

Alliance Member Spotlight: Phoenix Group

Phoenix Group launched its first net-zero transition plan at the end of May, largely based on GFANZ's voluntary transition plan framework.

GFANZ recently caught up with Group CEO Andy Briggs to talk about Phoenix Group's net-zero transition plan and what's next in their work towards net zero.

How did you approach the development of your transition plan and in what ways did you reference the GFANZ framework?

The starting point for our transition plan was to agree on the key principles in terms of what we wanted it to achieve and represent.

First, we were clear that it needed to be a plan that was bold and ambitious and would contribute to real world change. This was crucial in guiding our thinking around, for example, our 'engagement first' approach and stewardship strategy.

Second, we wanted to develop a transition plan with our customers at its heart. For us, net zero represents a business opportunity as well as being the right thing to do. By taking the right actions to decarbonise, we can help protect our customers against the risks and maximize the opportunities of climate change.

And third, we felt that it was important for our transition plan to be genuinely transparent – not just about what we've done to date, but also about where we know we need to do more and where we're dependent on action from others.

Underpinning these key principles was a desire to align our transition plan with best practice guidance. As a UK-based organization, we took the decision to align with GFANZ and, specifically, the Transition Plan Taskforce's (TPT) emerging guidance. The frameworks and guidance were invaluable in shaping our thinking and ensuring we developed a genuinely leading, robust and comprehensive transition plan.

Phoenix Group is a member of the Net-Zero Asset Owner Alliance (NZAOA) – can you explain how that factored into the thinking behind your transition plan?

We joined the NZAOA because its goals and philosophy are closely aligned with our own, and because we see real value in working collaboratively with leading pension funds and insurers from around the world to collectively push for the system-wide change needed to achieve net zero.

In line with our NZAOA commitment for 2050, our full £0.3 trillion investment portfolio is in scope, along with our supply chain and operations, and we have stretching interim targets for 2025 and 2030 aligned with limiting average global temperature rises to a maximum of 1.5 degrees.

But goals and targets alone aren't enough: the scale of the climate crisis and the action needed to tackle it means that robust plans must urgently be put in place. And fundamentally, that's why we developed our transition plan – to ensure we had a robust, comprehensive plan for getting to net zero.

Like the NZAOA, we're also clear that we can't deliver net zero alone. We're confident that if the actions we have committed to are delivered, we are on the right track to meet our 2025 target, but beyond then we become increasingly dependent on action from others. We plan to use our scale and voice to play an active role in driving wider system change, such as establishing the right regulatory, policy and market conditions to enable investment in climate solutions at scale. The NZAOA and GFANZ have an important role to play in making this happen and we stand ready to play our part in working together with both organizations, our peers and the broader system.

How have you been involved in GFANZ's work? How do you plan to be involved this year?

We have been involved in GFANZ's work since its inception at COP26, where I was lucky enough to attend a number of key events around its launch with Mark Carney and others. Phoenix Group was the strategic partner of the Green Horizons Summit, which was all about mobilizing private capital in the transition to net zero and so, very aligned with GFANZ's mission.

More recently, we made full use of GFANZ's transition plan guidance for financial institutions as we developed our transition plan. We also had several incredibly useful conversations along the way, which really helped to shape our thinking and strengthen our plan.

Looking ahead, our Chief Sustainability Officer James Wilde has become a member of the GFANZ working group on energy and real economy transition, which has been

set up to support the mobilization of private capital towards industry's net zero transition. This aligns closely with our ambition to invest up to £40 billion in sustainable and/or productive assets including climate solutions – which at the moment is being hindered by a number of policy, regulatory and market barriers. Being a member of the working group is a great opportunity to collaborate with our peers on driving the wider system changes needed to overcome these barriers and unlock transition finance at scale.