

Nest Member Assembly Report

2026



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Future



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Foreword



Ian Cornelius

Chief Executive Officer

The pensions landscape in the UK is evolving and already we are seeing schemes consolidate into “megafunds”. While scale brings clear advantages, the ability to deliver better, more cost-effective and innovative investments, for example, it also carries the risk of creating a disconnect between members and those making decisions about their financial futures.

At the same time, the shift of investment risk from employers to individuals, and the direction of travel set by the Pensions Act 2008 and subsequent reforms, has increased the importance of transparency and accountability. Pension schemes must not only act in members’ best interests but stand behind those decisions, and demonstrate how they reflect members’ needs, preferences and values.

This is why we convened Nest’s Member Assembly. We brought together a diverse group of our members, reflecting the breadth of our scheme membership, and asked them to consider and advise on the issues that matter most to their financial futures.

Nest’s Member Assembly demonstrates what meaningful member involvement can look like in practice. We hope our experience contributes to a broader conversation across the pensions system about how schemes can more systematically and thoughtfully incorporate members’ voices into decision-making.

This approach should also add food for thought as the Department for Work and Pensions considers the role of Trustees, the skills they bring and how they understand their members’ perspectives as they steward their money, particularly where the common connections of industry or single employers are likely to be less pronounced than in a world dominated by Defined Benefit pension schemes.

As Chief Executive, I’m pleased with the steps we’re taking to give our savers a more direct voice. We’ve always placed great emphasis on understanding our members – their needs, experiences and perspectives. The Assembly builds on this, marking an important step towards making pensions more responsive to the people whose futures depend on them.

It also strengthens the connection between our investment decisions and the priorities of our members.

The recommendations in this report are the result of thoughtful discussion, informed by expert presentations, and grounded in members’ real-life experiences and values. It has been a privilege to see participants engaging so carefully with complex topics, ensuring their perspectives help shape the future of Nest’s investment strategy.

Designing and delivering the Assembly was no small undertaking. I’d like to thank Dr Emmeline Cooper, our guest speakers and our expert advisory group, as well as Shared Future, for the expertise and commitment they brought to making it a success.

Most importantly, I want to thank the members themselves. They gave up two weekends to take part – and I’m sure many of them stepped into the process unsure of what to expect. By the end, I believe everyone would echo the sentiment of one of the participants in the post-assembly survey:



I understand pensions better, what my money has the potential to contribute to – for better or for worse – and how pensions in particular can speak for the values of those whose money they invest with a longer term perspective.



Assembly Member

The Assembly was tasked with exploring a challenging question: “How should Nest invest in the best interests of its members?” It considered three fundamental questions: – What considerations and values should guide how Nest invests? – What are members’ views on how Nest exercises ownership rights on behalf of members? – What type of involvement if any, should members have in how Nest invests?

The thoughtful responses presented in this report are a testament to the care, insight and commitment of our Assembly members throughout the process. I invite you to read these recommendations with the same open mind and collaborative spirit in which they were created.

This is just the beginning: we’re committed to fully considering all of these insights and recommendations, so our investment approach not only remains ambitious for our members, but also accountable to and rooted in what really matters most to them.

Later this year, Nest will publish a written response addressing each recommendation. It will follow established good-practice guidelines in responding to similar Assembly recommendations. The response will explain, clearly and transparently, Nest’s decisions and reasoning using examples where possible.

By keeping our members’ perspectives at the heart of our decisions, both within our investment approach and across everything else we do, we can help ensure Nest continues to deliver better futures for our savers with us today, and the generations to follow.

Chapter 1

What is the Nest Member Assembly?

The Nest Member Assembly brings the voice of Nest members into the heart of Nest's decision-making.

The first Nest Member Assembly brought together a mix of different Nest members to discuss and deliberate about Nest, its investment strategy and how members should be involved in Nest. Nest members deliberated together and voted on advisory recommendations to guide Nest's strategy. The Assembly took place over two weekends, January 31–February 1 in Manchester and February 14–February 15 in London, 2026.

The Member Assembly's remit, "How should Nest invest in the best interests of its members?" focuses on three questions:

- What values and considerations should guide how Nest invests?
- What is good ownership at Nest?
- What type of involvement, if any, should members have in how Nest invests?

Why organise the Nest Member Assembly?

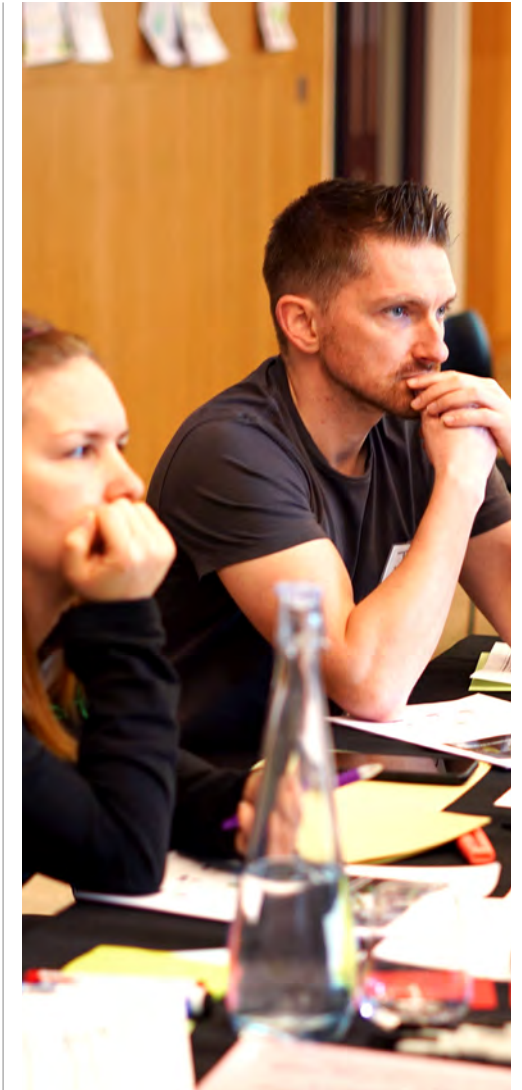
Nest is interested in listening to its members. Nest is a pension scheme with 14 million UK members who have, together, £60 billion in assets under management. In recent years the scheme has grown fast, both in membership size and in the size of assets. This growth means Nest and its strategy is more important than ever, not only to members but also to Nest's wider stakeholders.

Pension schemes like Nest are significant not only for their members' retirement, but also because their investments contribute to the shaping of our society and environment. It is important that their investment strategies are informed by the interests, views, and varied perspectives of a scheme's members. A good understanding of members' perspectives is particularly important for Nest and other UK pension providers, as members are automatically enrolled in a workplace pension, contributing a substantial part of their salary every month to their pension.

Every UK employer has to put eligible workers into a "qualifying" workplace pension and contribute towards their retirement. It's called auto enrolment and it's a legal requirement.

By bringing together a mix of members, the Assembly provides Nest with an in-depth picture of their members' considered opinions and perspectives on the future, their values, and their collective recommendations for Nest's investment strategy and the involvement of members in the future.

The Nest Member Assembly is an innovative way for Nest to engage with its members. Inspired by the Citizens' Assemblies and other similar "deliberative mini-publics" that have been used by governments across the world, the Nest Member Assembly enables members to come together and share what's important to them and the reasons why, hear other members' perspectives, and deliberate together to develop shared recommendations, which they vote on individually. Nest will respond to these recommendations describing how these are informing its Statement of Investment Principles (SIP).



By bringing the voice of Nest members into investment decision-making, The Nest Member Assembly represents a significant governance innovation for the pensions industry.

In a nutshell, the Nest Member Assembly:

- did not require members to have any prior knowledge on pensions or investing
- included a mix of different Nest members (based on demographic, financial and attitudinal characteristics) to reflect the diversity of the membership
- took place in Manchester and London, to broaden the geographic reach
- informed participants on relevant topics, such as: investing, ownership, a range of investing and responsible investing themes and Nest’s investment strategy
- briefed experts beforehand to ensure they provided accessible information to participants
- enabled members to express their views and perspectives, both publicly and privately, addressing both individual interests and wider societal and environmental interests
- supported the expression of shared preferences and areas of common agreement, as well as the expression of minority viewpoints, and areas of disagreement
- was facilitated by Shared Future, a team of experienced, independent, facilitators who cultivated a friendly, welcoming atmosphere and helped ensure that everyone contributed their opinions. Shared Future designed activities to help participants develop questions in facilitated small group settings, share their views with many different types of people (“move and meet” and “human map” activities), create energy throughout the process with many different types of interactions, building relationships among the group and supporting participants when needed
- encouraged participants to mix widely and hear lots of different perspectives from fellow participants through varied group arrangements and processes
- kept participants informed about the process, before, during and after the Assembly
- provided member-written recommendations to Nest, with an indication of the degree of agreement (or disagreement) with each of these

What principles underpinned the Nest Member Assembly design?

The basis of the Nest Member Assembly design lies in a conceptual framework¹, designed by Dr. Emmeline Cooper, Assembly Lead, which specifies seven quality characteristics for pension scheme member voice on responsible and sustainable investing.

Inclusive engagement: all relevant members are involved, they are sufficiently representative of the scheme as a whole, and they are able to participate fully in the dialogue.

Deliberative communication: participants engage in respectful dialogue with each other, they can express diverse perspectives, and they are able to develop commitment to forms of consensus, agreement, or constructive decision-making, and agree to disagree where relevant.

Informed engagement: participants are informed by expert and professional perspectives, as well as becoming informed by the perspectives of other participants. As a result of the process, executives and board members are informed on member perspectives.

Transparency: the process, its results, and recommendations are transparent to participants, to the membership as a whole, and the wider public. Opportunities are provided to respond to the process, its results, and the recommendations.

Influence: the recommendations have an impact on scheme strategy, and related decision-making through forms of both formal and informal impact.

Articulating value: value describes what members’ see as a “a good deal” from their pension provider. Articulating value describes how participants express and articulate their diverse perspectives on what value looks like to them (including financial and / or non-financial value), and what they believe a pension should deliver for them.

Feasibility: the process is practical to participate in, and practical for the pension scheme to organise, and respond to.

¹ Cooper, E. 2021. Pension Schemes, Sustainable Investing and the Promise and Challenge of Governance Innovations. PhD thesis University of Westminster Social Sciences.
www.westminsterresearch.westminster.ac.uk

Who participated in the Assembly?

A mix of 52 different members were selected by sortition, a random selection process, to participate in the Assembly. To ensure the Assembly reflected the diversity of the membership, the sortition process selected members to meet some quotas: ages, gender, ethnicity, income, pension pot size, attitudes to risk, region, health status, and attitudes to the economy and environment.

How is the Nest Member Assembly different to other types of consultation and research?

The Assembly is different to other forms of consultation because it included extended deliberation and discussion among members as an important part of the process. Expert opinions are also integrated into the process, and there is time for members to develop and ask questions. Whereas market research is typically more focused on understanding what individuals think, feel and do without the same level of deliberation. Unlike other forms of market research, the Nest Member Assembly is a public process, and this report can be read by all members and Nest's wider stakeholders. A description of the Assembly process, the Assembly members' recommendations, and their voting on these, is included in this report.

How is the Nest Member Assembly different to the Nest Members' Panel?

The Members' Panel is an established part of Nest's governance, and represents the views and considerations of Members. Nest is legally required, under the Pensions Act 2008, to maintain a Member Panel. It consists of up to 15 people including a chair. Panel members are recruited via an open recruitment process and appointed to serve a fixed term. The Panel is a sounding board for ideas and suggestions proposed by Nest. It provides recommendations on key issues to make sure that specific member concerns are raised at Board level. It's also consulted when we review the Statement of investment principles (SIP), which outlines policies and principles that guide Nest's decisions when managing members' money. The Members' Panel provides an independent report to Government about Nest and how it considers members' views. The Chair of the Members' Panel, Charles Pears, is part of the external advisory group of the Nest Member Assembly.

How will the Nest Member Assembly influence decision-making at Nest?

The Nest Member Assembly is an advisory body, providing recommendations for Nest to consider and respond to. It has been organised to feed Nest members' views into the review of Nest's Statement of investment principles (SIP). The Nest SIP forms the basis of its investment strategy. Every pension scheme has a SIP, and every scheme must review this every three years. Not only will the Assembly's recommendations inform Nest's review of its SIP, they will also contribute towards Nest's wider thinking about how it invests. In addition, the Assembly provides advisory principles and recommendations on member involvement in Nest. For more information on how Nest invests [click here](#), and for more information on how Nest is run [click here](#). Following this Assembly report, these recommendations will be carefully considered by the Board and Nest will publish a response in the Autumn, explaining how the recommendations have informed the Statement of investment principles and Nest's investment approach.

This response will follow good practice practitioner guidelines in responding to Assembly recommendations, and will describe clearly and transparently Nest's response and the reasons behind these, with examples provided where possible.

Who was involved in the Nest Member Assembly?

The Assembly was conceptualised and designed by Dr Emmeline Cooper, Cranfield University, delivered in partnership with David Mann and Paul Todd (Nest), and Pete Bryant (Shared Future) who co-designed the final programme. Richard Notley (Nest) led the first stage sampling strategy and the Sortition Foundation delivered the second stage. An internal steering group including specialists from across the organisation was involved in design and planning discussions. The project also benefited from an external advisory group, who brought in significant expertise on deliberative democracy, economics and finance, governance, responsible investing and stewardship, and member voice at Nest. The external advisory group members are:

- **Sir Oliver Hart**, Lewis P. and Linda L. Geyser University Professor, Harvard University
- **Professor H el ene Landemore**, Damon Wells '58 Professor of Political Science, Yale University
- **Professor Luigi Zingales**, Robert C. McCormack Distinguished Service Professor of Entrepreneurship and Finance, University of Chicago Booth School of Business

- **Susheela Peres da Costa**, Principal, The Stewardship Centre
- **Professor Dr. Esther Eiling**, Associate Professor, University of Amsterdam
- **Dr. Tom Gosling**, Professor in Practice, London School of Economics and Political Science
- **Charles Pears**, Chair of Nest Member Panel

Shared Future, an independent community interest company who are experienced at leading Citizens' Assemblies, delivered the main elements of the Assembly, bringing their significant expertise into the Assembly's programme and activities, facilitation, analysis of emerging themes and substantial participant support before, during and between sessions. The independent facilitators were: Pete Bryant (Lead Facilitator), Sarah Allan, Rowan Harris, Mara Livermore, Claire Mellier, Natelle Morgan-Brown, Andy Paice, Jenny Willis, and Zahra Wynne. Recruitment, participant liaison, participant care and support, and session logistics were led by Jayne McFadyen, Rowan Harris and Zoe Quick. Shared Future partnered with The Sortition Foundation, a leading provider of "civic lotteries", to deliver the sortition procedure.

Nest speakers

Nest speakers provided Assembly members with information on how Nest currently invests. These speakers were: Paul Todd, Chief Operating Officer, Diandra Soobiah, Director of Responsible Investment, Chloe Horne, Investment Manager (Responsible Investment), Nest Invest. Catherine Howarth, Nest Board member and CEO NGO Share Action provided information on.

Throughout the Assembly, several Nest board members and Nest senior managers were observing the Assembly. Brendan McCafferty, Chair of the board for Nest Corporation, welcomed and thanked members on the first day. Charles Pears, Chair of the Nest Members' Panel observed the Assembly in full and provided a thank you to members at the end of days one, two and three. On the final day of the Assembly, Sally Bridgeland, Chair of the Nest Invest Board thanked the Assembly.

External expert speakers

The Assembly members heard from a wide variety of different guest speakers from universities, industry and civil society organisations (NGOs). On weekend one, the speakers were:

- **Dr. Suzy Morrissey**, Deputy Director of the Pensions Policy Institute
- **Professor Iain Clacher**, Professor of Pensions and Finance, University of Leeds
- **Sarah Brewin**, Stewardship Impact Lead, NGO ACCR

In addition, we developed materials for a discussion on impact that was inspired by the research of Professor Florian Heeb, University of Frankfurt, and Professor Julian K obel's, University of St. Gallen, "The investor's Guide to Impact". The authors gave permission for their teaching tool to be adapted for the Nest Member Assembly.

On weekend two a range of "industry perspectives" on varied investment topics were offered to participants. This expertise was provided by:

- **Lord David Pitt-Watson**, Fellow, University of Cambridge, Judge Business School
- **Deborah Gilshan**, AustralianSuper, an Australian pension fund
- **Andrew Doyle**, Willis Towers Watson, a financial Consulting firm
- **Guido Verheef**, PGGM, a pension scheme in the Netherlands
- **Valentina Ramirez**, Institutional Investors Group on Climate Change, a not-for-profit pensions industry collaboration
- **Marcin Kacperczyk**, Professor of Finance, Imperial College
- **Andrew Howard**, Schroders, an investment firm
- **Tom Powrdill**, Social Governance, a consultant for the pensions industry
- **Dan Neale**, Church Commissioners for England, an ethical and responsible endowment fund

- **Christine Chow**, Appointed Advisor, Accounting and Financial Reporting Council
- **Mitesh Sheth**, a consultant for the pensions industry
- **Luda Svystunova**, Amundi, an investment firm
- **Gregg Garrett**, ATNI (Access to Nutrition Initiative) an NGO rates big food companies
- **Phelim Bolger**, IFM, an infrastructure investment firm (owned by pension funds, including Nest)

Acknowledgements

All the advisors and experts who contributed to the Nest Member Assembly did so on an unpaid basis. We thank them for their support with the project.

Timeline

Design, concept and planning

Process design

Procurement

Programme planning and logistics

Advisory Group meeting 1

June-September 2025

Sortition process

Invitation and registration

Sortition and recruitment

Advisory Group meeting 2

October-December 2025

Delivery phase

Nest Member Assembly in Manchester and London

Advisory group meeting 3

Nest and Assembly participants receive report

January-April 2026

Response

Nest respond to the Nest Member Assembly Report

Autumn 2026

Sortition and recruitment

Stratified sortition is a process of randomised selection commonly used in Citizens Assemblies, to pick a group of Assembly members among a wider population. To begin with, Nest sent an invitation email to a sample of 200,000 members (see Appendix 1) in November 2025, asking them to register their interest in participating in the Assembly on a webpage hosted by Shared Future.

Sending out a large number of invitations helped to ensure the Assembly was as representative as possible of the wider population, even if response rates were low. However, not all members on the Nest database have registered themselves with Nest, and have provided email addresses, which could mean some groups are less likely to receive an invitation. To address this, members who have not registered themselves were proportionally weighted up (“boosted”) in the sample of 200,000 members (compared with the registered members). This weighting was applied to different age and gender categories, to “boost” the numbers of unregistered in these categories, in the final sample.

In total, 451 responded to this email invitation by registering their interest, a response rate of 0.2%. The Sortition Foundation, an organisation experienced on providing “civic lottery services” for Citizen Assemblies, were involved in selecting, using a random procedure, the participants for the Assembly from the 451 who registered. To ensure the Assembly reflected a diversity of different types of members their selection process also was guided by stratification according to key characteristics: age, gender, ethnicity, health status, region, income, pot size, attitudes to risk, attitudes to economy / environment.

Targets were set to ensure the selected members reflected the Nest population or the population of the United Kingdom. The first round sortition selection process delivered a profile which matched the targets well. However, there was some drop out from this initial group which meant the profile of the final 52 participants was slightly less accurate. This drop out rate was a result of a mixture of different personal circumstances, and may have been affected by the time commitment required to participate in a national Assembly requiring travel and overnight stays for some. Despite this logistical challenge, the Assembly still manages to reflect the diversity of the Nest membership. The table overleaf illustrates the targets, and their proportions in the final Assembly participants.

Target (Target data source)	Target %	All respondents %	Confirmed participants %
Gender			
Female	51.9	40.4	57.7
Male	47.9	59.6	42.3
Non-binary or other	0.1	0	0
Age			
0-17	0	0	0
18-29	19	12.4	19.2
30-44	45	34.8	44.2
45-54	19	27.1	17.3
55-64	14	19.3	19.2
65+	3	6.4	0
100+	0	0	0



Target (Target data source)	Target %	All respondents %	Confirmed participants %
Ethnicity			
Asian or Asian British	9	14.6	3.8
Black, Black British, Caribbean or African	8.4	21.5	13.5
White	75.3	55.4	76.9
Mixed or Multiple Ethnic Groups	4	4	1.9
Other ethnic group	1.4	2.4	1.9
Prefer not to say	2	2	1.9

Disability			
Yes	18.2	8.9	13.5
No	75.8	87.8	78.8
Unsure or prefer not to say	6.1	3.3	7.7

Target (Target data source)	Target %	All respondents %	Confirmed participants %
Income			
Under 15	21.8	15.1	17.3
15-24	23.8	18.6	26.9
25-34	20.8	26.8	21.2
35-50	9.9	13.3	13.5
50+	8.9	13.1	5.8
Prefer not to say	14.9	13.1	15.4

Pot size			
£0-£500	35	30.4	32.7
£501-£2000	25	26.6	25
£2001-£5000	18	17.7	21.2
£5001+	22	25.3	21.2

Target (Target data source)	Target %	All respondents %	Confirmed participants %
Risk Attitude ("Better to play safe, even if investing in higher risk could make more money")			
Agree Strongly	18.2	22.6	19.2
Agree	35.4	43.7	48.1
Neither Agree nor Disagree	26.3	15.1	23.1
Disagree	9.1	12	9.6
Disagree Strongly	3	2.7	0
Don't Know	8.1	4	0
Attitudes to the environment / economy			
Protecting the environment should be given priority, even if it causes slower economic growth and some loss of jobs.	65	59.6	73.1
Economic growth and creating jobs should be the top priority, even if the environment suffers to some extent.	29.5	29.9	23.1
Don't know	5.5	10.4	3.8

Target (Target data source)	Target %	All respondents %	Confirmed participants %
Region			
North East	4	3.1	0
North West	11	14	23.1
Yorkshire and The Humber	8	6.2	5.8
East Midlands	7	6.4	3.8
West Midlands	9	8.4	9.6
East of England	9	8.2	3.8
London	13	21.7	23.1
South East	14	12	15.4
South West	9	7.3	7.7
Wales	5	4.4	0
Scotland	8	4.9	5.8
Northern Ireland	3	3.1	1.9

Report overview

The Assembly process involved lots of different types of activities – deliberating, learning, listening and recommending. To make the Assembly process easier to follow in this report, we have indicated with icons when these different types of activities took place.

