



Nestlé UK Pension Fund - DB Section

Statement of Investment Principles Implementation Statement for the year ending 31 December 2020

July 2021

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1 Introduction

This Implementation Statement (“the Statement”) has been prepared by the Trustee Board (“the Trustee”) of the Nestlé UK Pension Fund (“the Fund”).

This is the first Statement produced by the Trustee as required by the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. The regulations state that the Statement must:

- Describe any review of the Statement of Investment Principles (“SIP”) during the period covered by the Statement including an explanation of any changes to the SIP.
- Set out how, and the extent to which, in the opinion of the Trustee, the SIP has been followed during the year; and
- Describe the voting behaviour by, or on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) during the year and state any use of the services of a proxy voter during that year.

Based on regulatory requirements, the Statement will cover the period from 1st January 2020 to the end of the Fund’s financial year on 31st December 2020. This Statement should be read in conjunction with the Fund’s Defined Contribution (“DC”) Implementation Statement.

The Statement is split into three sections:

1. An overview of the Trustee’s actions and highlights during the period covered (including any reviews and changes to the SIP);
2. The policies set out in the Fund’s SIPs for the DB section and the extent to which they have been followed during the reporting period; and
3. The voting behaviour and significant votes undertaken by the fund managers on behalf of the Fund.

2 Reviews of, and changes to the SIP

During the reporting period 1 January 2020 to 31 December 2020, the Trustee reviewed and updated the Fund's SIP. The SIP was updated to reflect:

- The addition of Responsible Investment considerations to the Trustee's Investment Beliefs.
- The addition of the "Types of investments held" section.
- The addition of the "Risk management and monitoring" section.
- Presentational adjustments including the renaming of the "Trustee's Objectives" section to "Investment Objectives" and the renaming of the "Stewardship and Responsible Investment" section to "Responsible Investment".
- Updates to the Investment Managers and Stewardship policies to bring the Fund in line with the Shareholder Rights Directive II (SRD II) regulations. The Trustees added in a new section concerning costs and charges associated with its investment managers and separate wording relating to Stewardship and views on climate change

The above changes were finalised in August 2020. This Implementation Statement reports on these updated policies.

Since the end of the reporting period, the SIP has been updated to reflect changes to the Investment Objectives of the Trustee. Details of this change will be reported in the Trustee's next Implementation Statement.

3 Reviews of SIP policies

The table sets out the policies in the Fund's SIP and evidence supporting the extent to which they have been followed.

Policy	Has the policy been followed?	Evidence
Fund Governance (1)		
The Trustee has taken proper written advice from its investment advisers and consulted the Principal Employer to the Fund in the preparation of this SIP.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee received written advice from its adviser with respect to the contents and wording of the SIP in accordance to Section 35 of the Pension Act 1995. The Principal Employer gave written approval of the contents and wording of the SIP.
The Trustee takes advice from its investment advisers to ensure that the assets of the Fund are invested in accordance with the policies set out in this SIP and the requirements of section 36 of the Pensions Act 1995.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustees' investment adviser reviews all Fund assets to ensure they are compliant with the policies in the SIP and the requirements of section 36 of the Pensions Act 1995. The Trustee was not informed of any breach of these policies occurring during the reporting period.
The Trustee considers that the governance structure set out in this SIP is appropriate for the Fund as it allows the Trustee to make the important decisions on investment policy, while delegating the day-to-day aspects to its appointed investment managers and/or its advisors as appropriate.	Yes, the Trustee is satisfied that this policy has been followed.	There were no changes to the governance structure as set out in the SIP during the period. The Trustee continues to believe that the governance structure set out in the SIP is appropriate for the Fund.
Investment Objectives (3)		
Primarily to invest the assets of the Fund to meet its liabilities when they fall due. The Trustee wishes to protect members' accrued benefits, whilst maintaining a reasonable prospect of improving the funding level up to 100% on the target basis.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustees received regular advice from its investment advisers on the Fund's investment strategy, with the aim to increase the funding level up to 100% on its selected liability discount basis.

