

# NIGEN PENSION SCHEME

## IMPLEMENTATION STATEMENT



# NIGEN Pension Scheme Implementation Statement for the year ended 31 March 2023

## Purpose

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This Implementation Statement provides information on how, and the extent to which, the Trustees of the NIGEN Pension Scheme (“the Scheme”) have followed their policy in relation to the exercising of rights (including voting rights) attached to the Scheme’s investments, and engagement activities during the year ended 31 March 2023 (“the reporting year”). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

## Background

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In Q2 2019, the Trustees received training on Environmental, Social and Governance (“ESG”) issues from their Investment Adviser, XPS Investment (“XPS”) and discussed their beliefs around those issues. This enabled the Trustees to consider how to update their policy in relation to ESG and voting issues which, up until that point, had simply been a broad reflection of the investment managers’ own equivalent policies. The Trustees’ new policy was documented in the updated Statement of Investment Principles, of which the latest version is dated September 2021.

## The Trustees’ updated policy

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The Trustees have considered the approach to environmental, social and corporate governance (“ESG”) factors for the long-term time horizon of the Scheme and believe there can be financially material risks relating to them. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme’s Investment Managers. The Trustees require the Scheme’s Investment Managers to take ESG and climate change risks into consideration within their decision-making, in relation to the selection, retention or realisation of investments, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme’s investments to the Investment Managers. The Trustees encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, social and environmental impact and corporate governance as part of their decision-making processes. The Trustees require the Investment Managers to report on significant votes made on behalf of the Trustees.

## Manager selection exercises

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One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustees seek advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises. Over the year, there were no such manager selection exercises.

# NIGEN PENSION SCHEME

## IMPLEMENTATION STATEMENT (continued)

### Ongoing governance

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The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this statement. Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on developments within the industry. In particular, whilst the Trustees have not, to date, introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be the most significant in order to determine whether specific priorities should be introduced and communicated to the managers.

### Adherence to the Statement of Investment Principles

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During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

### Voting activity

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The assets that the Scheme held throughout the year (ending 31 March 2023) had no equity exposure and therefore no voting information was disclosed.