This report provides an overview of the Assembly process, its informational inputs and the contributors from Nest and externally. Each day of the Assembly is described, along with key outputs and a flavour of the deliberations. The outcome of the Assembly process, the members' recommendations are included in at the end of this report. This is followed by a summary of member evaluation survey.

Chapter 2

Assembly Day 1

The first day of the Assembly started with an introduction to the Assembly process and time to introduce themselves and get to know the other participants. The day provided an introduction to workplace pensions and Nest and explored participants' own hopes and expectations of the future, and experiences of democracy in organisations.

Dr. Emmeline Cooper introduced the Assembly, discussed how participants had been selected and invited using sortition methods to reflect the wider membership as far as possible.



It is important that pension schemes like Nest, which are significant institutions, hear from their members and understand their views on complex investment matters, to guide their decision-making.



Dr. Emmeline Cooper

Senior Research Fellow and Lecturer,
Cranfield University

The Assembly's remit questions were outlined to the participants.

"How should Nest invest in the best interests of its members?" focuses on three questions:

- What values and considerations should guide how Nest invests?
- What is good ownership at Nest?
- What type of involvement, if any, should members have in how Nest invests?

Shared Future, the facilitation organisation, were introduced and Pete Bryant, Co-Director of Shared Future, provided an introduction to the four-day Assembly process to participants.



In this Assembly everyone is important. Yes, we will hear from external experts who know about investing, but you are the expert on your own values and the way you live your life, and we want to hear your voice and your perspectives.



Pete Bryant

Lead Facilitator,
Shared Future

Afterwards, Brendan McCafferty, Chair of the Nest Board, discussed the significance of this first Member Assembly for Nest. He stressed the importance of understanding members' perspectives for Nest, and for Nest to listen and respond to, their recommendations.



We hope that you are going to help us with giving our organisation, Nest, a set of recommendations that we can take away and use when we go about making decisions about investment.



Brendan McCafferty

Chair of the Nest Board

What makes a good conversation?

The Nest Member Assembly is designed to enable participants to deliberate together, ensuring everyone can participate in discussions and contribute their varied perspectives. Assembly participants were asked to consider the question of “what do you want us all to do to make it easier for you to be able to take part in the sessions?” and to identify the principles which they feel should guide the Assembly’s deliberations. In small groups, participants identified the key principles for good Assembly deliberations, and these nine sets of principles were summarised together by the organising team into one set, to guide all the interactions during the Assembly. Assembly members were offered the opportunity to amend these, if they did not agree with the summary.

Member principles on ways of working together in the Nest Member Assembly

1. Attentive, active listening, listen to everyone and don’t interrupt
 2. Be non-judgemental, all views are valid, be open-minded and willing to brainstorm
 3. Be respectful and try not take offence, respect others’ opinions
 4. Be gentle with each other, help create a friendly, relaxed environment, support each other
 5. Keep things confidential – what’s said stays in the room
 6. Don’t put people on the spot and be aware of the dynamics in the group
 7. Agree to disagree, and give people the benefit of the doubt
 8. It’s okay not to have a view
 9. Give everyone a chance to speak, don’t dominate conversations, but also feel able to speak up
 10. Don’t assume knowledge
 11. Explain things if they are not clear, and give examples. Use simple words, stay on topic, speak carefully, and tell me in idiot speak!
 12. There are no stupid questions!
- (For the organisers)
1. Don’t assume knowledge, have a clear plan, keep a record of points, provide good refreshments!



Deliberating: What future do we want?

Pension schemes invest for the long-term – and so the Nest Member Assembly started with a consideration of the future. The Assembly participants considered what the world and their lives will look and feel like in twenty years' time. Guided by a creative thinking exercise and a future visioning exercise, participants developed their own individual imaginaries for the future and shared these with others. These imaginaries began as individual visions for the future, but some cases developed into shared visions for the future. Visions were illustrated through drawings, collages, freeze frame scenario acting and developed in small group conversations. Whatever the medium, participants expressed their most important issues or sentiments about the future – including their hopes, aspirations and expectations. These visions were displayed for all to view and discuss, and some examples are presented overleaf.



When you look at all of our visions for the future there are so many things that run through them, so how are they investing to ensure these visions become a reality?



Assembly Member

Our Future (examples)





Learning: Workplace pensions in nutshell

To provide the Assembly members with some background on pensions, Dr. Suzy Morrissey, Deputy Director of the Pensions Policy Institute, a not for profit pensions research organisation based at Kings' College, London, provided an introduction to workplace pensions in the UK. Interviewed by Pete Bryant, Lead facilitator, Dr. Suzy Morrissey answered questions on: how workplace pensions differ from the state pension and their role in providing retirement income, automatic enrolment into workplace pensions, and why pensions money is invested. She also covered Nest as a defined contribution pension scheme. This is a scheme where money is paid in by members or employers over time and is invested by Nest. The size of your pension pot at retirement depends on how much was paid in and how well your investments have done. Following this, participants developed questions for Dr. Suzy Morrissey and she answered these in a plenary Q&A.

To watch Suzy Morrissey's presentation [click here](#). For further details on the Q&A questions and answers, see Appendix 2.



Dr. Suzy Morrissey

Deputy Director,
Pensions Policy Institute



Learning: An introduction to Nest's investment

To provide the Assembly members with background on Nest, Paul Todd, Chief Operating Officer of Nest Invest, provided an introduction to Nest and how it invests. Paul Todd's presentation addressed Nest as a pension scheme, its expected growth, and how Nest thinks about its investment strategy. Afterwards, participants developed questions for Paul Todd and he answered these in a plenary Q&A. Participants were sent the answers to any questions that there was not time to answer in the plenary Q&A.

To watch Paul Todd's presentation [click here](#). For further details on the Q&A, see Appendix 3.



Paul Todd

Chief Operating Officer,
Nest Invest

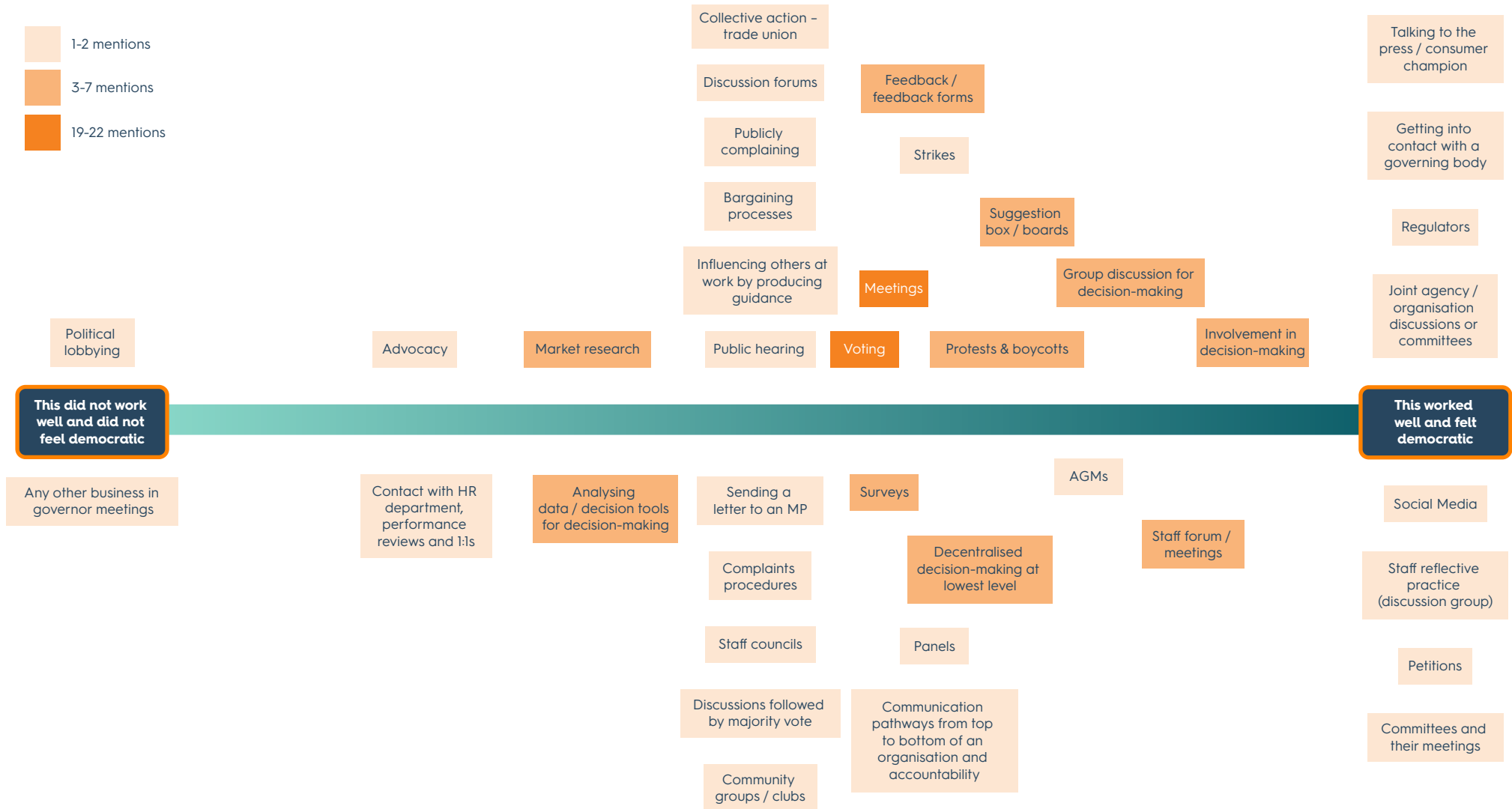
Deliberating: Our experiences of democracy in organisations

As well as discussing Nest's investment, the Assembly's remit also addressed the question of how members should be involved in how Nest invests. To start participants' conversations about member involvement, which would help answer the remit question "What type of involvement, if any, should members have in how Nest invests?" participants considered, in small groups, the different ways of getting involved in decision-making in groups and organisations (e.g. workplace, clubs, community). They discussed their experiences and observations of how people are involved in decision-making, and whether these felt democratic or not. Deliberations explored what effective democracy in states and organisations feels like, alongside considering what ineffective or non-democratic decision-making feels like. Each small group produced a visual spectrum of democratic practice in organisations, ranging from "this worked well and it felt democratic" at one end to "this did not work well and did not feel democratic" at the other end. Many different types of practices were discussed and placed on this spectrum, and each group's outputs have been summarised overleaf, reflecting all the different views expressed.

In summary, during the first day of the Assembly participants established how they would like to work together, and the principles that would underpin their deliberations and interactions. There was a focus on participants' own visions for the future and sharing these with others in the Assembly, to understand the varied perspectives better. Information on workplace pensions and Nest's own investment approach was provided for Assembly members, followed by Q&As with the speakers. To finish, members started reflecting on democracy in organisations and expressing their views towards effective and ineffective democratic decision-making.



Democratic practice in organisations and everyday life: What works well and feels democratic?



Chapter 3

Assembly Day 2

During the second day, the Assembly programme focused on developing participants understanding of investment, responsible investing and ownership, and the likely impacts of different investment approaches. Participants also discussed their views towards member involvement in decision-making. These themes were identified as important areas to learn about, and reflect upon, to help the Assembly members answer the remit questions. Participants discussed and prioritised 14 different investment topics and suggested their own additional topics of interest.



Learning: What is investing and how can it affect my and our future?

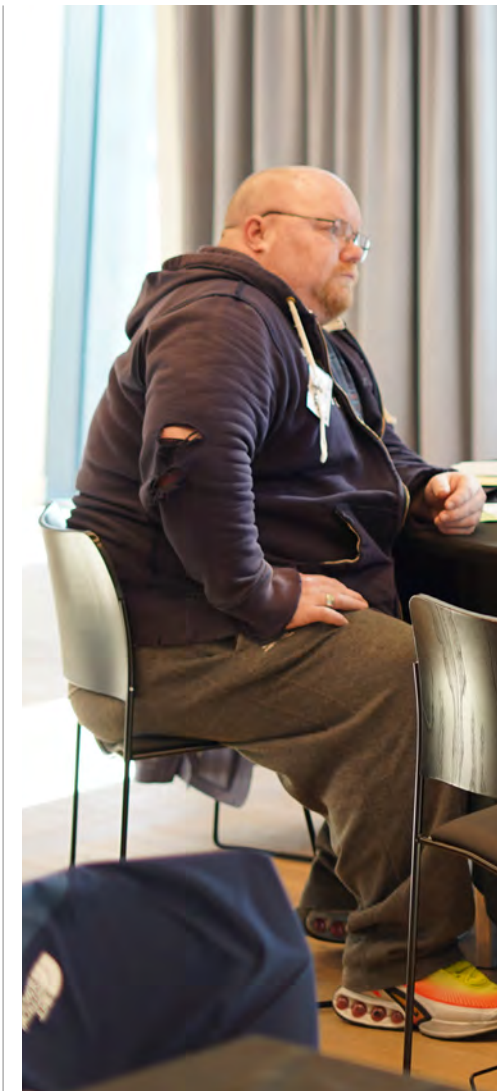
To provide some background on what issues are considered by investors, Iain Clacher, Professor of Pensions and Finance, University of Leeds, provided the Assembly with an introduction to investing. He addressed key concepts of uncertainty and volatility, risk, diversification and trade-offs. This was to provide members simply with an orientation towards the concepts that inform investment decisions, to help them understand the “industry perspectives” provided in Day three. Afterwards, participants developed questions for Professor Iain Clacher and he answered these in a plenary Q&A.

To watch Professor Iain Clacher’s presentation [click here](#). For further details on the Q&A, see Appendix 4.



Professor Iain Clacher

Professor of Pensions and Finance,
University of Leeds





Learning: What can responsible investing achieve and not achieve? Focus on ownership

To what extent can Nest, have an impact on companies by using its ownership rights in its investment approach? To provide some background on this, Sarah Brewin, Stewardship Impact Lead from an NGO ACCR, provided the Assembly with an introduction to ownership. She addressed key issues such as ownership rights and activities in public markets, and also private markets, and what responsible investing can and cannot achieve through ownership. Afterwards, participants developed questions for Sarah Brewin and she answered these in a plenary Q&A.

To watch Sarah Brewin's presentation [click here](#). For further details on the Q&A, see Appendix 5.



Sarah Brewin

Stewardship Impact Lead,
NGO ACCR



Learning: What can responsible investing achieve and not achieve? Focus on impact

Assembly participants were introduced to the idea that to answer the remit, they will need to think about the ways in which investing can have an impact on companies, economies and the wider world. The Assembly discussed, in small groups, their own perspectives on the types of impact, if any, investing could have. Following this, the groups discussed their views on the various ways in which investing could have an impact. Inspired by a research-based teaching game developed for investors, the groups were presented with three paths to impact through investing. The three paths focused on investing to: (1) help build new solutions and growth, (2) use your investor voice and influence companies, and (3) send a clear signal, with real-world examples available for discussion. Facilitators clarified these paths can be used together, or separately. Participants discussed their views on these different approaches in small group discussions.

To view the research ("The Investor's Guide to Impact") which inspired the materials used please [click here](#), to view the materials which the small groups discussed and reflected on, see "impact sheets" Appendix 6.



I think path one, because you're looking at the future and that's the pension's about, for the future, and this is investing in the future.



It's sending a signal to other companies, not just our company. And maybe both will also read message and maybe it would have an impact. I'm not sure if other companies are also facing the same thing, but it's sending a signal. These companies will also have access to my message, and I also want to hear from them.



Assembly Members

Deliberating: Assembly Members' prioritisation of topics for weekend two

To provide further background information on different investment themes and the types of trade-offs involved in investing, a set of 14 different investment topics were identified by Nest Invest, with these topics agreed by the External Advisory Group. Before considering these, the Assembly participants discussed the question "What topics should we focus more on in our next weekend?" This produced an additional four topics. Together, they deliberated on all the topics and prioritised seven which they would most like to talk through in weekend 2. The results of this was shared with participants at the end of the day.

The full list of topics for weekend two, including those proposed by Assembly members, is included overleaf, followed by their prioritisation of these topics.

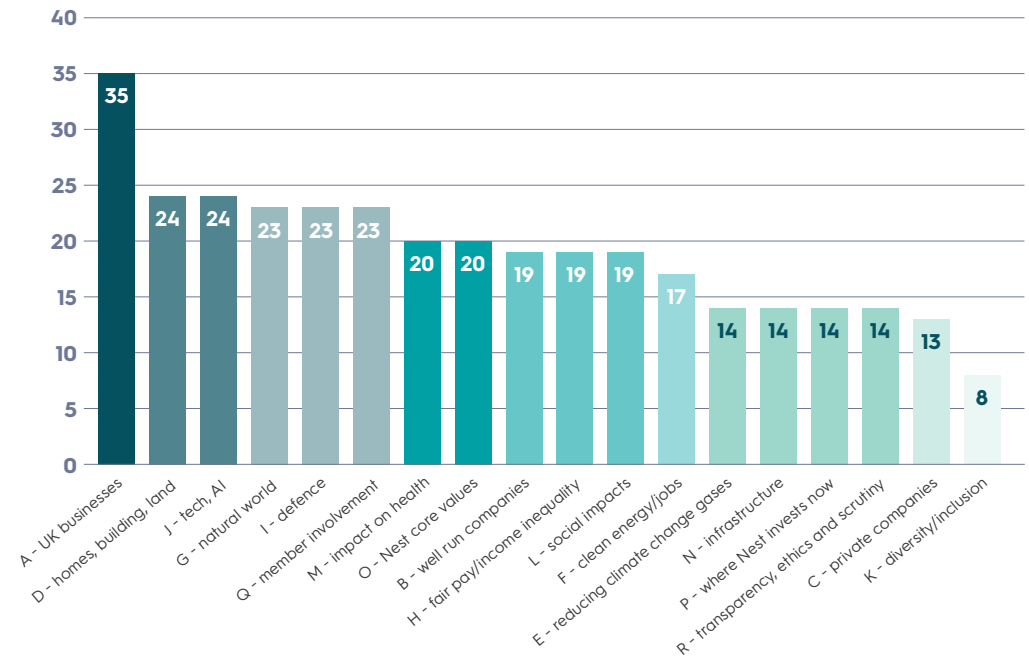


- A. Investing in UK businesses**, including large and small firms
- B. Ensuring companies are run well and responsibly** (including governance, ethics, taxation, lobbying)
- C. Investing in private companies** – the risks and opportunities compared with public companies
- D. Investing in homes, buildings and land (including affordable housing)**
- E. Investing to reduce the harmful impact of climate changing gases**
- F. Investing in a move towards an economy of clean energy and jobs**
- G. Investing which considers risks and opportunities in the natural world and preserving nature**
- H. Investing which considers if people are paid fairly (including income inequality), working conditions, decent work** etc.
- I. Investing in a way which considers the role of defence, and the impacts of weapons-related investments**
- J. Investing with a consideration of technology, AI (Artificial Intelligence) and social media**
- K. Investing with a consideration of diversity and inclusion** in companies
- L. Investing with consideration of the negative social impacts of companies and products, including human rights**
- M. Investing with consideration of the negative health impacts of companies and products**
- N. Investing in infrastructure** (for example, transport, telecoms, energy systems etc.)

Topics Proposed by Assembly Members

- O. Nest core values, mission, vision, framework and principles** Nest is currently using to inform investment decisions
- P. Where** Nest invests now
- Q. Nest member involvement** in investment decision-making now and in the future
- R. Transparency, Ethics and Scrutiny** of Nest investments

Assembly Members Prioritisation of Topics



Overall, information on investing in UK businesses was highlighted as most important by Assembly members (35), but other themes were also given high priority, such as investing in homes, building and land and tech / AI (24 each), and the natural world, defence, and member involvement (23 each). Slightly fewer prioritised impacts of companies on health, and information on Nest core values (20 each), along with information on well-run and responsible companies, fair pay / income inequality, and social impacts of companies (19 each), and clean energy and jobs (17). Least prioritised topics were information on reducing climate change gases, infrastructure, where Nest invests now, and transparency, ethics and scrutiny (14), information on private companies (13) and diversity / inclusion (8).



Learning: In the future, what type of involvement, if any, should members have in how Nest invests?

Building on participants' deliberations on democracy and decision-making in organisations, Dr. Emmeline Cooper provided an overview of Nest's current governance and the way in which members are involved in representing member interests, along with a range of common models for involving members in pensions governance in different pension schemes across different countries. This information was provided to the Assembly to spark thoughts and reflections on the positives and negatives of different ways of approaching members' involvement in scheme governance.

To click on the presentation on member involvement, [click here](#).