<p>Manage the investment risk, including that arising due to mismatch between assets and liabilities, and limit the total risk of the Fund.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee sets a budget on an appropriate risk metric, which was monitored on a quarterly basis. These reports were discussed at the following dates over the reporting period:</p> <p>27th February 2020</p> <p>20th May 2020</p> <p>26th August 2020</p> <p>25th November 2020</p> <p>Over the reporting period, the Fund remained within the risk budget and no corrective action was required.</p> <p>The Trustee employs an investment strategy according to an agreed Strategic Asset Allocation (“SAA”), that invests in a diversified set of assets with characteristics that help to grow the Fund’s assets, limit the mismatch between assets and liabilities, and protect against material investment risks.</p> <p>Some risk management action that the Trustee undertook during the reporting period was to increase the strategic allocation to the LGIM Buy and Maintain Credit mandate during Q2 2020.</p> <p>There was no evidence to suggest any other deviations from the target strategy during the reporting period.</p>
<p>Maintain suitable liquidity of assets such that the Fund is not forced to sell investments at particular times to pay member benefits or meet potential collateral calls.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee monitored the required and available collateral of the Fund on a quarterly basis at the following dates:</p> <p>27th February 2020</p> <p>20th May 2020</p> <p>26th August 2020</p> <p>25th November 2020</p> <p>The were no reports of insufficient liquidity or collateral to pay member benefits or meet collateral calls during the reporting period.</p>

<p>In order to help the Trustee achieve its investment objectives, the Trustee has established a Defined Benefit Financing Committee (“the DBFC”), which is responsible for certain investment matters delegated to it under terms of reference agreed by the Trustee from time to time.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The DBFC met 4 times during the reporting period and carried out its role according to the governance structure as set out in the SIP.</p>
<p>Summary of the Fund’s Investment Strategy (4)</p>		
<p>Assets are invested taking account of the nature and duration of the Fund's liabilities and to ensure appropriate diversification between asset categories</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>When making investment recommendations to the Trustee, the investment advisers evaluate the suitability of investments in the context of the Fund’s liabilities and their contribution to total investment risk. Diversification opportunities are considered as part of this process. As part of this, the following investment changes were made in the reporting period:</p> <ul style="list-style-type: none"> - Increased the allocation to the LGIM Buy and Maintain Credit fund during Q2 2020.
<p>The Trustee has a long-term objective to manage the SAA in a manner that reflects the Fund’s maturity and funding level.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>On a quarterly basis, the Trustee reviewed the position of the Fund versus its long-term objective and received advice from its advisers on available courses of action should the Fund’s funding level trajectory deviate from the long-term target. Over the period these took place on the following dates:</p> <ul style="list-style-type: none"> 27th February 2020 20th May 2020 26th August 2020 25th November 2020

Investment Managers (5)		
<p>The Trustee delegates day-to-day investment decisions to suitably qualified independent investment managers. Investment Managers are carefully selected to manage each of the underlying mandates following guidance and written advice from the Trustee's investment advisers.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>Over the reporting period, the Trustee continued to delegate day-to-day investment decisions to its investment managers.</p> <p>There were no changes to the investment managers employed by the Trustee during the reporting period.</p>
<p>The Trustee selects the Fund's investment managers with an expectation of a long-term appointment, although the legal terms of the contracts may provide for different durations according to asset class.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee continues to have expectation of long-term appointments for the Fund's investment managers.</p>
<p>To aid diversification the Trustee employs a number of investment managers with specialisms in different asset classes and regions and varying investment styles, both passive and active.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>There were no changes to Trustee's approach during the reporting period. It continues to employ a range of investment managers whose areas of specialism combine to achieve a diversified source of investment returns for the Fund across both passive and active strategies.</p>
<p>Each mandate's performance targets, benchmarks, restrictions and fees are set out in the respective Investment Management Agreements ("IMA") or pooled fund documentation. The documents governing the manager appointments include a number of guidelines which, among other things, are designed to ensure that only suitable investments are held by the Fund. Investment managers have discretion to buy and sell investments within the terms of their agreements.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee retains records of all IMA and pooled fund documentation and receives advice from its investment adviser when an agreement is amended following a change in circumstance or objective.</p> <p>During the reporting period, the IMA between the Trustee and LGIM concerning the Liability-Driven Investment portfolio was amended to incorporate revised future liability cash flows and cash flows arising from other income generating assets.</p> <p>The IMA between the Trustee and LGIM concerning the Buy and Maintain Credit mandate was updated to incorporate investment restrictions with respect to companies involved in the production of controversial weapons.</p> <p>The IMA between the Trustee and Aviva concerning the Diversified Matching Illiquids fund was amended to reflect an increase in reporting service levels.</p>

