between now and 2035 to up to £1.2 trillion<sup>4</sup>.

1 Company analysis August 2024 based on life technical provisions.  
2 [www.thephoenixgroup.com/media/sjodudvd/tomorrow-problem-analysing-the-future-impact-of-dc-pension-undersaving.pdf](https://www.thephoenixgroup.com/media/sjodudvd/tomorrow-problem-analysing-the-future-impact-of-dc-pension-undersaving.pdf)  
3 Relative to our 2019 baseline.  
4 [www.thephoenixgroup.com/news-views/policy-paper-from-phoenix-group-recommends-key-net-zero-policy-priorities-for-new-parliament/](https://www.thephoenixgroup.com/news-views/policy-paper-from-phoenix-group-recommends-key-net-zero-policy-priorities-for-new-parliament/)  
5 [www.thephoenixgroup.com/phoenix-insights/publications/what-role-could-targeted-support-play-in-supporting-consumers-at-retirement/](https://www.thephoenixgroup.com/phoenix-insights/publications/what-role-could-targeted-support-play-in-supporting-consumers-at-retirement/)

Research suggests that only c.10% of people access and pay for independent financial advice<sup>5</sup> when making important financial retirement decisions, which means the majority of people are facing an 'advice gap'. As a result consumers face making life-changing complex decisions without sufficient support, risking a range of harms. Targeted support, as proposed by the Financial Conduct Authority ('FCA'), could enable firms to provide more tailored support to customers so they are better informed to make decisions. This would be a big change from the status quo, and we believe it's vital to understand more about how people would use this to ensure the best outcomes for savers. Our research is designed to bring informed individual consumer voices into this discussion.

### Strong cash generation supports opportunity to invest and realise our vision

We are now one year into our 3-year strategy to deliver our vision of becoming the UK's leading retirement savings and income business. The team has delivered strong cash generation in 2024 through an acceleration in our organic growth story, and the resilience of our balance sheet has enabled us to invest across each of our strategic priorities.

2024 has seen us launch new products to better serve our customers and to harness our capabilities to achieve the desired outcomes of our 3-year strategy sooner than expected, reflected in our upgraded targets.

### Attractive shareholder returns

I am delighted to announce that the Board is recommending a 2.6% increase in the Group's 2024 Final dividend to 27.35 pence per share. This means the Group's Total dividend for 2024 will be 54.00 pence per share.

In operating its progressive and sustainable dividend policy and assessing longer-term affordability, the Board considers the quantum and trajectory of the Group's Operating Cash Generation ('OCG'), Solvency II surplus and Shareholder Capital Coverage Ratio, and the distributable reserves of the Group's holding company. In this overall context and consistent with previous guidance, and given the Board's confidence in the Group's 3-year strategy as evidenced by our revised targets, the Board considers that the Group's consolidated IFRS shareholders' equity is not a constraint to the payment of our dividends.

### Board changes

During 2024 the Board was delighted to welcome Nicolaos Nicandrou as Group Chief Financial Officer ('CFO') after Rakesh Thakrarr stood down from the position in September. Nicolaos' extensive insurance and asset management experience will be invaluable to the Group as we execute our strategy to achieve our vision and implement our evolved financial framework. I'd like to take

## Section 172 statement

During the year, Directors have applied section 172 of the Companies Act 2006 in a manner consistent with the Group's purpose, values and strategic priorities. The Directors have acted in a way which they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole. In doing so the Directors have paid due regard to the matters set out in section 172(1) (a) to (f), namely:

- the likely consequences of any decision in the long-term;
- the interests of any of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of maintaining the Company's reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

➔ For details on how the Directors have considered these matters in connection with key decisions, and outcomes for engagement with our key stakeholder groups throughout 2024 can be found on **pages 98 to 100** of the Corporate governance report.

this opportunity to thank both Rakesh and Stephanie Bruce, who served as Interim CFO whilst we recruited a permanent candidate, for their positive contributions to the Group.

In addition, John Pollock retired from the Board with effect from 31 December 2024. We welcome Sherry Coutu who joins the Board with effect from 1 May 2025. More information relating to Board changes can be found on page 85.

### Thank you

Finally, I would like to take this opportunity to thank the Board, our colleagues, our partners and our wider stakeholders for their hard work, dedication and support in delivering another year of strong progress.

*Nicholas Lyons*

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Chair of the Group Board