Dr. Emmeline Cooper

Senior Research Fellow and Lecturer,
Cranfield University



Deliberating: How could members be involved in decision-making?

Following the presentation, Assembly members deliberated on these different approaches, discussing their different features and expressing their opinions on why particular approaches, and their characteristics, were effective or not. Assembly members discussed their views in four different groups, explaining to others why they thought some approaches were better than others. Afterwards, Assembly members were invited to individually record any ideas for recommendations on how members should best be able to influence investment decisions, and a snapshot of these comments are illustrated overleaf.



Annual General Meeting (AGM)

"Anyone can attend this but people's voices could get lost and not have enough time to get all opinions"

"This should be happening more than once a year, it should include a number in the hundreds, with a portion of elected members based on some criteria in addition to a randomised remaining portion based on engagement with the organisation and then on demographics as well"

"I like that in an AGM members who are interested can meet and talk"

Member Assembly

"Member assembly involves good numbers of members, good mix of small table discussions versus large group discussion. Good mix of people i.e. backgrounds, opinions, views"

"In a member assembly facilitators can help people express their views. If people have to do things by themselves they might not understand what they are being asked, and just go off on a tangent"

"Member assembly represents the diversity of nest members. People attend from all over the country coming from different age groups ethnic backgrounds etc. This gives Nest a broad view of their members' opinions"

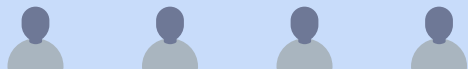
Member Council

"None of the options are perfect (one doesn't exist), but the Member council has enough diversity in the terms of who makes up the council so members' voices can influence the decisions made"

"Member Council - smaller groups - bigger voice"

"A Member Council - however! - all people need to have nest pensions, at least 50% minimum, and 65% would be ideal"

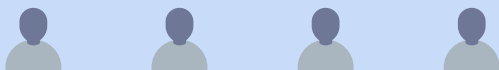
Board, with members as trustees



"Member elected trustees for a trustee board, (elected) from the assembly"

"If the Board is in front of members, it makes them accountable"

"I also like the member elected trustee model, as this should be elected by members"



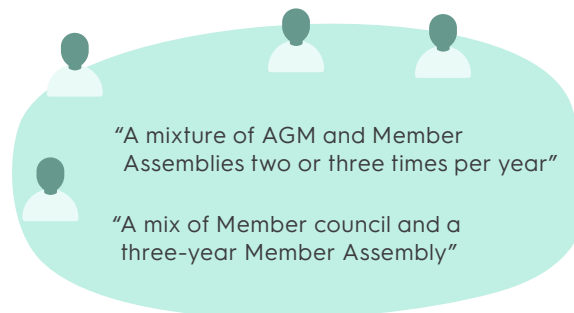
Combined Models



"Can we test multiple options with different benefits from each considered? I have only been to a Member Assembly so only have this experience"

"Member Assembly is good for largest representation. Voices could get lost. Great in conjunction with another method, like elected members on the trustee board. Big group to get general ideas, which are filtered to more knowledgeable group who know what they are on about"

"Member Council supplemented by an AGM and a two-yearly Member Assembly. The Member Assembly should be used to gather information / review on Nest's priorities and values. The AGM should involve a vote on each priority / value, the outcome of which would become a recommendation to the Member council and board. This would be to ensure input at every level and that priorities can change and update"



"A mixture of AGM and Member Assemblies two or three times per year"

"A mix of Member council and a three-year Member Assembly"



"In-person means a cross contamination of values. However, louder members might influence others, this is lower accessibility for less mobile members, and loud rooms means less accessibility for members with limited English. Therefore, survey data should be collected and discussed in Member Assemblies so that circle of representation can be expanded - data privacy needs to be adhered to"

In summary, the second day of the Assembly covered investment and member involvement topics, and enabled participants to ask questions and deliberate together on these. These themes were identified as important areas to learn about, and reflect upon, to help the Assembly members answer the remit questions. To feed into weekend two, participants discussed and prioritised 14 different investment topics and suggested their own additional topics they wanted to hear more about.

Chapter 4

Assembly Day 3

The Assembly members came together for a second and final weekend in London. During the first day of this weekend, Assembly members heard from a range of different speakers, receiving further information on the topics they highlighted in Day 2, as well as the 14 strategic investment topics identified by Nest. Together, supported by facilitators, they began the process of deliberating on, and writing, the recommendations.



Listening: Responding to Assembly members requests for further information

During weekend one Assembly members suggested further topics (O-R) they wanted to hear more information on, and the Assembly organisers and Nest responded in the following ways:

O: Nest core values, mission, vision, framework and principles Nest is currently using to inform investment decisions

Diandra Soobiah, Nest's Director of Responsible Investment, was invited to Day 3 to provide further information how Nest invests.

P: Where Nest invests now

Information on how Nest invests was shared with participants (see Appendix 7).

A glossary of investment terms was also provided (see Appendix 8).

Q: Nest member involvement in investment decision-making now and in the future

Further information on this was provided later in Day 2 (see sections 5. And 6., and reviewed again during Day 3).

R: Transparency, Ethics and Scrutiny of Nest investments

Catherine Howarth, Nest Board member (and CEO of Share Action), was invited to provide further information on this in Day 4.



Learning: How Nest invests

To provide Assembly members with further background on how Nest invests, Diandra Soobiah, Nest's Director of Responsible Investment provided an overview of Nest's approach to responsible investing, covering the assumptions and considerations that drive investment decisions, and how decisions are made on what issues are most important. Assembly members were informed that both Diandra Soobiah and Chloe Horne, Responsible Investment Manager, were available throughout the day to answer their questions on how Nest invests.

To access Diandra Soobiah's presentation [click here](#) and to watch it [click here](#).



Diandra Soobiah

Director of Responsible Investment



Learning: Hearing from speakers providing “industry perspectives”

To provide Assembly members with a more detailed understanding of specific investment themes, the Assembly invited 14 speakers from across industry, NGOs and universities to present an overview of a specific investment issue. Presenters were briefed to present on a particular topic and to explain why it is relevant, how it is addressed, the positives and negatives for Nest and its members, and others such as the non-human, for example climate or nature, the trade-offs, and the balance of opinion across the industry on the topic.

Each speaker summarised their speaking points in a PowerPoint presentation, which was available (in paper format) for Assembly members to look through during the small group presentations. Speakers’ presentations were followed by Q&A with Assembly members. The small group format helped to encourage as many members as possible to ask critical questions.

Each Assembly member could choose which speaker presentation they wanted to attend, and had the opportunity to hear from three different speaker presentations in total.

The list of the speaker topics, and the speakers’ names, are included below.

To view the speakers’ PowerPoint presentations [click here](#).

Day 3: 14 Different “industry perspectives”

Topic	Speaker
A. Investing in UK businesses , including large and small firms	Lord David Pitt-Watson , Fellow, University of Cambridge, Judge Business School
B. Ensuring companies are run well and responsibly (including governance, ethics, taxation, lobbying)	Deborah Gilshan , AustralianSuper, an Australian pension fund
C. Investing in private companies - the risks and opportunities compared with public companies	Andrew Doyle , Willis Towers Watson, a financial Consulting firm
D. Investing in homes, buildings and land (including affordable housing)	Guido Verheof , PGGM, a pension scheme in the Netherlands
E. Investing to reduce the harmful impact of climate changing gases	Valentina Ramirez , Institutional Investors Group on Climate Change, a not-for-profit pensions industry collaboration
F. Investing in a move towards an economy of clean energy and jobs	Marcin Kacperczyk , Professor of Finance, Imperial College
G. Investing which considers risks and opportunities in the natural world and preserving nature	Andrew Howard , Schroders, an investment firm
H. Investing which considers if people are paid fairly (including income inequality), working conditions, decent work etc.	Tom Powrdill , Social Governance, a consultant for the pensions industry
I. Investing in a way which considers the role of defence, and the impacts of weapons-related investments	Dan Neale , Church Commissioners for England, an ethical and responsible endowment fund
J. Investing with a consideration of technology, AI (Artificial Intelligence) and social media	Christine Chow , Appointed Advisor, Accounting and Financial Reporting Council
K. Investing with a consideration of diversity and inclusion in companies	Mitesh Sheth , a consultant for the pensions industry
L. Investing with consideration of the negative social impacts of companies and products, including human rights	Luda Svystunova , Amundi, an investment firm
M. Investing with consideration of the negative health impacts of companies and products	Gregg Garrett , ATNI (Access to Nutrition Initiative) a charity that rates big food companies on how healthy and responsible they are, and uses the results to push them to improve
N. Investing in infrastructure (for example, transport, telecoms, energy systems etc.)	Phelim Bolger , IFM, an infrastructure investment firm (owned by pension funds, including Nest)

Deliberating on “industry perspectives”

During the presentations, facilitators joined the largest groups to guide the discussion and ensure all participants were able to ask questions. After each presentation, Assembly members commented by noting their conclusions about the topic on post-it notes, highlighting issues specifically relevant to the theme but also wider, more general, conclusions about how Nest invests. These comments were collated by facilitators during lunch and grouped together into nine themes, based on the similarity of the comments raised by participants. These nine grouped themes structured the development of the recommendations. The grouped themes are:

Group 1	(A) Investing in UK businesses and (C) Investing in private companies
Group 2	(E) Climate changing gases, (F) Clean energy and jobs and (G) Natural world and preserving nature
Group 3	(B) Ensuring companies are run well and responsibly
Group 4	(N) Investing in infrastructure
Group 5	(M) Health impacts of companies and products
Group 6	(J) Technology, AI and social media
Group 7	(K) Diversity and inclusion, (L) Social impacts of companies and products, including human rights and (H) fair pay (including income inequality), working conditions, decent work etc.
Group 8	(I) Defence and impacts of weapons related investments
Group 9	(D) Homes, buildings and land (incl. affordable housing)

Recommending: Drafting recommendations

The process of drafting and agreeing upon the recommendations began with Assembly participants returned to their visions of the future they developed on Day 1. After hearing the perspectives of those in the industry, it was important to highlight the central significance of participants’ own values, hopes and aspirations in the development of the recommendations. Following this, participants chose which of the nine themes they would like to develop recommendations for and worked in small groups to review other participants’ comments on the themes, add their own thinking, and develop draft recommendations for each theme. Participants worked on several themes in several rounds, adding different perspectives, and shaping recommendations further.





Learning: An introduction to key trade-offs in investing in affordable housing

Nest invests to grow its members savings, and take people and the planet into account. To achieve this, Nest will also consider the trade-offs between different options in investing.

Throughout the Assembly, participants were familiarised with the idea of trade-offs in investing, and to explore this issue in greater depth, Chloe Horne, Nest Responsible Investment Manager, presented an investment scenario of investing in housing to Assembly participants. Chloe Horne's presentation discussed two hypothetical investment opportunities to illustrate the potential pros and cons of two very different options.

To access Chloe Horne's presentation [click here](#) and to watch the presentation [click here](#).



Chloe Horne
Investment Manager,
Responsible Investment



Deliberating: Trade-offs in affordable housing

Following the presentation on the trade-offs involved in investing in affordable housing, Assembly participants joined discussed their response to the question of whether to invest in affordable housing. Positioning their opinion on a scale up to 5, participants expressed their views towards the option of investing in affordable housing or alternatively investing in luxury housing in Dubai, with some participants choosing to explain the reasons behind their opinions, touching on a range of issues, for example: "you should create jobs for people in the UK and help the UK first", "the UK housing market could go south or bust" and "need to think about social benefit and reducing homelessness". This activity took place in four different larger groups.



The views of Assembly members towards investing in UK affordable housing or luxury housing in Dubai were measured before and after the Assembly using an online survey question. The survey question asked:

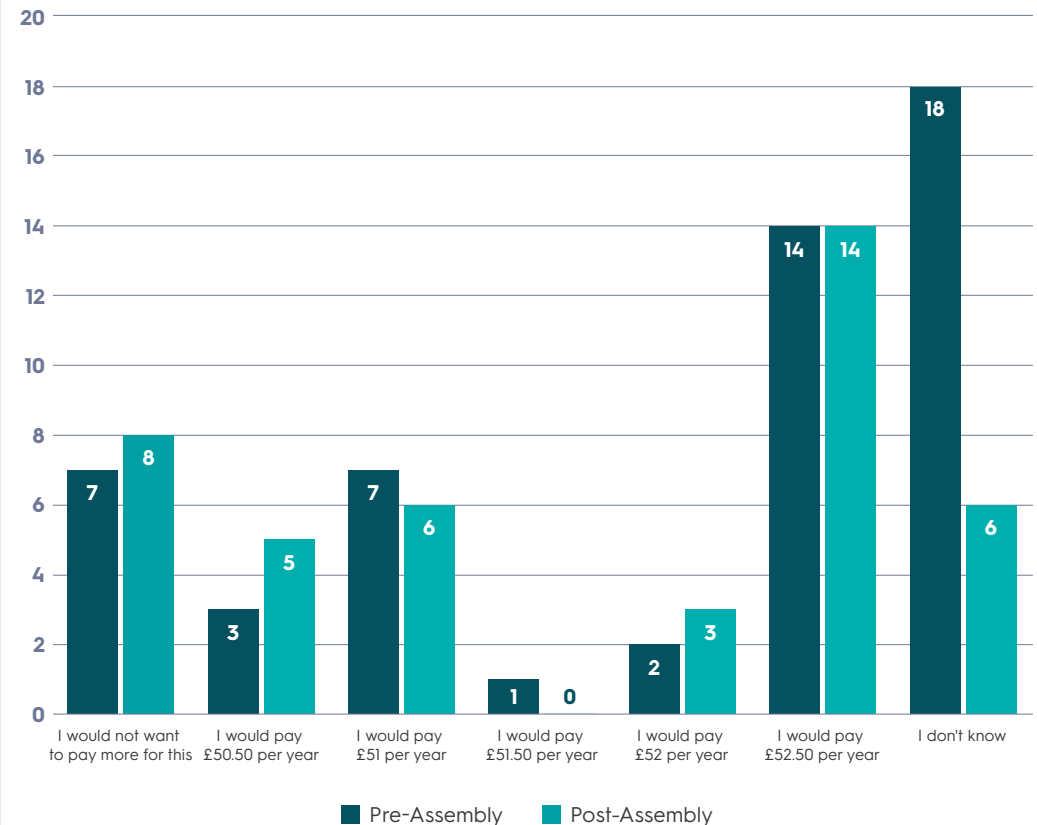
We now want to ask you a question about an imaginary scenario. This is just an example, and it is not based on your current pension pot. Imagine that your pension scheme is providing strong growth in your pension. It offers you the opportunity to invest in way that increases the quality and affordability of housing. The pension scheme currently takes out £50 per year in charges. How much extra, if anything at all, would you be willing to pay in charges, for improving the quality and affordability of housing?

The findings indicate that involvement in the Assembly improved participant's knowledge, stemming from the presentation and their collective deliberations, with fewer participants saying they "don't know" to this question. Overall results illustrate that the spread of opinion remained relatively similar.

At the end of the third day Charles Pears, Chair of Nest Member Panel offered a few words and thanked the assembly for its work.

In summary, during the third day of the Assembly participants interacted with lot of different professional perspectives on investing and responsible investing. Assembly participants heard more about Nest's investment strategy, and strategy and heard from 14 different industry perspectives on investing and responsible themes. The issue of trade-offs in responsible investing was also addressed through a detailed reflection on the case for investing in affordable housing in the UK vs. luxury housing in Dubai. Drawing on their experiences of Day 1, 2 and 3, Assembly participants started drafting their recommendations for Nest.

How much extra, if anything at all, would you be willing to pay in charges, for improving the quality and affordability of housing?



Sample sizes (52 (pre) and 42 (post) Assembly participants)

Chapter 5

Assembly Day 4

During Assembly Day 4, Assembly participants were provided with further information about transparency, ethics and scrutiny of Nest investments, an issue which participants raised as something they would like to hear more about. Building on their draft recommendations, Assembly members further developed, and finalised these, so they could be voted on after the Assembly.



Learning: Transparency, Ethics and Scrutiny of Nest investments

At the beginning of Day 4, Assembly members heard a presentation from Catherine Howarth, Nest Board member and CEO of the NGO Share Action. Catherine Howarth was invited to participate in the Assembly to respond to Assembly members' request for more information on transparency, ethics and scrutiny of Nest investments. Her presentation addressed the importance of trust, transparency, responsible decision-making and accountability to Nest's members.

To watch Catherine Howarth's presentation [click here](#). For further details on the Q&A, see Appendix 9.



Catherine Howarth

Nest Board member and CEO,
NGO Share Action



Recommending: Finalising recommendations on member involvement

Building on the thinking developed in the first weekend on member involvement in decision-making, some Assembly participants discussed, in a small group, the draft principles on member involvement and refined these further. This resulted in a set of principles that assembly members felt should be applied if "Nest involves members in decisions about how Nest invests". Alongside this, other small groups discussed their recommendations for how specific models could be implemented. These self-selecting small groups focused on a Member Council, a Member Assembly, forms of mass engagement at scale, including surveys and other ideas outside of these models. With the help of facilitators, each of the groups finalised a set of recommendations on each.



It's wonderful seeing the quality of the output you've produced..... It's fair to say that everything here are things that we are grappling with and have grappled with.



In four days you've gone from zero to hero in understanding the trade-offs and difficult decisions that sit behind pension fund investing.



Sally Bridgeland
Chair of the Nest Invest Board



Recommending: Finalising recommendations on investing

Together, Assembly participants deliberated and worked on finalising the recommendations with the support of facilitators during the final day of the Assembly. Participants viewed draft recommendations, and added comments, where they wanted to express an opinion on these. They then joined a table to discuss these draft recommendations, along with the associated comments, and deliberate together, working towards finalising them.

- As well as developing specific recommendations for each of the 14 investment topics, Assembly participants considered wider concerns, and recommendations were developed on these
- Participants were encouraged to make the recommendations as understandable and appealing as possible

- Those who disagreed with recommendations, even after deliberating as a group, were reminded that ultimately, they still had the option of disagreeing with a recommendation through their individual votes. In addition, they were reminded that they could also record their comments on each recommendation in the voting survey
- Once recommendations were finalised, these recommendations were displayed for all Assembly participants to view, and participants had further conversations, sharing and discussing their views on the recommendations further

Sally Bridgeland, Chair of the Nest Invest Board, thanked the Assembly participants for their commitment and enthusiasm in bringing their voices into Nest's governance, and strengthening Nest.



Sally Bridgeland
Chair of the Nest Invest Board

The final day of the Assembly began by participants hearing from Catherine Howarth about governance issues at Nest. Working together, Assembly participants finalised a set of recommendations which answered the Assembly's remit "How should Nest invest in the best interests of its members?" In the following weeks, Assembly members voted on these recommendations using an online survey format designed and supported by Shared Future, the independent facilitation organisation.

The Nest Member Assembly



Chapter 6

Recommendations and Comments

The following recommendations were written by Assembly members, supported by facilitators, in response to the Assembly remit:

How should Nest invest in the best interests of its members?

1. What values and considerations should guide how Nest invests?
2. What is good ownership at Nest? (What should good use of Nest's stakes in companies look like?)
3. What type of involvement, if any, should members have in how Nest invests?

Assembly members were asked to vote on a scale of "strongly agree" to "strongly disagree" for each recommendation. The total number of votes for all categories (with 1 or more votes) are presented in bar charts for each recommendation. The 37 recommendations are ranked, with each vote worth the following number of points:

Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
+2	+1	0	-1	-2

The maximum achievable score, based on 48 Assembly members voting, is 96.

During the voting, participants had the opportunity to provide additional comments, explaining their reasoning. All comments are listed, in rank order, according to the strength of participants' agreement or disagreement with the recommendation.

These recommendations will be carefully considered by the Board and Nest will publish a response in the Autumn, explaining how the recommendations have informed the Statement of investment principles and Nest's investment approach.

The recommendations are grouped into the following themes and ranked within these. The themes are presented alphabetically.

1. Climate, Clean Energy and Nature
2. Defence, and Impact of Weapons
3. Fair Pay and Inequality
4. Good Ownership
5. Health and Food
6. Homes, Buildings and Land
7. Human Rights, Diversity and Inclusion
8. Infrastructure
9. Member Choice
10. Member Involvement
11. Private Companies
12. Shaping the System
13. Targeted Employer and Member Communications
14. Technology
15. UK Investment

Assembly members were also invited to comment on each recommendation. These comments can be found after each recommendation.

1. Climate, Clean Energy, and Nature

Recommendation

1. Score: 65 | Rank: =10th

Nest should invest in clean energy and jobs for the future (with a clear step by step plan for the transition). This must be through a wide portfolio, because government policy on this can be unpredictable. Such investment must guide against companies doing good stuff but at the same time investing in environmentally damaging activities, e.g. sea floor dredging and not considering the full environmental and social impact of its actions.

Nest should invest in sustainable energy infrastructure in the UK. This includes areas such as hydro farms, hydroelectric dams, power delivery infrastructure and battery storage facilities. Green energy requires strong infrastructure in order to succeed and investment in this area enables expansion of renewable energy overall. By strengthening energy infrastructure, Nest can support the transition to greener energy systems.