<p>When investing in a pooled investment fund, the Trustee ensures the investment objectives and guidelines of the fund are consistent with the Trustee's investment policies. Where segregated mandates are used, the Trustee may set explicit guidelines within the IMA where it is appropriate to do so.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee did not invest in any new funds during the reporting period.</p> <p>When new investments were previously made, the Trustee's investment advisers provided advice on the suitability of the objectives listed in pooled fund agreement and advised on the necessary guidelines to be included in the IMA.</p>
<p>Investment managers are listed in the Fund's annual report and accounts, which also contains information about investment performance, asset allocation and major investment decisions taken during the year.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Fund's investment managers continue to be listed in the Fund's annual report and accounts, which can be found online.</p>

<p>The Trustee regularly monitors the Fund's investment managers to consider the extent to which the investment strategy and decisions of the managers are aligned with the Trustee's policies. This includes:</p> <ul style="list-style-type: none"> • The managers' performance (net of fees and costs) against a benchmark appropriate to each manager, taking into account the level of risk taken by each manager. Performance targets are monitored over short, medium and long-term horizons; • The extent to which the managers make decisions based on assessments about medium- to long-term performance and engage with underlying investee companies in order to improve their performance in the medium- to long-term; • The managers' approach to responsible investment and alignment with the Trustee's policies in this area; • The managers' fees and costs related to portfolio turnover. 	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee reviewed the managers' performance on a quarterly basis, following advice from their investment adviser. The Trustee considered the performance of each manager across a variety of time horizons and, where applicable, against appropriate benchmarks. This included the manager's engagement with investee companies and annual management fees and costs.</p> <p>During the reporting period this took place on the following dates:</p> <p>27th February 2020</p> <p>20th May 2020</p> <p>26th August 2020</p> <p>25th November 2020</p> <p>Additionally, the DBFC interacted with its managers through its advisors on an ad-hoc basis. Specific examples during the reporting period include, requesting details from each of the Fund's managers regarding business continuity plans in light of the outbreak of the COVID-19 pandemic.</p> <p>The Trustee also conducted detailed reviews of the stewardship and engagement activity by managers of the Fund's key strategic portfolios and whether the managers were taking sufficient action to align the characteristics of the portfolios with the Trustee's investment and responsible investment policies.</p> <p>This was conducted on 20th May 2020.</p> <p>No material changes were made to this approach over the reporting period.</p>
<p>Should the Trustee's monitoring process reveal that a manager's investment strategy and investment decisions are not aligned with the Trustee's policies, the Trustee will engage with the manager to discuss how alignment may be improved. This includes specific consideration of the Fund's responsible investment policies.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>Over the reporting period, the Trustee did not find that the Fund's managers' investment strategy or decisions were misaligned with the Trustee's policies.</p>

Costs and Charges (6)		
<p>Fees are charged by the Trustees' managers either as a proportion of the assets under management or are related to performance targets. They are negotiated individually when a manager is appointed and are reviewed periodically.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>Over the reporting period there were no changes to existing fee arrangements, which are all either as a proportion of the assets under management or are related to performance targets.</p> <p>The next periodic review of manager fees is expected to take place in Q2 2021.</p>
<p>Portfolio turnover costs are a necessary cost to generate investment returns and the level of these costs varies across asset classes and manager. The Trustee keeps them under review with the help of its investment advisers to ensure that they are appropriate. No specific ranges are set for portfolio turnover costs.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>There were no reports of materially high portfolio transaction and turnover costs over the period.</p> <p>During the reporting period, the Fund increased its allocation to the LGIM Buy and Maintain Credit mandate. The turnover costs and cross-trade savings associated with the purchase of new bonds were reviewed by the Trustee and deemed to be within an appropriate range.</p>
Types of Investments Held (7)		
<p>Assets are diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of undertakings and so as to avoid accumulations of risk in the Fund as a whole.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee was satisfied that the Fund retained a sufficient level of diversification between asset classes during the reporting period.</p>
<p>The Trustee receives professional independent investment advice on the expected levels of investment returns (after the deduction of expected charges) and risks for the funds to ensure that they are consistent with the Trustee's objectives.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee's investment adviser provided quarterly reports outlining the expected level of investment return and risk of the Fund.</p> <p>During the reporting period advice in these areas were provided on the following dates:</p> <p>27th February 2020</p> <p>20th May 2020</p> <p>26th August 2020</p> <p>25th November 2020</p>

Risk Management and Monitoring (9)

<p>All pension schemes are exposed to various risks. The Trustee recognises the importance of how these key risks interact with each other and with other risks the Fund is exposed to in relation to its funding level and the Fund's sponsor (the risk that, for whatever reason, the sponsoring employer is unable to support the Fund as anticipated).</p> <p>The Trustee also has in place processes to consider and monitor these non-investment risks on a regular basis and takes an integrated approach to managing investment and non-investment risks.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>In accordance with the SIP, the Fund's progress against its strategic objectives is managed and monitored using a Pensions Risk Management Framework ("PRMF"), which is prepared by the investment advisor and is reviewed by the Trustee on at least a quarterly basis.</p> <p>Over the reporting period these took place on the following dates:</p> <p>27th February 2020 20th May 2020 26th August 2020 25th November 2020</p> <p>During the meetings on the dates detailed above, the Trustee used the PRMF to monitor various risks as outlined in the SIP, and in particular to ensure that:</p> <ul style="list-style-type: none"> • The expected return on investments was close to the return required to meet the primary funding objective of reaching full funding on a prudent technical provisions basis by 2022. • Investment risk (including that which arises due to mismatch between assets and liabilities) was being kept below agreed levels. • The Fund's liability hedging strategy remained in line with the agreed proportion of the Fund liabilities. • The Fund maintained suitable liquid assets such that the Fund would not be forced to sell return-seeking investments to pay member benefits or meet potential collateral calls. <p>The Trustee performed a qualitative assessment of the risk to the sponsor's funding covenant on 25th May 2020. The Trustee is satisfied that the implementation of the risk management and monitoring strategy was consistent with the SIP and is appropriate for the circumstances of the Fund during the reporting period.</p>
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Overview of the Trustee's Voting and Engagement Policies

The Trustee's responsible investment policy includes:

- All else being equal, the Trustee will allocate the Fund's DB assets to asset classes where Environmental, Social, Governance ("ESG") can be integrated into decision making.
- In relation to the appointment of new investment manager(s), the integration of ESG into their investment process is considered as a key selection factor used to assess the manager(s) during the investment due diligence process.
- Once appointed, managers' investment strategy and decision-making are monitored and reviewed to assess their incorporation of ESG factors within their decision-making process and alignment with the Trustee's responsible investment policies using a responsible investment framework agreed with the Trustee's investment advisers.

How have the policies been followed by the Trustee?

The Trustees have, in their opinion, followed the responsible investment policies during the Fund Year.

The Trustee expects its managers to be signatories to the UN Principles of Responsible Investment (UN PRI). At the end of the reporting period, all the Fund's Investment Managers were signatories to the UN PRI and are all rated A+, except for Brigade who are signatories but are not yet rated, and Insight, which has been awarded an A.

Over the period, ESG integration continued to be an explicit topic of discussion between the Trustee and its investment adviser, and the Trustee continued to take account of ESG factors by taking advice from the investment advisers when setting the Fund's asset allocation and when monitoring managers' performance.

The Trustee did not appoint any new investment managers during the reporting period. For its appointed managers, the Trustee completed an assessment of their ability to integrate and capabilities with respect to ESG factors, including risks associated with climate change, into their investment strategy. As part of this process, the Trustee's investment adviser assigned an overall rating to each manager based on five criteria:

1. Are ESG factors considered as part of the management of this strategy?
2. What is the expected impact on financial performance of integrating ESG into this strategy?
3. Are climate-related risks and opportunities measured and assessed as part of the investment process?
4. What level of importance does stewardship have for this strategy?
5. Is ESG reporting available for the strategy?