25

18

3 11

Member comments

Strongly Agree

- Investors should put into consideration that nature lives in cycles and can suddenly change to its original state or even better and so investors should go by the flow
- I agree but the definition of green energy is complex and what is green energy etc. and ensuring that it isn't damaging another area of the environment in other ways etc. as with all these areas the complexity is behind the statement
- I'm for this. If there was only one thing I could vote for it would be this one, Scotland has enough wind power but a lack of storage to bank this power for the less windy days. Nest needs to invest in this most of all in my opinion
- Maybe we could eventually get to sell our spare green energy capacity to other countries and offset UK energy bills rather than continue to import more expensive energy just to keep the lights on at home right now. That needs a compelling vision and strategy members could get behind

- Nest could look into companies' achievements in other countries in this field and it could even invite the companies with good credentials to the UK offering investment. They would not only help deliver green energy transition but would also create jobs and infrastructure in the UK

Agree

- Not just in the UK as an island nation we frequently need to secure additional energy supplies from overseas to meet demand, therefore it is prudent to encourage our overseas suppliers to be cleaner where possible

Disagree

- Unless investment in "clean energy" means investment in nuclear power stations being built

1. Climate, Clean Energy, and Nature continued

Recommendation

2. Score: 64 | Rank: =13th

Nest should invest in initiatives that preserve nature. Nest should also ensure that all companies it invests in reduce nature impacts as a matter of course.



Member comments

Strongly Agree

- Find ways and means to preserve the nature and still proceed with investing or otherwise, changes the location
- A lot of companies or industries can't materially actively reduce impact on nature, but could be pledged to not increase any future impacts through some form of best practice sign up and adherence
- This would be my first choice if we need to rank. We only have one Earth and it badly needs us. Invest in "not so sexy" (as one of the speakers called it) environment projects which are not constantly in the headlines but actually have a very important and often greater environmental impact. Explain clearly the rationale

Agree

- Particularly applicable to water companies and de-forestation practices
- Would like to see more detail on what is currently done

Recommendation

3. Score: 59 | Rank: =21st

Do more to encourage supermarkets to reduce food waste to protect the environment. They should be giving out more food to the community, even if this imposes logistical challenges (e.g. around health and safety concerns) that may affect profit margins. Nest should influence government to ensure supermarkets face less legal and reputational risks from doing so.



Member comments

Strongly Agree

- Nest's voice is effective and it can easily bring about change
- Nest and other companies really need to push on this, wasted food makes no sense at all and is being thrown in the bins when many don't have anything to eat

Agree

- This is achievable. I feel single use packaging is a more urgent focus to lobby governments around the world about as a lot less is being done at all levels of the supply chain to reduce this. We could legislate against single use plastic today, the technology for alternatives is available now
- We're logically possible. There are laws in place with regards to food safety and distribution of food nearing expiry. So if they can help then great but be realistic. Food waste is inevitable

1. Climate, Clean Energy, and Nature continued

Neither Agree nor Disagree

- I don't think that this is something Nest should do. I think stronger policies are needed from government, not from Nest
- They can support these things but as someone who has worked in hospitality for years the food waste I see is mainly from that sector. We're as supermarkets are reducing foods earlier to sell before dates and clearing out reduced sections earlier to send off to local food banks and churches. This needs to be supported

Recommendation

4. Score: 58 | Rank: 23rd

Nest should:

- Create a clear, compulsory framework for the companies we're invested in to demonstrate (prove) their social return. This framework should be based on members values, ESG* (Environmental, Social, and Governance) reporting, and apply to the companies' whole supply chain. The framework should have 3 clear tiers to show achieved targets over the medium to long term
- Asset managers must be accountable to Nest and they should use their influence to make sure companies are adhering "keeping the pressure on them to stick to the ESG framework and build on it"
- Strengthen the Nest voting policy so that there will be consequences for companies who do not adhere! (e.g. publish a list of companies across sectors and publicly vote against their boards)
- Be advocating for good corporate governance that raises the bar!

* Which should include specific focus on gender diversity with compulsory for women to be represented at 50% of the Senior Board / Workforce.



Member comments

Strongly Agree

- Representatives for different departments acquire specific knowledge and information for specific individuals in a working environment which helps to boundaries and expectations
- Good results are not determined by a person's gender, but by their knowledge of that field of work. Gender percentages can fluctuate... but there shouldn't be a big difference
- Although quotas such as this can be counter-productive
- Hopefully the fund managers are already doing this. But to strengthen and enforce ethical investing is always a good thing

Agree

- I don't agree it should be compulsory to publish exclusions ahead of time, this has market implications for stock sales. There is quite a strong media following of Nest investments, the exclusions will be noted after the fact. I do not want women appointed as board members because they are meeting a quota, I want the hirers to seek out the best performers and expect them to find and welcome women
- Needs more clarification in terms of what's possible and what measures will be taken
- Nest should advise and act on achieved ESG values carefully taking into account all factors. I think, 50% women workforce can't be achieved in all sectors and there are good reasons for that. Nest shouldn't punish without careful analysis

Neither Agree nor Disagree

- The priority still needs to be ROI. Social impact isn't Nest's primary function. But where possible, Nest should absolutely leverage influence on these topics

1. Climate, Clean Energy, and Nature continued

Recommendation

5. Score: 57 | Rank: 24th

Climate change must be addressed by Nest in its investments, this means:

- Requiring performance audits and regular conversations with companies to check / encourage them to change (to check against “greenwashing”)
- Prioritising investing away from fossil fuels
- Pension schemes working together to have more power to push for change in this direction, both with companies and lobbying the government

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Member comments

Strongly Agree

- Nest’s voice is influential and powerful that it can bring about unbelievable change instantly for the good of us all
- Particularly with USA rollback on previous legislation recently
- Whatever comes above “strongly agree”! P.S. so grateful for the chance we have had to articulate these hopes and fears!



2. Defence and Impact of Weapons

Recommendation

1. Score: 56 | Rank: =25th

We recommend that Nest continues its current policy in relation to defence i.e. default fund investment in defence (including nuclear) but in line with UK minimum legal requirements no investments in controversial weapons (cluster munitions, chemical and biological weapons, anti-personnel land mines).



Strongly Disagree: 0

Member comments

Strongly Agree

- We need defence investment for security and safety for property, lives, etc.
- Investment in defence is just that “defence” yes of course we know that these same companies make components for weapons and or complete weapons but generally its a preventive action rather than attack
- Nest should look to doing more than the bare minimum, it has not been legal to fund land mines or cluster bombs for some time. We should look to be setting the bar higher so others follow suit

Agree

- Would be good to keep an eye on this percentage which is low at the moment (less than 1%). How do we know that it won't increase at any moment? Transparency
- Prioritise weapon decommissioning, mineral stripping and recycling, metal recycling and reusing
- Defence is one sector that I wouldn't invest in. If it has to be done please do it in the most transparent and less destructive way not only for humans but for the environment

Disagree

- I think defence will become a bigger issue in the current climate. Defence will need investment much as that is difficult to think about
- I believe more can be done on this point. A slightly different approach could be used, like the one of Church of England presentation
- Borderline disingenuous to promote this legal bare minimum as a socially responsible investing position. Nest should be modelling a high level of end-to-end scrutiny into all arms investments in recognition of e.g. the ECGD's role in 95% of developing-world bilateral debt

3. Fair Pay and Inequality

Recommendation

1. Score: 46 | Rank: 34th

Nest should work to reduce pay inequalities. This should include, for all companies Nest invests in (in the UK and globally), Nest working to:

- Lessen the pay gap between the highest and lowest paid employees
- Close the gender pay gap
- Address age related inequalities, including poor pay for young workers
- Tackle poor pay for agency workers, including ensuring that pay recognises experience
- Stop differences in pay based on ethnicity

Ways Nest should go about achieving this include:

- Nest should pressure companies in the UK to pay the living wage, and lobby the government to make the living wage a legal requirement and monitor compliance
- Nest should work with other investors to ask the right questions of, and put pressure on, companies globally to respect human rights, and provide excellent working conditions and reasonable pay

- Nest should ask companies to be transparent with Nest, over and above what's on the public record, about pay inequalities within their companies, and staff welfare
- Nest should ensure companies meet legal requirements on pay and working conditions
- Nest should base its approach on research and evidence about what causes low pay



Member comments

Strongly Agree

- Base payments on specific job descriptions and adhere to them unless circumstances such as government policies, the company's economic down-fall, promotion, etc., emerge
- This could be a real opportunity for Nest to trailblaze in this area: become known for linking pensions with worker rights and fairness in the workplace

Agree

- I agree in principle but there will need to be different approaches / strategies for attaining this abroad versus applying pressure within the UK and Europe. Working conditions also very widely dependent on which industry is being assessed. How many companies within the contracting chain are we working with?
- I agree with this recommendation for the most part, the gender pay gap is a pressing issue however a large part of the gender pay gap is a lack of affordable childcare. If there was more affordable childcare or greater government assistance then you would have more women returning to work

- Again, how does a whole global index investment potential get assessed and tracked. A great ideal, but is this really a realistic proposition
- Nest should choose companies with good credentials. However, it can't and in my opinion shouldn't become a detective and / or police. Nest should always act on good faith and trust

Disagree

- Nest can certainly influence its concerns by choosing NOT to invest in a particular company / region / country for the above reasons and publish the fact expressing it openness to re-evaluate when those concerns have been addressed and are no longer problems

4. Good Ownership

Recommendation

1. Score: 48 | Rank: 32nd

Nest should support the companies they're invested in to enable their employees to share their experiences of that company because employees aren't all being given the privilege to speak up. Employee voices should be heard. Surveys are a good way to do this (anonymously). It's also a good way for positive things to come out (about that company). They / we will have an idea about what is "good" and what is "bad" in the businesses we invest in.



Strongly Disagree: 0

Member comments

Strongly Agree

- Yes, survey (anonymously) is the best tool for the truth of the state of affairs beneficial for both the investor and the employees
- Nest can encourage fairer employee treatment and I would strongly support that. Don't want Nest to become a private policing body though

Neither Agree nor Disagree

- As part of the due diligence process I would expect Nest to check any legal disputes or grievances raised, audit the pay and hiring / recruitment policies. Not sure about canvassing employees, staff turnover tends to a good indicator how well a company treats their staff
- Not sure the recommendation is clear or specific enough - would Nest be individually requiring companies survey their staff or would Nest be looking to sign up to / support an organisation that does this across companies as an E.S.G. measure?
- There is already existing reporting on what a good / ethical company is. Nest needs to be cautious not to overstep its responsibilities and role. It cannot monitor all companies it invests in

Disagree

- Due diligence already done before Nest invests. With smaller private companies possibly. Tools exist already such as Trust pilot and forums. Support but don't be too intrusive unnecessarily

5. Health and Food

Recommendation

1. Score: 61 | Rank: =16th

Nest should focus on investing in preventative healthcare, which includes health foods and education, instead of pharmaceutical products, (e.g. GLP-1s), which allow people to live longer, but often still unhealthy lives.



Strongly Disagree: 0

Member comments

Strongly Agree

- Healthy food habits enable Nest members to live longer with opportunities to enjoy the retirement stage
- The long term effects of the GLP-1's has yet to be determined, most of the clinical research has been focused on rodents and men even though the users are predominantly women. The availability of the products to non-obese people also poses real potential health risks as the drugs are only recommended for people who are at significant risks due to obesity, very risky may impact life assurance companies
- As referred to in my previous question on investment in tobacco alternatives. I strongly agree the healthy options are the longer term better investment. Food supplements, gyms, protein foods and CBD markets that health side of the investments

Agree

- A definition of what preventative health care and healthy foods are would need to be established. Lots of "healthy foods" are just branded as such as another marketing tool and are in reality no such thing
- Not at the expense of investing in or divesting away from pharmaceuticals though

Disagree

- Pharmaceuticals is a big business and can yield high returns, to simply say they should invest in preventative healthcare at the detriment of returns would be financially irresponsible. This is the responsibility of governments and health boards

5. Health and Food continued

Recommendation

2. Score: 56 | Rank: =25th

We are pleased to hear that Nest has divested from tobacco products. Nest should not invest in other nicotine products that drive addiction, even if this means lower returns. It may consider products that help people to kick their habit.



Member comments

Strongly Agree

- Nicotine products are healthy hazards
- Young kids are addicted to Vaping and have never smoked tobacco in their lives. The potential harm is far worse than cigarettes. More classroom awareness of the dangers versus the corporate greed hell bent on a slave society to these drugs, while our younger generation are still impressionable

Agree

- How is this guaranteed when investing with global indexes?

Disagree

- I don't believe Nest has the power via investment to make a difference in this space. This is role of governments

Strongly Disagree

- People are going to buy these products regardless so members should benefit from the sales. Those buying to account products in the UK know the dangers
- I am a smoker but I don't think with the future of non-smoking it's a great idea. Vapes still cause health problems so we invest in what helps people get ill and not work so they have little pensions. Invest in the health sectors Gyms, protein foods, supplement markets, CBD products. People want to live healthier and longer. They work longer invest more

5. Health and Food continued

Recommendation

3. Score: 47 | Rank: 33rd

Nest must do more to influence food and drinks companies like Coca Cola that make unhealthier (e.g. higher sugar) versions of their products in countries where regulations are not as strict. These companies must be fair and consistent. Nest should do what it can to encourage governments to introduce regulation.

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Member comments

Strongly Agree

- Nest's voice can be heard and makes the difference for the good of the people
- Totally agree this is wrong on so many levels and Nest should lobby with other pension companies and force these companies to take action on strategically targeting countries with less strict laws
- If this can't be achieved, Nest should move away from investing in those companies

Neither Agree nor Disagree

- Where Nest has a significant stake in a company it should seek to use this leverage to promote responsible governance, but where it has no hope of leverage in actively irresponsible companies it should consider divesting

Disagree

- Is this not a task better suited to consumer groups and health authorities to lobby governments regarding global health? The companies are forced to say exactly what are in these unhealthier versions and alternatives are offered is this not consumer choice?



6. Homes, Buildings, and Land

Recommendation

1. Score: 65 | Rank: =10th

Nest should consider the risks of investing in affordable housing in the UK vs investing in high end real estate abroad.

- Ethical consideration should be taken into account when making the investment decisions abroad (e.g. Dubai and human rights breaches)
- In the interest of its members, investments in high end real estate in the UK which provide high returns should be considered

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Strongly Disagree: 0

Member comments

Strongly Agree

- Affordable housing means affordable everything for the house: space, design, building materials, human resources, etc. for at least some profit but it will not be long before people start complaining
- The UK is already at a point that housing is out of reach for most under 30 house prices are 5+ x average salaries. This type of investment strategy could change the current profile of the country
- If affordable housing in the UK doesn't have high enough returns for one pension, include it in another with SEG credentials
- I am pro affordable housing investment

Agree

- Again, the assembly felt strongly that they would like to see more investment in the UK even if that resulted in lower returns than the equivalent investment abroad
- Affordable houses for indigenous English people

Disagree

- I don't think high end real estate in the UK is a good idea

Recommendation

2. Score: 60 | Rank: =19th

Nest should consider the split between commercial and affordable housing. Nest should have its own policy for affordable housing, to guide its investment strategy for the long term.

This requires Nest to:

- Define which land to buy to ensure development for housing can be done to meet demand
- Define the criteria for what "affordable" means, to ensure it is genuinely affordable
- Consider the natural environment such as green spaces and long term sustainability
- Consider the market conditions (i.e. availability of tradespeople, material) costs

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Strongly Disagree: 0

Member comments

Strongly Agree

- Good investment is quality products and so special consideration is required
- Using the Netherlands as a case study there is huge opportunity for Nest to meaningfully engage in affordable housing to both benefit the UK housing stock, benefiting all of the UK, while still creating a return on investment. I would like to see the definition of affordable here, as I believe it should be below market rates provided there is still a return – the notion of Nest or any large pension provider simply becoming another multi-property mega landlord increasing market prices is bad
- It would be worthwhile to compare this proposed criteria to Nest's existing social housing investment policy. If Nest is a key investor in social landlords it will have the power to apply pressure for the best interests of its members

6. Homes, Buildings, and Land continued

Agree

- Not just new builds. There are a substantial number of empty properties in the UK that could be acquired, regenerated and rented out as affordable housing that housing associations do not have sufficient funds to acquire

Neither Agree nor Disagree

- Nest should explore all available options and give members a choice with clear and transparent explanations

Disagree

- We shouldn't be investing in affordable housing it's neither affordable or likely to provide a good return

Recommendation

3. Score: 53 | Rank: 31st

Nest should investigate owning its own housing stock (e.g. like PGGM in the Netherlands) because it cuts out the middle men. At the moment, Nest doesn't have the ability to control the housing stock managed by partners.



Strongly Disagree: 0

Member comments

Strongly Agree

- Nest should describe their expectations for the end product to the partners beforehand for good reputation with the community
- Provided it was truly affordable housing, at or below market rent, the notion of Nest or any large pension provider simply becoming another multi-property mega landlord increasing market prices and rent would be incredibly concerning and reputationally problematic. Where there can be a return Nest should use member money to IMPROVE the housing stock and rental situation in the UK market to benefit all members

Agree

- Again – providing all interests are declared officially and regularly audited

Neither Agree nor Disagree

- I have no knowledge for which to agree or disagree. It sounds good in theory but I'm not sure if this is best use of Nest resources. Investing in sustainable housing yes but what is the gain of this approach? « Because it cuts out the middle men » is not enough explanation of why this is a good idea

- I can't comment on this as I am not able to understand its implications without further data
- There are risks / conflicts associated with direct ownership. Maintenance and potential for being sued which then affects the pension. REITs seem a better option with scrutiny and due diligence on the trust
- If Nest is growing at the rate predicted I expect moves like this are inevitable in the future. However, social housing in the UK is currently a broken system which does not create reliable returns and is built off investments and loan repayment. It would be worthwhile to have a round table with housing experts to consider if the 100 billion portfolio of Nest could be leveraged to create a more functioning housing model in the UK

6. Homes, Buildings, and Land continued

Recommendation

4. Score: 42 | Rank: 36th

Nest should reconsider what is in the best interests of its members. Expecting a good return on “affordable” housing or healthy food is clearly not in the best interests of its members, some of whom will have to buy these products at a higher price as a result. The cost of living crisis is linked to large scale investments into things that are essential for living.



Member comments

Strongly Agree

- A survey would help to find out the best interest of Nest members on the type of housing and food
- Nest should work closely across government to help align with this. If Nest is piling investments into crucial services in the UK and expecting a high return. It will inadvertently drive up the cost of living. This is a matter that should be monitored very closely by senior leadership of Nest and also government

Agree

- Nest should be looking to help save money for its customers who will want to reinvest that money into Nest. Show what companies we have invested in we can shop there support them to grow means our investments also grow. Looking into the loyalty schemes etc. rewards for customers who spend wisely

Neither Agree nor Disagree

- I don't think this statement is clear enough to agree or disagree. It just seems like a set of assumptions
- I haven't heard about this point raised during the discussions. Therefore I can't see a link here between investment and increased prices. Would need more information to be able to decide

Disagree

- This recommendation isn't clear and I'm not sure what it's referring to? I support investments in (truly) affordable housing and I think pushing for healthy foods is a positive thing. If the concern is that Nest becomes a mega-landlord and increases rents across the country I agree this is bad, but if Nest built more housing (even if this brought current owner's prices down) that's a good thing. Houses need to be homes not investments
- Uncomfortable to profit from others' food or housing poverty. However I'd prefer Nest's involvement - with a long-term interest and positive stakeholder engagement - than e.g. a profiteering private equity firm

Strongly Disagree

- Is the cost of living crisis due to investment? Evidence shows that the current cost of living crisis is strongly correlated to corporate greed, corporate tax evasion and depletion of fossil fuel reserves and increased costs of fossil fuel extraction. Housing provision also has a strong investment performance over the long term. Previous crashes were due to subprime investment - different crisis

7. Human Rights and Diversity and Inclusion

Recommendation

1. Score: 59 | Rank: =21st

Nest should ensure that companies' policies and practices uphold human rights and promote diversity and inclusion, and that companies collect evidence that makes transparent what they are doing in these areas.

- Nest should look at what companies are actually doing, not what they are saying
- Nest should work to ensure that companies are regularly collecting, and sharing with it, evidence on what they are doing to uphold human rights and promote diversity and inclusion. This should include evidence from employee satisfaction surveys, and about staff turnover, legal action (tribunals), health and safety records and what they offer in terms of professional development.

Nest should also ask companies to share data on working conditions and all human rights breaches and welfare of all employees

- Nest should work to make sure that companies' workplaces are diverse and that companies' recruitment policies are not discriminatory. Nest should ensure that companies have diversity benchmarks that they are working towards and that Nest holds companies to account if they don't meet these benchmarks

Nest should make sure that companies treat people equally and with respect even when they are in junior roles, and that respect goes in all directions (e.g. upwards to more senior roles and downwards to more junior ones). Nest should ensure that companies' employees feel valued and are able to progress and move roles regardless of their background

- Nest should ensure that companies have mechanisms in place to promote diversity and inclusion - for example, union representation, or colleagues and / or internal committees who work on internal culture around diversity and inclusion. Nest should ensure companies raise awareness internally about how to reach and maintain diversity standards, both in recruitment and more generally
- Nest should ensure all companies are meeting legal requirements around human rights, and diversity and inclusion
- Nest should lobby the government to help ensure policies promote good practice in human rights, and diversity and inclusion



Member comments

Strongly Agree

- The top leaders of the company to acquire and provide mandatory information and knowledge e.g. policies in board meetings to be further shared and discussed in departmental meetings that no one misses the requirements and expectations for their well-being and for the company and Nest
- I agree Nest can use there already positive relationship built with the Government. Nest saved there cash pension problem with a solution it's time to build on that and if you treat people better they will work longer and be more productive = less government paying for people not wanting to work and potentially having more cash to help the Disabled communities better by supporting working people to stay working

Agree

- Would be good to publish information about how is / will be approached
- I strongly agree with some of the points and not so strongly with others. Nest should thread carefully as they are not a policing body and analyse all the companies from all aspects might be time and money consuming. Nest should act on good faith

Neither Agree nor Disagree

- Nest should be clear it wants to invest in companies who practice all the above, but how far do or can you go to request it's evidence? Data protection issues, may be costly for the companies to deliver
- Those statements require a significant amount of time and money to produce. It may be something Nest should raise with the companies they invest in; however, it would not be reasonable to expect Nest to carry out all of that work themselves, given the considerable time and financial resources involved. Hence I neither agree or disagree

Disagree

- Human rights yes, DEI no, it should be based on meritocracy alone. Not including people because of the colour of their skin. This is a form of racism believe it or not!

Strongly Disagree

- This is just impossible to apply for one pension provider even as big as Nest across a global investment world and is exactly what governments are there to do through legislation etc. How can a whole index be vetted before an investment is made. Perhaps only an option before big single company investments are made /maintained

8. Infrastructure

Recommendation

1. Score: 63 | Rank: 15th

Nest should take a long term view when investing in infrastructure by supporting research and innovation that improves efficiency, sustainability, and reduces maintenance needs.

Investing in infrastructure research can help make infrastructure more resilient and cost effective over time. This, in turn, should improve returns on infrastructure investments in general.



Member comments

Strongly Agree

- Consider the durability of the building materials and expertise
- A great aim in principle although I'm not sure about the comment « this in turn should improve returns... »
I mean yes hopefully but obviously this is a complex area we don't really know the answer to that without lots more knowledge and understanding
- Nest should invest in UK based research which can also be implemented worldwide but primarily in the UK. There are firms focusing on research in using AI for infrastructure maintenance for example. I think they should be targeted with investment which on the long term would benefit infrastructure maintenance and therefore free up financial resources for infrastructure investment

Agree

- A strong takeaway from the assembly was that a majority of people felt there should be an increased importance placed on investing in specifically UK infrastructure

Neither Agree nor Disagree

- This has not been seen in any private water companies. And Nest should acknowledge this. Profiteering off crucial infrastructure projects is not in the best interest of Nest members

Recommendation

2. Score: 54 | Rank: =28th

Nest's investments in infrastructure should have a majority percentage invested in UK infrastructure. We recommend investing through funds that support civil engineering and other core UK infrastructure. We recognise that infrastructure may not always deliver the highest return on investment. However, investing in UK infrastructure benefits everyone, creates employment and has a positive effect on the economy.

Whilst we understand that international diversification can be beneficial, we feel infrastructure has a place-based character. It directly benefits the environments in which members live and work. For that reason, we believe infrastructure investment should focus at home. When investing infrastructure there should also be careful consideration of environmental and social impacts with a clear intention to minimise harm.

We also understand investing in community infrastructure has a very low return on investment. However, we encourage Nest to explore ways to support community infrastructure, such as making loans to local charities and community projects.



Member comments

Strongly Agree

- However, I think if a company or Nest finds experts from specific locations to work with makes the difference
- A strong takeaway from the assembly was that a majority of people felt there should be an increased importance placed on investing in specifically UK infrastructure. A small low interest loan scheme was suggested to meet the desire of many assembly members who wanted to see community projects and support for young people despite this not being financially viable – this would provide an option that still gave a small return, but used members money to improve their communities in the UK
- Nest should invest in private companies which provide support for public facilities, such as data centres' heat used to heat up local swimming pools
- Community investment does not have to have a low return if correctly managed. It also does not have to work off a loan system. Nest could match funds for parks / play areas / youth clubs. Please see the DCMS new guidance for youth infrastructure. There is large amount of funding available for stakeholders. Again it is about Nest acknowledging its responsibilities

8. Infrastructure continued

Agree

- Legislation would need to be changed to provide low return loans for community infrastructure, this is therefore not feasible in the short or mid term. As for UK infrastructure, in line with the other policies regarding transparency, I do not want to see these contracts go to MP's relatives or private members contacts. Absolutely no government personnel involvement locally or centrally, that's at home or abroad. All Nest board and fund managers also need to declare any conflicts of this nature
- I don't think UK infrastructure is profitable

Neither Agree nor Disagree

- Not all infrastructure is visible. Our entire financial system is undergoing change. Moving money should be like sending an email - instant. Nest should explore this type of Infrastructure which is coming whether we like it or not

Disagree

- I think Nest should invest abroad as well as in the UK if good opportunities arise

Strongly Disagree

- This just goes too heavily against not having all your eggs in one basket as an investment for the now or future. A healthy % but definitely not a majority. If this became a transparent future fund option to move to by choice for any member then it would be fine but not for default / all etc.



9. Member Choice

Recommendation

1. Score: 74 | Rank: =3rd

Nest should work to improve communication with its members. We have learnt many things in this process that we feel should be commonly known. Nest needs to communicate broken down information in simple language to enable members to make informed decisions.

- This should clarify benefits of different strategies, pros and cons of investing privately and publicly, and other basics we have learnt
- It should include age based or investment term length targeted communications so that people with higher appetite for risk can take more risk (e.g. young people with longer investment terms left, older people who want to increase their pot can make informed decisions)

As part of this, Nest must commit to making their website and all member-facing communications plainly understandable and engaging to enable members to be proactive.

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Disagree: 0 Strongly Disagree: 0

Member comments

Strongly Agree

- Use simple language in consideration of diversity and social backgrounds
- Yes, eventually Nest will need to convert occupational pensions members to private pension members. Building a positive member relationship whilst occupational will improve the potential of retention, it is usually much more expensive to recruit new customers then retain current ones
- Not everybody wants to be on screens all the time. Give members the choice about how to receive the information

Neither agree nor disagree

- The existing resources are great – it's my fault that I haven't made the most of these till now!

Recommendation

2. Score: 66 | Rank: =8th

Nest should publicise the ethical fund option so that more members are aware that they can choose for their pension funds to avoid investing in defence, alcohol, gambling, fossil fuels, or testing on animals. Information on potential lower rate of return should be made clear. The ethical fund should be transparently scrutinised to keep the trust of its investors.

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Disagree: 0 Strongly Disagree: 0

Member comments

Strongly Agree

- But I think the words like defence and others on the list above should be well elaborated. Personally, I think that defence is a requirement and today we feel peaceful because of the type of defence we have in this country and it's not because we do not have enemies who would wish to attack us any minute
- Those that care about ethics should have the option available. Also a halal fund would be good too for those who are Muslim. What is defined as ethical is subjective

Agree

- Development of the ethical (i.e. "divestment") fund should never be at the expense of responsible ethical focus in the default fund and proactive pursuit of the genuine best long-term interests of it's members and the communities into which they will be retiring

Neither Agree nor Disagree

- "Transparently scrutinised" 1% of the total asset value is invested in this fund. Cost benefit analysis should be carried out on resource costs to returns of this low pot fund. Expert resources are expensive and should not be used excessively to scrutinise this

9. Member Choice continued

Recommendation

3. Score: 61 | Rank: =16th

Nest should explore the possibility of expanding a members' right to choose beyond high risk / low risk, and other options, into public vs private, and risk levels within private investing.



Strongly Disagree: 0

Member comments

Strongly Agree

- Experience is the best teacher, get involved, starting small, gain momentum with decision-making and proceed or otherwise
- Personally I feel categories should go further allowing to choose risk level but sectors too so that each member feels comfortable with where their money is going
- Even if options are limited it would be good to have information / FAQ answers explaining how and why the options are limited – I understand endless customisation wouldn't be possible or beneficial
- I would support a very clear portfolio of choices with a suitable number of choices, maybe 5. All explaining the areas of investment, the risks involved. Also an environmental and social impact tag would be useful with explanatory examples

Agree

- Tell people about the Ethical choice
- Impact and / or options which go beyond ethical screening to promote shareholder activism in ESG
- With caveat. Not all persons understand risk and are too idealistic or gung-ho. In some ways its like parenting – You want the best for everyone but also need to make tough decisions that many will disagree with

Neither Agree nor Disagree

- Two different funds are enough default and environmental. Risks are already in place in the Nest portfolio, high risk at the early years of your pension life, investing is high yield equities. Low risk comes later when funds need to be more accessible if a member needs to draw on their pension and are placed in low return government bonds
- This is only as effective as the education of members on what these distinctions actually are

Disagree

- Performance greatly depends upon the size of these funds, splitting fund sizes down further is unlikely to produce better results – if a highly trained fund manager thought this was a good idea, I believe they would already be doing it. However if the fund continues to grow significantly perhaps it is feasible, I don't know
- This is what Nest pays or recruits investing specialists to do on our behalf. A few more transparent options to choose from perhaps but not so many that money is lost through complexity and administration and ultimately too much choice to know what's best

10. Member Involvement

Recommendation

Recommendations were developed for member involvement with a focus on three forms of involvement: a member assembly, mass engagement and a member council.

Some of the member involvement recommendations refer to the Principles on Member Involvement (A-L), covered in Chapter 7.

1. A Member Assembly

Score: 75 | **Rank:** 2nd

This Assembly should be reconvened in 1-2 years' time to hear about progress made on the recommendations so that we can keep Nest accountable (D). This could be virtual or in-person, according to what we are able to commit to (E). There should be an interim progress report on the implementation of our recommendations (A).

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Strongly Disagree: 0

Member comments

Strongly Agree

- This would also be an opportunity to make possible adjustments: add and / or subtract if need be
- I would really like to see what gets actioned as a result of this convention
- I think a virtual / video discussion, followed by a survey, would be a great way to gauge the ongoing impact of the assembly
- This gives room for feedback and development with all progresses and challenges encountered

Agree

- Either a virtual or strong communication emails regarding progress, just a jolly get together could be costly and this is paid by the pension fund
- It was very interesting to meet in person and work in small groups. Thank you for inviting me and organising it

- The assembly was very nicely organised and the facilitators were highly professional. I thoroughly enjoyed it and feel more pension savvy now. However I think if there needs to be a choice made whether reconvene the members of this assembly or organise an assembly for new members I would support more the new members' involvement. I strongly support the idea of more people made aware of their choices and the impact that they can make
- I agree that the assembly should be reconvened in 1-2 years, If progress is made sooner I think this could be done sooner to keep members updated. I personally would prefer in person meetings as I don't think virtual ones would be able to relay enough information and take questions and opinions down as easily. For example, some people may struggle with the technology knowledge required or not be as likely to share their opinions if they are not forming face-to-face relationships with members

Neither Agree nor Disagree

- As above, but agree to interim report

Disagree

- An appendix within the quarterly reports could do this more effectively
 - the reports are readily available on the Nest website

10. Member Involvement continued

Recommendation

2. A Member Assembly

Score: 74 | **Rank:** =3rd

Nest should hold further members' assemblies with new members selected by sortition (E). This process has taught us valuable lessons about pensions (C), helped us learn from each other and value diverse perspectives, and developed our trust and faith in Nest.

We enjoyed the mixture of large and small group work with people from all walks of life, which has allowed us to bounce ideas off each other. Other members must have this opportunity to share their ideas and opinions (I, K). This assembly could explore a new topic in greater depth. Nest should explore ways to keep existing members involved, for example by including 50% old and new members. Learning materials should be shared in advance to help assembly members get up to speed.

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Disagree: 0 | **Strongly Disagree:** 0

Member comments

Strongly Agree

- The shared individual knowledge, ideas, views and opinions put together, build up very strong recommendations for Nest and all other beneficiaries
- It will be great to have existing assembly members at 40% and new members at 60% to share ideas and opinions
- Strongly disagree that old members should be included in future assemblies, their engagement could be kept through surveys or encouraging involvement in members council. The assembly was a fantastic way to engage a representative group of Nest members and the same approach should be taken with a new group of individuals to ensure new voices are heard. Agree that more materials could be shared in advance, or video calls could take a portion of the days
- I think this represents an opportunity to inform members about investment and the power of that. It has been a unique opportunity in that way and should be continued and extended
- This gives room for everyone to give voice and learn

- Strongly agree with the idea of making more pension holders pension-savvy. However, Nest should be clear about the costs involved in organising these assemblies and how that affects our individual contributions. The more people are involved, more opinions can be heard. Nest should also follow up with the research involved in this assembly and draw conclusions from research from other countries and take it into account when and how organise future events
- Sending learning materials in advance might create asymmetrical engagement in the group as some will read and some won't. This isn't necessarily an issue but it's not what I would recommend
- I strongly agree random selection of participants allows for diversity and inclusion for lots of different members who perhaps had never really thought about their pension until they received the application email. I enjoyed the small group work as it allowed a more personal discussion with people that I probably wouldn't normally speak to in my everyday life, we could also discuss in much more depth. I also strongly agree with "50% old and new members" attending future assemblies

Agree

- Possibly one day education tours for members to visit and learn more about pensions, and a short part emphasising on investment ideas. I feel it's unlikely that Nest are not already doing the things we suggested
- I agree with the above proposal to a point but this is an expensive exercise and think perhaps every 5 years would be more appropriate, modern migration in employment suggests that 50% of the first assembly members are not likely to be in the same roles or with Nest as an occupational pension. Therefore it's more pragmatic that future assemblies have new randomly selected members to attend

Neither Agree nor Disagree

- Are we going to meet again in one year's time?
- The assembly has been so valuable and should act as a launchpad for further high quality member engagement, but this needn't be in the form of assemblies

10. Member Involvement continued

Recommendation

3. Mass Engagement

Score: 64 | **Rank:** =13th

To effectively utilise mass engagement, Nest should:

- Utilise a diverse range of digital and in-person (e.g. postal) tools to reach a wide variety of audiences
- Utilise pre-emptive marketing (e.g. social media, mainstream media, advertisements, Government advertisements) to improve the ability for anyone to engage with Nest in the first place
- Make engagement clearer through the use of videos e.g. on differing investment portfolios
- Utilise direct contact for inactive members to encourage participation
- Increase the onus on employers to encourage member engagement with Nest

Methods for mass engagement could involve: surveys, AGMs and one member, one vote. Reward engagement through methods such as loyalty bonuses, premium bond prize draws. Any mass engagement exercises must give consideration to environmental and social impacts e.g. use of paper.

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Strongly Disagree: 0

Member comments

Strongly Agree

- On the other hand, mass engagement widely publicise the effectiveness of Nest to itself, to its members, to its and other surrounding communities
- Nest also needs to deal with a significant number of very poor online reviews that are available for the public to read, regarding poor customer service, problems transferring out / in and service issues of the website. Whilst as a percentage of 14 million members the complaints number is small it doesn't give the impression of a smooth, well oiled process
- Options to go "paper or paper free" like the banks in particular have done for decades should be offered to all members (on logins or new account creation) but not universally applied to members by default since many people may still rely on traditional formats of physical information delivery
- This gives much more wider contributions

- I agree with the need for mass engagement but would be cautious on the methods. In my opinion, members should do more in their own best interest, not only if they get a reward for it. I would focus more on the long term benefits that their choices can bring to them and put those as rewards. I enjoyed the assembly and having a reward for it was an incentive. I would have done it even without the reward and having only the expenses paid
- Social media involvement should be taken in consideration to teach people about pensions and the benefit of investing in it. Also collaboration with big influencers in this investment area

Agree

- I think a member survey on the appropriate amount to spend on these marketing budgets would be informative, alongside clear aims / what metrics are being measured for success
- Due to automatic enrolment, there is more onus on Nest than other providers to be proactive in engaging and explaining itself to members. This can be inspired and built on the cooperative food memberships decision-making process. Please see www.coop.co.uk/membership/member-faqs

- I don't think "postal tools" are the most effective way of reaching members as I believe that some members received this way would be viewed as "junk mail" and like the final comment says I don't think this way has a positive environmental impact. Nest definitely need to improve their pre-emptive marketing, I like the idea of educational videos and possibly more social media reach for the younger members. Getting people to engage more through their employers also sounds like a good idea

Neither Agree nor Disagree

- I feel people will learn better in person so we can all discuss I feel it being digital would make in more chaotic and people won't be able to get there point across where as if your In person you can listen to everyone

10. Member Involvement continued

Recommendation

4. A Member Council

Score: 54 | **Rank:** =28th

The Member Council should have 20-45 members. This is more manageable than having a larger number of people involved and will allow for quicker decisions.

The Member Council should be made up as follows: 70% Nest members and 30% employers and unions.

The Nest members on the Council should be elected by the Nest membership as a whole. The ballot paper should include a general list plus lists under specific categories (e.g. young members, self-employed members) to ensure a diversity of people are elected. Members of the Nest assembly should be made aware of the opportunity to stand for election to the Member Council but other Nest members should also be able to stand.

Union and employee representatives on the Member Council should be elected by the Nest membership as a whole within categories (e.g. small employers, large employers) from a list drawn up by the Nest board. It would be preferable if some of the union representatives had Nest pensions themselves.

Everyone standing for election should commit to being on the Member Council for the whole of their term, which should be 1-3 years.

The Member Council should be chaired by someone who isn't a Nest member, union representative or employer. They should have a lot of pensions experience. It could be someone like Iain C (Scottish academic) who spoke at the first weekend of this assembly.

The Member Council should meet four times a year to ensure the timeliness and continuity of its feedback.

The Member Council should have a clear link to the Nest board and its decisions. This should include Nest asking the government to allow a representative of the Member Council to sit on the Nest board.

This recommendation meets all of our principles, except: Flexibility (B), Variety of methods (E), Responsiveness (L), Educating the wider membership (C), And possibly impact (F), depending on how successful or not the Member Council is.



Member comments

Strongly Agree

- The greater number of the council members should be of the Nest members with direct positive or negative impact to bring to the table for discussion and may be for any necessary adjustments for the good of Nest and its other parties
- Would be good to clarify the categories, and the number of seats in each / split between general seats e.g. 2x 18-25, 2x self employed, 2x over 65s - but also seats that any member can run for
- The potential councils diversity mix should also include representation of retired / early retired members status so long as the member still has a pension pot invested with Nest e.g. into drawdown
- About 50, this will give room
- Members council is very effective

Agree

- I would be interested in being one of the "70% Nest members", I think it would be really interesting to continue to be part of the Nest member inclusion process. I'm not sure how the election process would work for this but I think it is an interesting idea, would we (as Nest members voting) perhaps get more information about who we can vote for and why they think they would be a productive member of the board?

Neither Agree nor Disagree

- All (from A to N) Nest action principles must be included in the recommendations to achieve good results
- I am undecided about this method (member council) as being the most valuable way to represent all members views. I have reservations relating to how the members council would be selected. I feel that it might be the loudest voices (not necessarily the most thoughtful or considerate) who might be selected over other voices. I had lots to speak about and felt listened to but certainly not by all. It's easy to overlook middle aged and older women and I definitely felt that

10. Member Involvement continued

- I would like to explore this option but see it difficult to be put in practice as I don't see how the members' elections would for the Member Council would happen in practice. Who and how would propose the participants and who and how would choose based on what information?
- The member council proposed neglects the role of the private fund managers involved in Nest investments. There should also be a representative from a financial institute to ensure the decisions are angled for proving the best returns for members as well

Disagree

- I'm not the biggest fan of people actively campaigning to be a person on the member council as people with agendas will be the primary campaigners. These agendas might not be representative of the pension cohort at large

Strongly Disagree

- I have concerns that inviting employers to become part of decision-making regarding ethics and market options, could present a conflict which is the reason trade unions and industry regulators exist!



11. Private Companies

Recommendation

1. Score: 55 | Rank: =27th

We understand that there are advantages and disadvantages to investing in cutting edge private companies. The possible high returns over potentially shorter periods, and the benefit of developing British industries is worth considering even with the risks. We want Nest to work with specialist investment leaders to make the most of this area.



Member comments

Strongly Agree

- Nest is big enough to assist investment for small or beginners' private companies with strict terms and conditions like working with specialists investment leaders alongside, etc., starting small for expansion and development of the country's industries and the economy
- This doesn't need to be limited to British companies, and could sit in the "higher risk" fund choices or be included in the default /lower risk funds with smaller investments to allow for diversity and upside growth potential
- The UK has such potential but struggles due to lack of investment. Nest can change that and benefit us all
- The % invested in private companies needs to lean more towards the 60 / 70%

Agree

- I believe this needs caution, and should have the skills in house

Neither Agree nor Disagree

- Not sure what this recommendation meaningfully adds either way
- I don't think I have enough knowledge of what this means in practice e.g. what does cutting edge companies actually mean? This doesn't seem a well developed proposal. I would support investing in British companies but which and what type of companies? The statement is too vague

12. Shaping the System

Recommendation

1. Score: 76 | Rank: 1st

Nest should not be afraid to lobby government on pension related issues in the interests of its members.



Disagree: 0 Strongly Disagree: 0

Member comments

Strongly Agree

- Nest has a power and it should use it in a positive way to make an impact. Governments change often, whereas Nest is a long term solution. Therefore it should work constantly with the governments for a better future
- Nest realise who you are you came with a solution to a bigger problem build on that. Everything you're about is money related making it and saving it when spending and paying out evenly enough to keep people happy so far so the Government should be listening and considering what input you have. Change the educational financial future and their pot will start to grow as they want it to
- No, I suppose most of the government workers are Nest members

Recommendation

2. Score: 73 | Rank: 5th

Educating the youth about pensions.

- Create a programme Nest could present to the government
- Add programme about pensions into the education curriculum
- Targeted social media campaign conceived specifically for the youth (i.e. the current Aardman campaign would not be suitable). It needs specific TikTok, Instagram, Facebook messaging



Strongly Disagree: 0

Member comments

Strongly Agree

- Youth is for the future and so is the main aim for Nest, hence, when knitted together, bring about fruitfulness for a better future
- Lead from the front Nest, parents, educators and students will give you more credibility as a non-profit than profiteering global financial planning firms. Be transparent though and no gimmicks – its education
- If we educated our youth it gives them the knowledge to have a brighter future post employment
- If there's one thing I'm passionate about is youths getting financially educated and pension information is vital for their futures
- It's not just pension understanding that needs to be included in our national education curriculum it's all basic financial awareness with real world every day uses e.g mortgages, savings and investment, debt, credit cards, interest rates etc.
- This gives more understanding and knowledge to younger generations

12. Shaping the System continued

- Youth should have more involvement from day 1 in their new employment making very clear that it's their future that they are making decisions about. Just an idea that maybe celebrities or influencers could be used if Aardman campaign doesn't look suitable? Seeing how nice the assembly was and I think participants were generally pleased maybe other ways of addressing younger audience are more suitable like organising sports events or maths events with pension calculations?
- This would be so good for the business and the world!
- Important for everyone not just youth to understand and grasp the importance of Compounding and Time. Real life examples of how taking pensions seriously can help people achieve real goals OR NOT achieve as the case could be. Employers should also be educated and informed of benefits to them as opposed to feeling that they don't have a choice as they are obliged to contribute as opposed to wanting to. Pensions and investing should be part of an education curriculum

Agree

- Not clear on what the programme / education curriculum means here? Would look into partnerships with already established financial influencers before attempting any paid media or social campaigns on Nest's own channels

Neither Agree nor Disagree

- However privileged position gives Nest opportunities and responsibilities to educate beyond membership

Recommendation

3. Score: 54 | Rank: =28th

At the moment the law states that increasing pension outcomes for members is the main aim of a pension (fiduciary duty). Nest and other pension schemes should put pressure on the government to change this with a wider definition so that social and environmental aims can also be included.



Strongly Disagree: 0

Member comments

Strongly Agree

- However, the government might be reluctant to accept such a change to keep its relationship stable with people
- I very strongly agree with this. Imposing only a fiduciary duty on pension providers is very poor given the amount of money involved and the changes it can make
- Pensions providers in general and Nest in particular are uniquely positioned to make the case for a coherent understanding of "best interests". My higher "pension outcome" is of significantly less value to me if it has come at the expense of e.g. decent infrastructure and public health

Neither Agree nor Disagree

- I think Pension funds should lobby government only on matters relating directly to member pensions as private investments e.g. pension age and accessing funds. I don't believe fund managers should be penalised for having default funds with ethical aims providing they aim to provide fund growth above the rate of inflation. But it is part of central governance that social & environmental goals are met and we vote to choose our mandate

Disagree

- I agree with the idea that some social and environmental aims could be included or reflected in investments, but not in a manner that would take precedent over the fiduciary duty

13. Targeted Employer and Member Communications

Recommendation

1. Score: 70 | Rank: 6th

Targeted employers engagement.

- Require that employers share the login details for members to receive emails from Nest
- Enforce that employers display posters about Nest pension in staff rooms / canteens etc.
- Incentivise members enrolment into the portal / app (e.g. vouchers or discounts into a company that Nest invests in as a reward)



Strongly Disagree: 0

Member comments

Strongly Agree

- Communication brings about transparency to Nest, it's members and those to become
- Anything we can do to engage more members is key. People should understand the financial implications at the earliest age possible
- Employers have the obligation to give all information so that each and everyone of us have the tools to understand our pensions
- This gives more awareness and encouragement
- Strongly agree on first two points, as it should be compulsory for employees to provide personal email at sign up. However, neither agree or disagree with second point
- Not sure about incentivising members - if they don't wish to track their money then it will be tougher for them when they reach the pension age. Who is to say those members will be fully functioning at the pension age and will be able to trace their pension. it comes down to common sense which i find is not common anymore
- The best was to engage with an employee is through their employer

Agree

- I think employers could be a good target for increased member engagement but due diligence would need to be done to ensure the employers are compliant and supportive first
- I strongly agree with employers' involvement. It's also in their interest to make their employees more pension savvy. As I mentioned before, would be cautious about reward schemes as I believe people should do it because it's in their best interest

13. Targeted Employer and Member Communications continued

Recommendation

2. Score: 65 | Rank: =10th

Nest should provide a regular member newsletter not just an annual statement. The newsletter should cover key decisions Nest is making and be honest about bad news (e.g. bad media coverage) as well as good news.

Nest should adopt AI and social media handles to communicate with members in order to reach a diversity of its membership.

Nest should have a compulsory collection of contact details (email, post, phone) at sign up. This should be done through employers. It should include an optional collection of social media handles. Nest should update this information annually through employers and other methods as needed and possible.

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Disagree: 0

Member comments

Strongly Agree

- Use written resources like newsletters and social networks such as emails for reference to facilitate the important shared information
- This would be very helpful to educate members
- Give also members the option to opt out or decide on the information load that they want to receive. Although everybody should do it, life circumstances constantly change and overloading can lead to bad decision making

Agree

- I don't believe that GDPR can make contact details a mandatory feature of a pension plan even if you choose not to opt out. It may make more sense to offer sign in by social media or google / apple though, that way if a member leaves a workplace they can still log in to Nest and use their personal email
- I am pro AI, but caution on its use and monitoring should be considered

Neither Agree nor Disagree

- I agree with the regular newsletter part but the rest of this seems to be covering completely different areas which would need a lot more depth of explanation to decide on agreement or none agreement. Too wide and vague to say a simple agree or not agree

Strongly Disagree

- Strongly agree with regular newsletters. Could not disagree more strongly with adopting AI to communicate this, or collecting social media handles? Both of these recommendations seem arbitrary and it's not at all clear what aims this would be achieving. Why would anyone benefit from Nest using AI on social media? What would Nest do with members social media handles? Very confusing and alarming

13. Targeted Employer and Member Communications continued

Recommendation

3. Score: 60 | Rank: =19th

Marketing campaign: Nest marketing campaigns need to be much more strategic and up to date with the latest trends

- e.g. Instagram account was created in 2012. Has 274 posts, 1776 followers. In 14 years = 0.6 post a month
- No TikTok presence yet!



Member comments

Strongly Agree

- Nest marketing to closely engage with the dominance of the fast moving technology today to keep up appearance and be known by the whole world
- This would ensure all demographics are reached
- Nest must keep up to date with the social media trends. There should be specific goals like brand awareness, targeted audience, creating engaging posts and metrics
- This will more awareness to the younger generations

Agree

- Many people do not own a radio or watch terrestrial television, if they do not provide an email address how will you reach them?
- I agree that advertising is important but in my opinion needs to be focused on the targeted audience. Not everyone has their pensions with Nest and they don't want to listen to adverts for example on radio talking about Nest. They might even react negatively as they don't have the power to change their pension provider unless in certain conditions. It's normally the employer's choice if I'm correct

Neither Agree nor Disagree

- I do not think spending money on marketing is necessary as there is plenty of members
- It's more important to not be seen as wasteful with the latest trends of marketing. Nest is already positioned as the largest pension provider so it does not need to advertise. It needs to communicate with existing members

Disagree

- Would look into partnerships with already established financial influencers before attempting any paid media or social campaigns on Nest's own channels. Not convinced that Nest themselves would have much success in becoming a content channel – that's a social media model from 2010 and wouldn't work in the vertical video model

14. Technology

Recommendation

1. Score: 66 | Rank: =8th

Nest should invest in technology companies that have responsible business practices, taking care to analyse core vision and income sources of companies, to invest with control and cautiousness (see ESG / Environmental, Social and Governance framework).



Disagree: 0

Member comments

Strongly Agree

- Be aware of scams of different levels
- Invest in technology businesses providing social and environmental good

Recommendation

2. Score: 61 | Rank: =16th

Investment in tech companies should primarily be to support social good and impact. Nest should prioritise investment of overachieved return into social good causes (e.g. clean energy, health, infrastructure).



Disagree: 0

Member comments

Strongly Agree

- It's for life and wellbeing and sometimes we have no other options

Neither Agree nor Disagree

- I don't fully agree. In my opinion it should be part of. All of Nest over achieved investment returns to be looked at a percentage e.g. every investment gives at least 1% back to reinvestment or running projects in the communities in UK. Failing this I strongly believe any housing and community investments should be putting back towards the UK housing and communities. Help other country's but still build your own up

14. Technology continued

Recommendation

3. Score: 45 | Rank: 35th

In order to give its members the best return on their investment, Nest should prioritise investment in AI solutions as an emerging dominant technology, focusing on companies that will give the best return. Investment in this area should focus on long-term, sustainable sectors, including: manufacturing, banking, science, production and environment.



Member comments

Strongly Agree

- It is reliable and helpful in most instances but need to be alert for technology can drastically change
- If the working world changes and less people work Nest will have to rely on it investment to work being part of the changing technology in this sector makes sense to me if all the factories turned to mechanical based Nest can still survive while losing employees with employers top ups building pension pots

Agree

- Providing the tech companies have a strong commitment and strategy to resource and environmental costs
- As long as the AI is necessary such as meta glasses for the blind or other medical uses

Neither Agree nor Disagree

- AI has an enormous impact on the natural world. If investing in AI means a negative impact, Nest should not invest in it. Nest should only invest in responsible AI

Disagree

- The AI bubble will in my opinion burst. The effect that it has on the environment is ridiculous and regulation needs to catch up with AI
- Exposure YES but NOT Prioritise

Strongly Disagree

- This is short-sighted and purely based on the current AI stock bubble we exist in - no additional priority should be given to financial fads, especially not ones which are currently disrupting the labour market
- Most AI specialists (e.g. Hinton) have called for a halt to AI development until more knowledge and regulations are put in place

14. Technology continued

Recommendation

4. Score: 38 | Rank: 37th

Nest should limit its investment in social media companies – unless there is scope to influence the policies that affect its users – and explore ethical social media company investments, and explore utilising social media for Nest’s own engagement.

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Member comments

Strongly Agree

- Ensuring the younger generations are protected
- Seeing how nice the assembly was and people from all walks of life enjoyed it, confirmed to me the need of less social media and more direct human interaction. Nest should support this idea and not help to create lonely future generations
- There are decentralised versions of social media platforms that can be explored with Nest’s 14 million members that could benefit

Agree

- Technology moves fast and so are the changes and we would not want to miss out, but we have to be alert and selective as we use it

Neither Agree nor Disagree

- We can invest if Nest can control that the information provided is correct and useful to Nest



15. UK investment

Recommendation

1. Score: 67 | Rank: 7th

We want Nest to consider the compounding benefits of UK investment, providing jobs, supporting new skills and economies, growing UK startups, investing in poorer towns and realignment with investing in UK infrastructure. It is important that Nest invests to contribute to the social good of a UK that pensioners can enjoy, and that Nest thinks creatively about using its ability to improve our lives now and in the long term. Nest might want to survey members on a minimum threshold, UK investment, or offer a “homegrown” fund alongside, default, ethical, etc.

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Disagree: 0 Strongly Disagree: 0

Member comments

Strongly Agree

- As the largest pension scheme, it is capable of assisting not only its members but also eager, talented and skilful individuals through investment for better living conditions from different angles of life
- The most important takeaway from this assembly was that every one of the assembly members felt there should be a higher minimum threshold for UK based investment – and more than this everyone thought it was in fact already significantly higher. I personally would be willing to see my overall returns reduce slightly in exchange for more UK investment
- Growing internal economy
- I’m happy with less return on investment in return for the better social good of those in the UK as opposed to higher returns investing in property abroad. The funds are diversified enough that the differences should be negligible

- “Homegrown” pension pot looks very interesting and I would definitely consider it thinking about myself and my children’s future. However, it would need to be very transparent. For instance, investing in the UK housing market with a massive housing shortage could become a “homegrown” option. But all the building materials and even some skills might need to be imported. Then it becomes not so “homegrown”. Transparency as always is paramount

Agree

- Agree, but the minimum investment level must not be too high nor at the expense of missing out on global investment opportunities, diversity and short or longer term growth
- I really like the idea of a home grown option
- Taking into account long-term wider benefits of UK investment (likely to be in most retirees’ best interests) and benefits of UK’s higher regulatory bar for ESG than many countries

Neither Agree nor Disagree

- I have mixed feelings about this. In a globalised world I’m not sure it is prudent to focus on region over people. Whilst regeneration is worthwhile it is often necessary due to the collapse of a specific industry / employer. If that company originates from somewhere else but a large factory is UK based, would that qualify? If this relates to the food supply – yes UK based should be prioritised where possible

Chapter 7

Principles on Member Involvement

Nest Assembly Members developed the following principles for member involvement in Nest. Assembly members were asked to vote on a scale of “strongly agree” to “strongly disagree” for each principle, with each vote worth the following number of points:



The points for each principle were counted and the principles ranked. The maximum achievable score, based on 48 Assembly members voting, was 96. The principles are listed in rank order.

Assembly members were also invited to comment on the principles as a whole. These comments can be found at the end of this chapter.

Nest members should have a stronger voice in decision-making. If Nest involves members in decisions about how Nest invests, the following principles should be applied:

Principle A

Score: 81 | Rank: 1st

Transparency of a) what Nest will do with the information gathered, b) what decision is being made and how? (e.g. when selecting a company to invest in, what framework is used?) and c) how much power members have to influence a decision.



Disagree: 0 | Strongly Disagree: 0

Principle B

Score: 79 | Rank: =2nd

Be flexible so decisions can be revisited if they are not working well.



Disagree: 0 | Strongly Disagree: 0

Principle C

Score: 79 | Rank: =2nd

Educating members so we are able to make informed decisions.



**Neither Agree or Disagree: 0
Disagree: 0 | Strongly Disagree: 0**

Principle D

Score: 76 | Rank: 4th

Accountability. Being clear what will happen next. Responding to members' proposals in a continuous feedback loop with strong governance to avoid the abuse of power. Be honest about issues that are going badly as well.



Disagree: 0 | Strongly Disagree: 0

Principle E

Score: 75 | Rank: 5th

Use a variety of methods to proactively reach members and allow different forms of expression to reach different demographics.



Neither Agree or Disagree: 0
Strongly Disagree: 0

Principle F

Score: 74 | Rank: 6th

Impact. It must be linked to action and impact the big decisions. e.g. where money is invested.



Strongly Disagree: 0

Principle G

Score: 73 | Rank: 7th

Strongly communicated. Opportunities to engage are well publicised in a way that reaches many different audiences.



Disagree: 0 Strongly Disagree: 0

Principle H

Score: 70 | Rank: 8th

Be receptive to new ideas and challenges.



Disagree: 0 Strongly Disagree: 0

Principle I

Score: 66 | Rank: 9th

Be accessible to all, even those who don't usually participate. e.g. it should be simple and easy.



Strongly Disagree: 0

Principle J

Score: 65 | Rank: =10th

Be representative. Including young people.



Principle K

Score: 65 | Rank: =10th

Diversity (using a broad but defined definition) is valued. Be inclusive so that minority voices are heard and all ideas are considered.



Principle L

Score: 56 | Rank: 12th

Responsive and regular consultation should respond quickly to changing circumstances (e.g. Israel conflict).



Strongly Disagree: 0



Comments on the Principles on Member Involvement

During voting on the principles, Assembly members had the option to provide a comment on the principles as a whole, comments are listed according to the strength of participants' agreement or disagreement with the principles.

Strongly Agree

- I find that all these principles might be difficult to be accomplished at the same time. Would like to see how these principles are ranked when decisions are made and the reasoning behind the ranking
- Unit Trust Fund Management is a highly complex profession, whilst I am certain that Nest fund managers need to have extremely high standards of due diligence and evidence based selection when contracting fund managers, I am not convinced that members are qualified to express opinion beyond their general concerns and support for ethical consideration. Some of the trade offs to consider are nuanced and complex and beyond political persuasion
- Always defer to expert advice and opinion. Members are a source of values and accountability, not the specifics of how investment should be managed

- I believe that we (as Nest members) should have our voices and views considered when financial decisions are being made that affect our pensions and our futures. I believe the information gathered should be used to improve the current scheme and that if Nest are going to hold further members assemblies they should be held in person and consider including some of the members that attended the Jan / Feb 2026 assembly to explain to the audience how they have used the information to progress / improve
- There was lots of discussion about diversity which is important but this needs to include all groups who can feel sidelined including older women
- Very well selected aspects that would strongly enhance the effectiveness of the recommendations to Nest, it's members, the community at large and the future
- Interested Members of Nest should be given priority issues and opportunities that go public (e.g. affordable housing)
- So far as now

Agree

- A: Transparency of a) what Nest will do with the information gathered, b) what decision is being made and how? (e.g. when selecting a company to invest in, what framework is used?) and c) how much power members have to influence a decision, is the most important and crucial by far
- I think the website has loads of helpful information presented really clearly, and that Nest already has loads of good practice in communicating clearly



Chapter 8

Evaluating the Assembly

To evaluate the Nest Member Assembly, participants were asked to complete surveys before the Assembly, in between the two weekends, and the end of the Assembly. These surveys included questions about the Assembly process and its organisation, and member attitudes.

The information provided in the Assembly process was viewed positively by participants. At the end of the Assembly, all (100%) agreed they found the sessions engaging. When asked about the type of information all (100%) agreed they felt they received balanced, accurate and relevant information. On the complexity presented, around six in ten (57%) said it was "initially hard to understand, but at the end of the Assembly I understood it a lot better", and four in ten (40%) said "I understood it easily from the beginning". A small minority (2%) said "I found it hard to understand throughout".

Did you find the sessions were engaging?



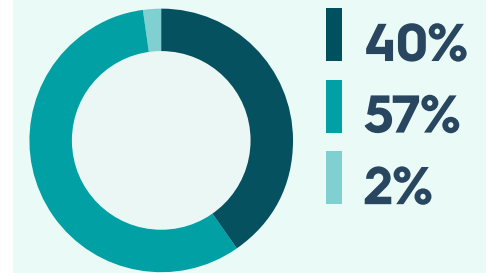
64% Strongly agree
 36% Agree
 0% Neither agree nor disagree
 0% Disagree
 0% Strongly disagree

Did you feel you received balanced, accurate, and relevant information?



48% Strongly agree
 52% Agree
 0% Neither agree nor disagree
 0% Disagree
 0% Strongly disagree

Did you find the information that was presented by the speakers easy or hard to understand?



40% I understood it easily from the beginning
 57% Initially it was hard to understand, but the end of the Assembly I understood a lot it much better
 2% I found it hard to understand throughout
 0% I don't know

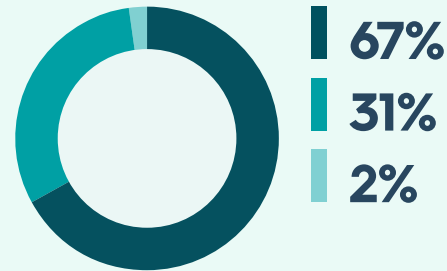
I had a fair number of opportunities to express my opinion



71% Strongly agree
29% Agree
0% Neither agree nor disagree
0% Disagree
0% Strongly disagree

Assembly members were asked for their views on participating and expressing an opinion. The majority (71%) strongly agreed or agreed (29%) they had “a fair number of opportunities to express my opinion”. Similar proportions strongly agreed (67%) or agreed (31%) that “other members had a fair number of opportunities to express their opinions”, with a small minority (2%) neither agreeing nor disagreeing. The pattern was similar when considering how others’ reacted to the opinions expressed.

Other members had a fair number of opportunities to express their opinions



67% Strongly agree
31% Agree
2% Neither agree nor disagree
0% Disagree
0% Strongly disagree

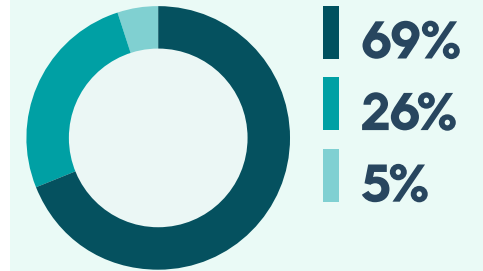
When asked if “other members respected my opinion even if they disagreed with it”, around six in ten (64%) strongly agreed and three in ten (31%) agreed, with 5% neither agreeing nor disagreeing. Seven in ten (69%) strongly agreed that “everyone’s opinion counted”, with around a quarter (26%) agreeing and 5% neither agreeing nor disagreeing.

Other members respected my opinion even if they disagreed with it



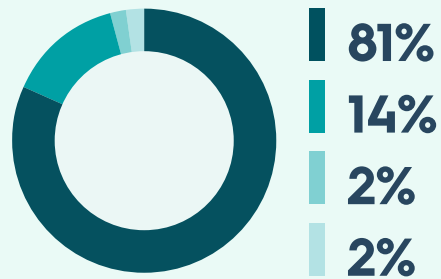
64% Strongly agree
31% Agree
5% Neither agree nor disagree
0% Disagree
0% Strongly disagree

Everyone’s opinion counted



69% Strongly agree
26% Agree
5% Neither agree nor disagree
0% Disagree
0% Strongly disagree

I experienced the guidance I received from the Lead facilitator and the discussion facilitators as...



81% Very good
14% Good
2% It was okay
0% Not good
2% Not so good
0% Not good at all

The facilitation was viewed by a substantial majority as very good. Eight in ten (81%) said they found the guidance from the lead facilitator and the discussion facilitators very good, and a further 14% said it was good. Smaller minorities said this was okay (2%) or not so good (2%).

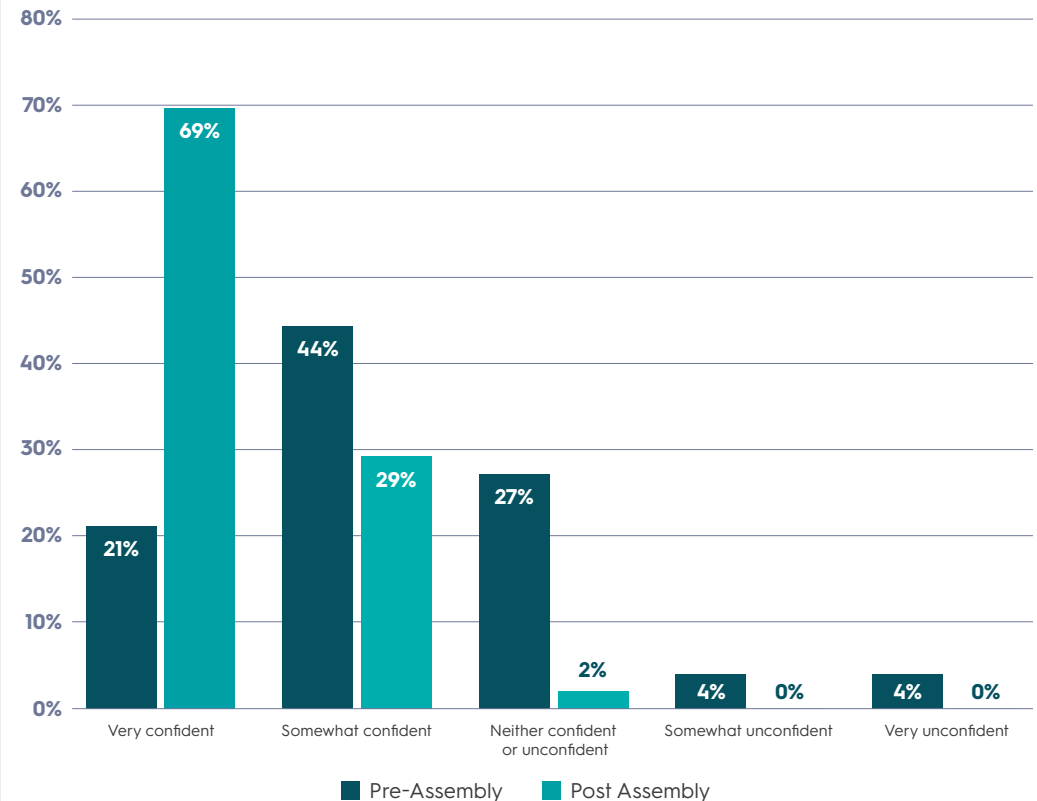
The recommendations reflect the diversity of opinions



62% Strongly agree
38% Agree
0% Neither agree nor disagree
0% Disagree
0% Strongly disagree

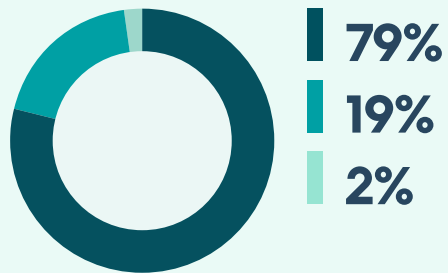
Views towards the Assembly recommendations, and the extent to which they reflected participants' perspectives, were very positive. When asked if the recommendations reflected the diversity of opinions expressed, all (100%) agreed, with 62% strongly agreeing and 38% agreeing.

How confident do you feel about voicing your opinion?



The surveys before and after the Assembly offer an impression on the impact of the Assembly on participants' confidence. Prior to the Assembly two in ten (21%) were very confident and around four in ten (44%) somewhat confident about voicing an opinion, with around three in ten (27%) neither confident or unconfident. Smaller minorities said they were somewhat unconfident (4%) or very unconfident (4%). When asked the same question after the Assembly, there was evidence that confidence levels rose significantly. Seven in ten (69%) said they were very confident, three in ten (29%) said they were somewhat confident and a smaller minority (2%) said neither confident or unconfident.

I would recommend taking part in an Assembly to other Nest members, or other pension fund members



79% Very likely

19% Likely

2% Neither likely nor unlikely

0% Unlikely

0% Very unlikely

Assembly participants were asked if they would recommend taking part in an Assembly to other Nest members, or other pension fund members. A significant majority (79%) said it is very likely that they would recommend this to others, and two in ten (19%) said this was likely. A small minority (2%) said this was neither likely or unlikely.

Views from Assembly Members

On a final note, we asked members "What, if anything, has changed for you as a result of taking part in the Nest Members' Assembly?"



There seemed to be a real desire to make this accessible for all.



I feel like I definitely understand more about pensions, investing and about Nest as a company as a result of taking part in the Nest Members' Assembly. Meeting the other participants and hearing the views and opinions was very interesting and I would most certainly attend something similar in the future if given the opportunity.



I am more confident about trying new things.



Facilitation was well-organised, smooth-running and totally "human", with each facilitator holding the space in their own way but working very much as a team so the whole event felt "held" and safe. It was clear they were separate from Nest and could not necessarily contribute knowledge of the subject matter, but enabled members to understand more and form and articulate opinions or questions.



I was a bit surprised by the number of people who attended had a low / poor understanding of pensions in general, the main reason for them etc. and the importance around investing early. The group recognised these shortcoming and learned very quickly through the assembly's rich content, excellent guest speakers and discussions we had, and indeed magnified the clear lack of communication, visibility and / or publicly available education material about pensions across the UK, becoming one of the many recommendations collectively put forward.





I will definitely take a closer look at my pension and encourage others around me to do so too. Before the Assembly I never considered my pension to be part of such a big picture. And now I would urge everyone to look at theirs because I now understand how important it is and what a great impact it can have.



Assembly Members



Appendices

Appendix 1

Sampling Strategy for the Nest Member Assembly

The Nest Member Assembly aimed to bring together a representative group of Nest Members. Email invitations were sent by Nest in November 2025 to 200,000 Nest members inviting them to register their interest in participating in the Assembly on a webpage managed by the Sortition Foundation, who randomly selected members to participate.

The first stage of this process involved Nest drawing a sample to send the invitations to. Drawing a large random sample from circa 14 million Nest members should provide sufficient diversity to ensure the assembly is representative of the entire membership. However, since Nest can only contact members via email, and not all members have an email address recorded in the Nest system, it means that not all members are contactable. Members who are not contactable are clustered in groups with similar characteristics (“harder to reach”). The sampling strategy was devised so that the harder to reach members were over sampled to ensure the final Assembly had the highest likelihood of being representative of the entire membership.

Nest member email addresses are usually provided by employers at the point of enrolment, but these may not always be accurate. However, when a member registers their online Nest account they are asked to provide, or confirm, details held for them, including their email address. Clearly, among members who have registered, there is a much higher chance of having a correct email address.

Nest considered the impacts of different socio-demographic characteristics on how contactable a member is. Age does not have a big impact on how contactable a member is. Whilst members aged under 30 are more likely to have registered their Nest account and therefore constitute a slightly higher proportion of contactable member compared to the membership, the difference is small. Nest also considered the impact of gender, region, pot value and estimated salary on how contactable a member is. There is very little difference between the proportion of all members and those contactable members based on gender and region. However, there are small differences for pot value, with those members with the smallest pots less likely to be contactable.

In Nest’s analysis we observed that registration status and contribution status have the biggest impacts on affecting how contactable a member is. Whether a member is registered (or not) is important (and simply reflects that in the registration process members are asked to provide Nest with a valid email address). And in addition, whether members are contributing (making at least one contribution in the past 12 months) is also an impactful characteristic (see Table 1 below).

Table 1: Impact of registration and contribution status on contactable members

Registration and contribution status	All Nest members	Contactable members
Not registered and not contributing	45.7%	32.6%
Not registered but contributing	13.9%	11.2%
Registered but not contributing	25.5%	35.3%
Registered and contributing	14.8%	21.0%

To ensure adequate representation of unregistered as well as registered members, Nest ensured that proportionality more unregistered members were included in the sample, to increase the likelihood that we make successful contact, and they would respond to invitation to participate in the Assembly. This process involved considering the proportion of Nest members in different age and gender categories which fell into the four categories of: registered and not registered, and contributing and not contributing.

Table 2: Four categories of registered and contributing, by age and gender

Female	Not Reg Not Cont	Not Reg Cont	Reg Not Cont	Reg Cont
less than 22	0.1%	0.0%	0.0%	0.0%
22-25	1.2%	0.9%	0.6%	0.5%
26-30	3.2%	0.9%	2.1%	1.0%
31-35	4.0%	0.9%	2.5%	1.0%
36-40	3.2%	0.9%	1.9%	1.0%
41-45	2.4%	0.8%	1.5%	0.9%
46-50	1.9%	0.7%	1.2%	0.8%
51-55	1.7%	0.7%	1.1%	0.9%
56-60	1.4%	0.6%	0.9%	0.8%
61-66	1.2%	0.4%	0.9%	0.7%
67+	0.2%	0.0%	0.2%	0.1%

Males	Not Reg Not Cont	Not Reg Cont	Reg Not Cont	Reg Cont
less than 22	0.1%	0.1%	0.0%	0.0%
22-25	1.3%	1.0%	0.5%	0.5%
26-30	3.7%	1.1%	2.0%	0.9%
31-35	4.9%	0.9%	2.4%	1.0%
36-40	4.1%	0.9%	2.1%	1.0%
41-45	3.2%	0.8%	1.6%	0.9%
46-50	2.4%	0.7%	1.2%	0.7%
51-55	2.1%	0.7%	1.0%	0.7%
56-60	1.7%	0.6%	0.8%	0.7%
61-66	1.4%	0.5%	0.8%	0.6%
67+	0.3%	0.0%	0.3%	0.1%

Nest compared the differences between the figures for the membership as a whole (Table 2), with those who have a valid email address and are contactable (Table 3), to identify any differences.

Table 3

Female	Not Reg Not Cont	Not Reg Cont	Reg Not Cont	Reg Cont
less than 22	0.1%	0.0%	0.0%	0.1%
22-25	1.1%	0.9%	0.9%	0.8%
26-30	2.6%	0.8%	3.0%	1.4%
31-35	2.9%	0.7%	3.4%	1.4%
36-40	2.2%	0.7%	2.6%	1.4%
41-45	1.6%	0.6%	2.0%	1.3%
46-50	1.3%	0.5%	1.6%	1.2%
51-55	1.2%	0.5%	1.5%	1.2%
56-60	0.9%	0.4%	1.2%	1.1%
61-66	0.7%	0.3%	1.2%	1.0%
67+	0.1%	0.0%	0.3%	0.1%

In order to ensure that the proportion of members in the contactable group mirrored those in the entire membership Nest boosted (“weighted”) the unregistered group and decreased the registered group. To do this, we applied a weighting to each of the cells in the table of contactable members. For example, around 0.8% of the whole membership are females, aged 41 to 45 who are not registered but are contributing. In the contactable group, females of the same age and status account for around 0.64%, this is around 20% less, so Nest weighted the volume of females in this age and status group by the same proportion. By the same token, males aged 26 to 30 who are registered and contributing make up around 0.91% of all members but 1.32% of contactable members, so Nest reduced the number from this group by around 44%.

Male	Not Reg Not Cont	Not Reg Cont	Reg Not Cont	Reg Cont
less than 22	0.1%	0.1%	0.0%	0.1%
22-25	1.2%	0.9%	0.8%	0.7%
26-30	3.1%	0.9%	2.8%	1.3%
31-35	3.6%	0.8%	3.3%	1.4%
36-40	2.8%	0.7%	2.8%	1.4%
41-45	2.1%	0.6%	2.1%	1.3%
46-50	1.6%	0.5%	1.6%	1.1%
51-55	1.4%	0.5%	1.4%	1.0%
56-60	1.1%	0.4%	1.1%	0.9%
61-66	0.9%	0.3%	1.1%	0.8%
67+	0.2%	0.0%	0.4%	0.1%

Nest estimated the sample size of Nest members required for the Assembly based on response rates to Nest member surveys. Whilst Nest often surveys members, the Assembly was unique and response rates were anticipated to be lower. On average, responses to Nest surveys are 1.5-2.5%, and Nest anticipated a much lower response rate for the Assembly, at 0.5%. To generate 1000 members in the panel, Nest sampled 200,000 members. The aim was to achieve a panel of at least 700-1000 members, from which the Assembly could be randomly selected by the Sortition Foundation.

Using the two examples above, in a purely random sample of 200,000 members, Nest would expect roughly 1,600 females aged 41 to 45 who are not registered but contributing (0.8% of the total). In the contactable group, the volume would be around 1,280 (0.64%). Nest therefore boosted this group by circa 20% and include a volume of 1,940 in the sample. For males aged 26 to 30, a random sample would give us around 1,825 (0.91%). In the contactable group the volume would be 2,640 (1.32%) so Nest reduced the volume in this group by around 44% and included a final volume of 1,020 in the sample.

These boosts and reductions were applied to each separate group based on age, gender and contribution and registration status with a final volume of 200,000 members. As a sense check, crosstabs were produced on this sample by age, gender, region, pot value and salary estimate and compared against the same tabulations for all Nest members. There were no discernible differences across any of the metrics, apart from a slight underrepresentation of members in the highest pot value category. However, Nest predicted that responses rates were potentially likely to be higher among this group such that it was unlikely to be of detrimental to the overall sample. Details on the socio-demographic characteristics of the final participating Assembly members can be found in Chapter 1.



Appendix 2

Q&A

(with small clarifications and examples added by Nest for the Assembly report)



Dr. Suzy Morrissey

Deputy Director,
Pensions Policy Institute

Q Is the Pensions Policy Institute politically affiliated?

A We are an independent research centre and we get our funding from different pensions providers who ask us to do research for them. We're not selling a particular approach or model like a consultancy would, so when people commission us to do research, they get the right answer based on the research, rather than a particular perspective.

Q Does everyone get the same amount for state pension and how much?

A The amount you get from the state pension depends on how much you contribute. There is a minimum number of contributing years you need to contribute to get it at all, and then after that your state pension level is affected by how much you contribute¹.

¹ You need 10 years to qualify for a state pension, and after that what you receive will then vary depending on your contribution levels, with 35 years of contributions giving you the full amount.

Q Are we taxed before the pension contribution is made and then again after we receive it?

A No, you are only taxed once, when you withdraw money from your pension pot.

Employers can make pension contributions on your behalf in two different ways. One is called Salary sacrifice, that is where employers make contributions based on your "gross pay" before any tax or national insurance contributions are subtracted. The other way, which most employers use, is to make pension contributions from your "net pay" that is after they have subtracted income tax and National Insurance.

However, in this instance the pension scheme claims back for you the basic rate of Income tax, so you're in effect not taxed. If you're a higher rate tax pay you must claim this additional amount back from HMRC yourself.

When it comes to your taking money out of your pension pot (which you can do post 55) this is when this money is taxed. You can withdraw up to 25% of your total pension pot tax free and the remaining 75% you would pay income tax on, assuming you had income above the personal allowance, which would likely be the case if you were in receipt of the full State pension².

² The standard Personal Allowance is £12,570, which is the amount of income you do not have to pay tax on. The full state pension is currently £230.25 a week or £11,973 a year.

Q Where do people go to learn about pensions? Are Nest teaching this in schools?

A Nest doesn't currently, do any teaching in schools. However, Nest does have a lot of information on its website. Another really good resource is **moneyhelper** a free impartial resource funded by the government. It includes lots of information about pensions and also other things like benefits, everyday money and money troubles.

Q What are the different types of pensions?

A There is the state pension, which you contribute to with your national insurance contributions. There's also the workplace pension, which Nest is, which you contribute to and so does your employer. When you leave your employer, you still have this pension pot, it's your money³.

³ This money is in an occupational pension scheme. Private pensions are those which you set up for yourself with a financial institution, and which you alone pay into (not an employer).

Q If someone dies can their pension pot help their family pay for their funeral?

A In a workplace pension scheme you can nominate a person to receive your pension if you pass away, and they can use that money how they wish to, including paying for the funeral.

Q What counts as a risky investment?

A That's a good question. I think about risk in terms of the likelihood of managing to have the outcomes that I want to see, for example if I want to dig something out of the ground, there will be lots of operational risks involved, and I may not get out what I expected to.

Investment risk can take lots of different forms, for example, volatile prices (when prices move up and down a great deal) make things riskier, as does uncertainty about future earnings or outcomes. Another example of higher risk is when you can't sell an investment easily without losing value (called liquidity risk). These are just a few, very limited examples, of how risk is considered in investing.

Q How do you quantify risk? Do we lose money if stocks crash?

A You do lose money if stocks crash. But although there will be lots of different events which will make stock markets crash, over time, stock markets generally grow.

Q If the pension holder dies does their nominated person have the same choices about the money? And what are the tax implications?

A Each pension scheme may treat nominated persons in slightly different ways. If someone with a Nest pension dies and has nominated a beneficiary, once Nest has been told the person has died Nest will contact the beneficiary, collect required documents, and pay the full pension pot directly to them—usually within 20–30 days.

Q Can we invest in any business or community interest companies, or does it have to be in a big business like Apple or Nike?

A Pension schemes mostly invest in big businesses, either through buying shares or bonds. But they can also invest in smaller businesses and local businesses. It's less likely that they will invest in smaller business directly but they may invest in funds that indirectly benefit smaller businesses.

For example, in partnership with Legal and General Investment Management (LGIM), Nest recently invested in a local shopping and community area in Poole, Dorset. By removing rents and business rates for 2 years, 10 local retailers received the support they needed to open their businesses, creating more jobs and a vibrant area for locals to enjoy.

Q Do you get a state and or workplace pension if you are self-employed or have a part-time job?

A You will make national insurance contributions if you are self-employed, which result in contributing years to the state pension. But you will not get any additional contributions from an employer through a workplace pension. If you are self-employed you can set up your own pension, but again you will be making the only contributions, not an employer.

Q What if you are older and haven't got enough money in your pot or don't have a pot?

A Pensions are really important because we are all living longer lives. I can't offer financial advice but it is recommended to contribute to an occupational pension if you can. You can find out more about the state pension [here](#) with further details [here](#).

Q Who decides the percentage (%) you contribute? Can I pay more in? Will my employer match it?

A The government sets out the minimum amount employers, and their employees must contribute to their pension. Employers can choose to do more than minimum, but amongst the employers using Nest, many choose to do the minimum. This means employees contribute 4% of their earnings with a further 1% coming in tax relief (the money the pension scheme claims back from the government on your behalf). Employers pay in a further 3%. You can make additional contributions directly to the pension scheme or ask your employer to increase your contributions on your behalf – and yes, some employers will match your increased contributions, so it's good to check.

Generally speaking, employees pay around 5% into their pension. The employer decides upon the contribution levels that they will make. In many schemes, like Nest, you can also make additional contributions.

Q What about if you have a lot of different pensions – should we put them all together?

A I can't offer financial advice. However, there can be some advantages of putting all your pension pots in one place, so you don't forget about them.



Appendix 3

Q&A

(with small clarifications and examples added by Nest for the Assembly report)



Paul Todd

Chief Operating Officer,
Nest Invest

Q How does Nest distinguish itself from other pension companies?

A Nest provides a pension for one third of the UK workforce, and because of that we want to understand what members think. We have the best investment strategies just because we're so big, so we can do more.

Q How much is the head of Nest paid?

A This is publicly available in reports and accounts. In the 2024/5 financial year this was £318,000. For further info [click here](#).

Q Does the management team have their pension in Nest?

A All our workplace pensions are going in the Nest scheme.

Q You discussed four categories of investment, do they have different levels of returns and are there trends in these?

A People who are much younger will have their money invested in a different way to people closer to retirement. Most peoples pensions are widely invested in global companies. Ten per cent are invested in real estate, such as property or buildings. We're increasingly investing more in infrastructure such as wind farms. Quite a lot is invested in fixed income (government debt). Over time we want to invest less in big companies and in more direct assets e.g. retail and supermarket. Debt is much more secure, but returns are not so high. Private equity returns are high, but are more uncertain. Altogether, over the last ten years returns are around 10%.

Q Is there a process of receiving members views on the investment options?

A We have done focus groups in the past. This has shown us that on the whole people are happy with the fund, we do have different funds which people can choose between, and we want to give choice but not overwhelm people with choice, making people feel uncomfortable.

Q How much are guided by profit vs. ethical considerations? How much are you influenced by members views?

A Nest is a not for profit organisation, we do surveys of members and focus groups. One of the challenges with asking people about investment is getting people confident about giving their views - hopefully this Assembly comes across that we really want to hear from people. In the London weekend, you'll get access to information from experts in the field to allow.

Q Is there a trade off between ethical investing and achieving financial return?

A Although it depends on the time horizon, I don't think there is a trade off, broadly speaking.

Q What would happen if Nest were to fold?

A This is your money, it's held in trust and we're the custodians of it. In the extraordinarily unlikely event of this happening, your pension would be taken over by another pensions provider.

Q How does a tree or a road make a profit?

A Good question. The M6 Toll is a really good example. The owner will receive the revenue that comes from the toll payments. Sustainably sourced trees are harvested and used in construction, it's a good rate of return because everyone needs wood. But investing in trees requires ensuring that forests are planted and managed sustainably for now and the future.

Q How do you imagine that £160 billion will be reached?

A We expect growth of around £7-10 billion of new money per year, as our pension scheme has a lot of working age people who won't be retiring for a long time. We receive around £700 million in contributions every month, it all adds up pretty quickly.

Q We hear its important to invest in a pension, but there are market crashes, and we wonder if in 70 years there is going to be a pension to draw for young people?

A This is your money, in trust, for your needs. Markets do crash but on the whole over the last 120-130 years they have performed well. It's your money, its no-one else's, it's not the states money. What happens with the state pension depends on politicians and how they decide if this should change.

Q How much detail do you know about what you're invested in, for example, investments in Israel?

A We do keep a close eye on this, we invest in lots of companies all across the world. We do get a lot of detail and a lot of information. We have a policy that we don't invest in companies with controversial weapons. We also don't invest when we have concerns about human rights. You heard from Brendan earlier today that we want to hear your views. We want to hear about people's values and what you care about the more we can take this into account.

Q What influence do you have as a shareholder?

A The bigger you are the more influence you have. We've had real success in ensuring companies pay the living wage in the UK, as well as on boards being more diverse and representative. We would like to hear your views in London on how much resource we should spend on trying to influence individual companies compared with investing resources in influencing government and regulation.

Q What is the cost of this Assembly?

A The cost of the Assembly, as a percentage of our overall assets under management is 0.0003%, (or 3 millionths of the total assets under management).

Q Do you have your own fund managers and if yes do they have their own performance related pay?

A We have an internal investment team in-house. They pick the best external fund manager who will deliver the best outcomes. We never pay performance fees because they set the wrong incentives. We do have discussions on where to consider appointing internal fund managers and investing in our internal capacity, or whether it is better to have external fund managers but be extremely good at managing them - it's a difficult decision.

Appendix 4

Q&A

(with small clarifications and examples added by Nest for the Assembly report)



Professor Iain Clacher

Professor of Pensions and Finance,
University of Leeds

Q What makes some investments riskier than others?

A If we put the wider issue of inflation to one side, there will be a small increase in that money over time. It will be small, because it is low risk. If you have up to £80,000¹ in cash in the bank, the Financial Services compensation scheme will ensure you get your money back, if the bank goes bankrupt. Cash in the bank is low risk, and you can walk up to the bank and take it out.

The US economy has always been very well trusted, and so lending to the US government has always been a safe bet as an investment. It is a low-risk investment as the US have never defaulted, which means as an investor, you'll get your money back. If we invest in a company, a company is much riskier – which means we'll want, as investors, a bit more interest because they might fail and you don't get your money back. The differences between these two options is the risk.

¹ This recently went up to £120,000, see: [Financial Services Compensation Scheme](#)

Q What's the comparison between investing in a pension and investing in other things?

A The first thing to say is that I can't offer financial advice in this session! The most efficient way to invest is through your pension, this is the most tax efficient way to invest and you are also buying massive amounts of expertise, as the pension scheme decides how to invest for you.

Q What makes the market go up and down?

A Donald Trump! Trading makes the market go up and down. We trade between ourselves all the time, and through trading you achieve something called "price discovery". Through lots of people buying and selling, the right price for something emerges.

In 1994 few people would have guessed that Amazon would be the massive business it is today. Picking which companies will be successful is really hard. However, if you invest in the market as a whole, all the individual successes and failures of lots of different companies are merged together.

Q What are bonds? How do you know what's a good bond?

A When I go to the bank and ask for a mortgage, they will look at my salary, and look at the fact I have a permanent job and will consider how risky it is to lend me money. They might judge me as low risk. The nearest thing to that in investing, is Nest putting money into a bond fund. They will take a view on how risky a company is. The bond is a contractual agreement between the investor and the company, and if you lend to a company they are legally required to pay you back.

Q The title on the slide is: What is investing and how can invest in my and out future? How does investing relate to that?

A I can choose to make money whichever way I want. I can think about the things that I'd like to see – for example for me, that would be investing in good infrastructure. I can choose to invest in certain categories of things that benefit wider society.

Q Your chart suggests limitless growth. Is that sustainable?

A Investing should give you growth, but it is all very uncertain. If I knew what was going to happen in the future, I wouldn't be here, I'd already be on my own private island somewhere. We do expect the economy to grow, but the tension is that people find it hard to imagine the economy of the future. In my opinion, innovation is going to keep us trundling along, creating growth.

Q Could a pension fund invest in youth clubs?

A There is no money to be made in youth clubs. It's meeting a social purpose and youth clubs should be funded from taxation. The purpose of a pension fund is to pay a pension, not fund a youth club. However, if the economy is good, then more people are in work which increased the tax base (the amount of money that the government receives from taxation), which means more tax is available for youth clubs.

Q How can my investments affect other people's future (for good and bad)?

A When people invest, they invest in lots of different companies, such as defence companies and tech companies like Facebook, across lots of different industries, which may have bad impacts on different people. You can exclude companies in defence for example if you don't like them, but you can also choose to invest in industries that are doing something good and beneficial, such as pharmaceutical companies creating medicines and better health.

Q How much say can we have in how Nest invests?

A When you look at Nest and this Assembly, they are trying to engage with their members. But there are limits. If they invested in youth clubs, they would be breaking the law.

Q What's best practice? What's the most inspiring thing you've seen?

A I've been working in pensions and finance since my early twenties and I haven't been paid to say this, but this Assembly is one of the most inspiring things I've seen.

Q So many organisations promise the moon – how do I trust their promises? Similarly, there are so many videos on Youtube about investing – should I trust them?

A I think pensions are an amazing way for people to invest, with confidence. You get the deep investment expertise of a pension fund. If you invest yourself, as an individual investor, it becomes much harder to figure out how to invest. The Youtube videos may be trying to sell you something. If you want to start investing as an individual and working out how you want to do it start by using programs that allow you to invest without using real money. See what your performance is without using any of your own money to start with. You will see it's difficult to pick winning companies, and certainly the best way to learn is through the hard lesson of losing money.

Q How do we judge what a good investment is?

A That's an impossible question to give a definitive answer on. Is it the one that gives you the most money? But that ignores how the money was made (for example, did I make that money through a defence company?). If you diversify, that is probably the best investment bet, but by diversifying you're not guaranteed the most money.

Q Are people in other countries better at investing than here in the UK?

A In the UK we don't talk about money. In the US people have a much more open attitude to discussing money and their pension fund. In Australia, where they have six different versions of Nest, people discuss how well their pension is doing all the time. Other countries are much more open about the conversation. It's something culturally we can start to change.

Q As an investor, is it better to invest in an index fund or individual companies?

A An index fund is a way in which somebody at Nest could invest into the whole stock market. The index is every company in the UK, which means you get a little bit of the performance of each (whether performance went up or down). On the last slide I showed you the basket of eggs, which was all about the philosophy “don’t put all your eggs in one basket”. There is a company called Nvidia that has been going since 1990. In 1990 it would have been hard to predict that it would become a multi trillion-dollar company. If you did pick Nvidia back then, you would have done very well. But that is incredibly hard to do, and most likely you would have picked another company that didn’t do so well. Almost no-one can “beat the market”, which is the performance of the whole market, and so the best way to invest is to diversify and spread your eggs into lots of different baskets.



Appendix 5

Q&A

(with small clarifications and examples added by Nest for the Assembly report)



Sarah Brewin

Stewardship Impact
Lead, NGO ACCR

Q What's difference between public and private markets?

A In companies that are publicly listed, anyone can buy their shares. But in private companies that is not the case.

Q Do institutional shareholders actually exercise their rights at AGMs?

A There are different types of institutional investors – Pension funds and Asset managers. Pensions, because they are investing in long time horizons, it is in their interests to engage with the companies that they invest in. This can be less the case for asset managers who maybe more focused on achieving a return over a shorter time frame.

Q How would Nest get involved with startups?

A Sarah mentioned she was told there is a speaker on private markets in the second Assembly weekend. Nest invests in private companies and for more information and examples [click here](#).

Q Is there a percentage of shares owned where Nest would have more influence on a company?

A In a public company where there can be millions or billions of shares, owning 1% of the available shares would make you a significant voice from the perspective of the company. In a private company it would be a little different and maybe you'd need to own something like 20% of the company.

Q Are short term investors less responsible than long term investors?

A Not necessarily. But if you are a long-term investor you definitely care and consider how to invest responsibly.

Q Why would companies care if you divest?

A In theory because by divesting you could increase the cost of capital for a company, but in reality, the likelihood of divestment impacting the costs to the company is negligible.

Q Are the Australian pension funds better than us at using their power to influence companies?

A No. Pension schemes in Australia are probably not using the voice as much as they could. In fact, the UK is probably doing this better than anywhere else.

Q What influence do Institutional owners really have, they can't make laws and change policies that could change companies' behaviour?

A That's right. Only governments can change laws but pension schemes understand that they have a role to play in lobbying / engaging with government and not just companies. They can advocate for where they think changes / improvements could be made via government introducing new rules or legislation.

Q Can Nest as an owner really make a positive impact?

A Yes. It can influence individual companies and also engage with government to influence change across the wider economy.

Appendix 6

In Assembly Day 2, groups of assembly participants were presented with three paths to impact through investing, for discussion. The three paths focused on investing to: (1) help build new solutions and growth, (2) use your investor voice and influence companies, and (3) send a clear signal.

Path 1: Helping to build new solutions and growth

This approach is about using pension money to help companies build new solutions and do more of what they are already doing.

- Building new things, for example investing in new firms which provide new products or services, that do not currently exist
- Growing things, for example investing in firms that can do more of something that they are already doing, helping them expand and grow

The idea is that pension money can help companies do something new that would not happen otherwise, or help them do more of something that they are already doing.

This is most impactful when investors provide funding to firms who cannot get sufficient funding from other investors, although risk will be a consideration in the decision.

Path 2: Using your investor voice and influencing companies

This approach uses the rights that come with being a shareholder – like voting and engaging in dialogue with company managers – to push companies to behave better over time.

For example: investors might seek to improve how the firm addresses sustainability issues, such as the overuse of antibiotics in meat production.

This is most effective when investors act together and demand changes that companies can implement easily. This can lead to impact, but it may be slow, and progress can come in small steps.

Path 3: Sending a clear signal

This approach is about sending a signal, either through investment decisions (choosing to invest or not, and divesting), or by speaking up with other investors.

- Investors can make change by sending a message through where they invest – where money goes, and doesn't go, shows people what they accept or reject. For example, avoiding harmful industries or companies that do not meet UN standards in human rights
- Investors can also contribute to higher standards across the whole investment industry by speaking up in industry forums

This is most effective when investors act together and are public about it. One investor may not change much, but if many act in the same way, there may be a change in what is seen as normal or acceptable.

Appendix 7

How Nest invests

After Days 1 and 2, members were provided with further information on how Nest invests and pensions. Members were also provided with answers to their questions about how Nest invests which, because of time constraints, were not included in the plenary Q&A.

Members were provided with the links to the presentations from the weekend 1. These presentations are included in this report.

Nest pensions investing

How your pension is invested, [click here](#) (video: 6.5 mins) a recording of a chat with Paul Todd (one of our speakers) on how your Nest pension payments are invested and how different investment choices and risk levels can affect how much your money grows over time.

Investing for beginners, [click here](#) (website page: around 6 mins to read) an introduction to how your Nest pension payments are invested, the choices you have and the steps that are followed.

Where is my money invested?

Your pension in action, [click here](#) (website page: 3 mins to read). Some examples of how your money is invested (in the UK)

The **investment information, [click here](#)** tool allows you to find out which companies your money is invested in through the different Nest pension schemes that exist. You can view the companies by industry or search for them individually.

Investment types, [click here](#) (website page: 5 mins to read). An explanation of the main types of investments used in pensions, (e.g. shares, bonds, property, cash etc.) and how each works to help grow the pension money invested.

Other resources

The beginners guide to pensions, [click here](#) (video: around 10 mins) a general introduction to pensions, what they are and how they work

Responsible investing, [click here](#) (video 8 mins 24 sec) an introduction to what responsible investing is (and the difference with ethical investing) and an explanation of some issues that have guided Nest investments recently. A summary of the different ways that Nest can influence the companies it invests in.



Appendix 8

Nest Member Assembly: Glossary of key terms and Nest funds

Responsible Investing: Responsible Investing means considering environmental, social and governance (ESG) factors, such as climate change and working conditions, when making investment decisions.

As long-term investors, Nest believes that considering these factors in the investment process can lead to better investment performance (such as reduced investment risk or better returns), and that's because we think that companies that consider their wider impact on people and the planet are more likely to be financially successful over the long term. These views are reflected in our investment beliefs and statement of investment principles, which have been developed to help guide our investment decisions.

Risk-adjusted return: Risk-adjusted returns is a way of measuring how much return we get from an investment, relative to the amount of risk we take. In simple terms, it's not just about how much money an investment makes, but how reliably and safely we make that money.

We see this as crucial at Nest. It means we're not just chasing high returns, but doing so in a way that manages the ups and downs of the markets. It means working to protect members' savings from big shocks, and support more predictable outcomes for retirement.

ESG: Put simply, ESG stands for "environmental, social and governance". But when using it in an investment context, it usually refers to responsible investment, which means considering environmental, social and governance (ESG) factors, such as climate change and working conditions, when making investment decisions. Nest focuses on a broad range of "ESG" issues where we believe doing so leads to reduced investment risk or better returns for our members in the long term.

Ethical Investing: Ethical investing tends to mean investing in line with your personal values or moral principles. For example, you may not want to invest in gambling or betting companies because it does not align with your individual beliefs.

This is slightly different to responsible investing as responsible investing is more about considering issues when making investment decisions to manage financial risks and opportunities, not solely because of moral concerns.

At Nest, within the default strategy (which over 99% of members are in) we invest responsibly. But for those that want to go further, we offer an Ethical Fund (as defined below).

Retirement Date Fund: We designed our flagship Nest Retirement Date Funds to work for you, no matter your age or income. It's one of the reasons over 95% of our members stay in these award-winning funds – a total of over 13 million people. As flexible funds that adapt to your changing needs over the years, they work hard to protect and grow your savings throughout your life.

Nest Ethical Fund: All our funds are invested with a view to how people and the planet are treated, but our Nest Ethical Fund goes one step further. It's designed for members who want their pension savings to reflect specific ethical values. It aims to grow your money over the long term while avoiding investments in companies or sectors that are considered harmful, or controversial. This includes companies that make weapons, test cosmetics on animals or carry out controversial mining practices.

Nest Sharia Fund: The Islamic faith takes the view that you shouldn't make money from money – known as interest. That makes Islamic finance a little different, as some of the common practices in conventional finance are strictly prohibited. The Nest Sharia Fund was created with that in mind and is invested in a way that complies with Sharia principles. However, anyone can invest in this fund – you don't have to be Muslim. This fund invests your money in Sharia-compliant company shares and in sukuk, which are considered an Islamic form of bonds. These investments are screened by Islamic scholars to make sure they meet Sharia principles. For example, it doesn't invest in companies that make money out of alcohol, adult entertainment or pork products. It also avoids types of investments that pay or receive interest, such as company or government loans.

Nest Higher Risk Fund: Within investing, the higher the risk, the higher your potential reward – but the higher the chance you'll end up with less than you put in. As with all investments, it's a carefully calculated risk. The Nest Higher Risk Fund does exactly what it says on the tin. It was created for members who want to try and grow their money more quickly than our Nest Retirement Date Funds and are prepared to accept a higher level of risk to achieve this.

Nest Lower Growth Fund: This fund may be right for you if your main goal is to protect how much you've got saved in your pot and you're not concerned about your savings keeping up with the rising costs of living. Most pension funds are invested with the aim of growing your money faster than the rising costs of living, also known as inflation. This is done so your money has the same kind of purchasing power in the future. However, the Nest Lower Growth Fund is an exception. It aims to keep the original value of your money rather than adding to it. In fact, as this fund takes very little risk, your money is unlikely to grow quickly enough to beat the rising costs of living over longer periods of time, and you might not be able to buy as much with your pension savings in the future.

Assets under management (AUM): Assets under management refers to the total value of money that an organisation (such as Nest) is responsible for investing on behalf of its clients or members (and in our case you, our pension savers).

We don't just keep this as cash, we invest it into assets like companies, properties and even government bonds. So the AUM is a calculation of the monetary value of all of these investments.

Nest's assets have continued to grow, and we are now investing over £60 billion on behalf of members. We have continued to develop and strengthen our investment proposition. We now have almost half of our assets in climate-aware equities funds and are increasing our investments in the UK. If current trends continue, by 2030 Nest could be managing assets of £100 billion for more than 18 million members. This scale creates huge opportunities for Nest to do things differently.

Statement of Investment Principles (SIP): **The Statement of investment principles (SIP)** sets out how Nest will invest members' money. It outlines the broad principles and policies that govern how Nest makes its investment decisions. It also demonstrates Nest's commitment to managing its assets effectively and appropriately for all of its members. The SIP outlines:

- how the investment governance processes of Nest work
- how Nest Retirement Date Funds work
- what other fund choices we offer
- Nest Corporation's approach to responsible investing
- how assets are managed
- Nest Corporation's approach to risk

Our **Member investment research report** summarises a range of evidence about our members and their investment which influences the evolution of Nest's investment strategy.



Appendix 9

Q&A



Catherine Howarth

Nest Board member and
CEO, NGO Share Action

Q What is Nest doing in the on-boarding process to ensure that new members have enough information to engage critically with Nest?

A In terms of on-boarding new members, the challenge for Nest is that there are lots of members we don't have contact details for. But among those members who do register with Nest, Nest reaches out to them with information, including details about the website where much more is available. We want to inform people about the scheme. Nest tries to make its website and app as usable as possible. There is more work to be done in this area, to ensure we provide information in a way that's accessible to all our members.

Q Will the recommendations go to you directly will you see more after effects?

A The chair of the Nest board, Brendan, who you met in weekend 1, is really committed to the process of this Assembly. We will consider your recommendations as a Board. It will be an important input into board decision-making. It is important for board to hear and understand what members think. Ultimately, however, the board has the responsibility to make decisions.

This assembly process has been timed to feed into the three-year review of Nest's Statement of Investment Principles (the SIP).

Q How confident are you that you are scrutinising everything that's happening with Nest in its decision-making? And how are external fund managers held to account?

A The Board has 15 members (it can be anywhere from 9 to 15 board members), and the Board is responsible for ensuring the scheme is managed to meet members best interests. The Board was established as part of the legislation which created the Nest scheme and the obligation on all employers to enrol staff in a pension scheme.

The Board meets every 3 months for one and a half days with the first day focused on the Board agenda and the second day dedicated to training. Nest takes the training of its board members very seriously to ensure they are able to make good decisions. The board works well together and everyone on the board contributes at the meetings. There is a lot of evaluation and self-assessment. For example, tomorrow I am meeting the Chair of the Board to discuss my performance and the role I'm playing on the board. We also have external parties that regularly come and review our board performance.

You will have heard during this Assembly that Nest uses asset managers to invest on your behalf. It is absolutely essential that Nest chooses its asset managers carefully and manages them so they achieve the performance we expect. Nest regularly reviews what's going on at the asset managers because things change (e.g. staff leave). We must keep a close eye on asset managers to ensure they are delivering.

Q How are you going to ensure that transparency is upheld?

A Transparency is not just about providing information but providing this in a way in which is understandable and which members can engage with. At the simplest level, Nest publishes the SIP (Statement of Investment Principles) and many details about the investment strategy on its website. Given the size of Nest, the press is also very interested in its activities and will report Nest's decisions and actions.

Q Catherine mentioned the market reacts quickly. Does that mean Nest is sometimes making snap decisions? Does that mean moving money around quickly and is this risk?

A No Nest does not make snap decisions. Its decisions are carefully made.

Q How does Nest make itself accountable to those outside the organisation? Who is looking in and checking from the outside especially in terms of social and environmental performance?

There are several external organisations that are interested in Nest. There are NGOs like ShareAction (where I work), which is involved in comparing fund managers and their performance, particularly how address ESG issues. There is the media. When Nest makes big decisions, it is newsworthy and the press will pick up on things. There is The Pensions Regulator which has a responsibility to oversee pension schemes, including Nest. And the Government is also interested in how Nest is performing.

Q How has Nest historically listened to member input and areas where this has worked and not worked?

A Nest has a Member Panel which is responsible for representing members to the board. This panel performs an important function, ensuring Nest is listening to members and meeting their needs.

We provide an annual report to the secretary of state at DWP on how Nest delivers for its members (Charles Pears, Chair of Nest Members Panel).

Q Is there a way to revisit decisions if things change and how often are decisions revisited?

Yes, the board is always reviewing performance, and that is a central part of board governance. An important role for the Nest Invest Board, which is a level down from the main Nest board, is to review investment decisions.

The connection with member values and perspectives is really important. We will be interested to bring this Assembly into the Board's review and consider your recommendations (Sally Bridgeland, Chair of Nest Invest Board).

Q Is there a feedback loop after investment announcements? For members to respond?

A Recently Nest made a 10% investment into IFM, an infrastructure company established in Australia by leading pension funds there. There will naturally be a level of confidentiality to deals such as this whilst in development. Then the news can be made public and because of who Nest is, announcements like this are of interest to the media. This means members of Nest will read about them.

We do make big investment decisions public. On something like the IFM transaction there is no formal feedback loop with members, but certainly we'd be interested in hearing your views on something like this as you develop your recommendations.

Q What do you think Nest could improve on?

A Nest is the first pension scheme of its kind in the UK to conduct a Member Assembly. It is important for Nest to listen to its members but having 14 million members makes that challenging. Listening to members and taking account of their views is an issue that is important more widely across the whole pensions industry. It doesn't happen much. Nest is leading in this area, by drawing on innovative models such as the Member Assembly, but there is more to be done and improved on.

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