The Trustee noted the ratings and subsequently discussed ESG factors with the managers during the quarterly review meetings.

The Trustee's stewardship & engagement policy includes:

- The Trustee has delegated all voting and engagement activities to the Fund's investment managers. Such managers are expected to vote at company meetings and engage with companies on the Trustee's behalf in relation to ESG considerations and other relevant matters (such as the companies' performance, strategy, risks, capital structure, and management of conflicts of interest). The Fund's investment managers are required to provide qualitative data to the Trustee on a regular basis

regarding their recent voting and engagement activities.

- The Trustee monitors the managers' track record of engaging with companies using a responsible investment framework agreed with the Trustee's investment advisers. The framework identifies certain core ESG themes as a priority for engagement based on advice as to their likely financial materiality to the Fund and alignment with the United Nations Global Compact principles.

How have the policies been followed by the Trustee?

The Trustees have, in their opinion, followed the stewardship and engagement policies during the Fund Year.

Stewardship and engagement, including the use of voting rights, is most likely to be financially material in the sections of the portfolio where physical equities are held. Given that the majority of the Fund's assets are invested with investment managers that hold fixed income securities in their portfolios, voting is only relevant for investments held with BlackRock, Man Group, Grosvenor and HarbourVest. As these holdings are made via pooled funds, the investment manager is responsible for voting and engagement on the underlying assets rather than the Trustee, and as such the Trustee's ability to influence voting activities undertaken is limited. An overview of votes cast during the year by these managers can be found in the Voting Behaviour section of this statement.

The following investment managers of the Fund are signatories of the UK Stewardship Code; Aviva Investors, BlackRock, Insight Investment, Legal & General Investment Management and M&G Investment Management Limited. The code sets out a clear benchmark for stewardship as the responsible allocation, management, and oversight of capital to create long-term value. There are no immediate concerns with the fact that the other investment managers used by the Fund are not signatories to the UK Stewardship Code.

The Trustee completed its annual in-depth review of the stewardship activities carried out by BlackRock and LGIM for the Aquila Life MSCI World fund and Buy and Maintain Credit mandate respectively. As part of this review, the strategies' exposure to the core ESG themes based on the United Nations Global Compact was assessed and a watchlist of companies whose exposure to these themes was deemed to be material was established for ongoing review. In addition, the Trustee reviewed the engagement record of the two managers with specific consideration of the managers' participation in company resolutions and volume of engagement actions undertaken.

The Trustee's climate change policy includes:

- Climate change is a potential long-term material financial risk for the Fund which could impact the Fund's investments.

How have the policies been followed by the Trustee?

As part of the assessment of core ESG themes, the Trustee measured the climate-related risk of companies within the BlackRock Aquila Life MSCI World fund and LGIM Buy and Maintain Credit mandate. Companies that displayed a high degree of climate-risk were added to a watchlist and flagged for ongoing monitoring. As part of this assessment process, the Trustee evaluated the extent to which the managers performed specific and targeted engagement with the most at-risk companies in the portfolio previously flagged and included in the watchlist.

The Trustee is actively looking at enhanced ways of measuring and managing climate-related risks. This project will be ongoing throughout the next reporting period and a further update will be provided in the next iteration of the Implementation Statement.

The Trustee does not take non-financial factors into account in the selection, retention and realisation of investments in the Fund.

4 Voting Behaviour

Below is information on the voting activity over the period for the Fund's investment managers which held listed equities over the period.

The Trustee confirms that these are within expectations and no further follow up is required.

a. BlackRock Aquila Life MSCI World Fund

Voting statistics summary (01.01.2020 - 31.12.2020)

VOTING STATISTICS (APPLICABLE TO THE FUND'S REPORTING PERIOD)	RESPONSE
How many meetings were you eligible to vote at?	1072
How many resolutions were you eligible to vote on?	15334
What % of resolutions did you vote on for which you were eligible?	91.4%
Of the resolutions on which you voted, what % did you vote with management?	93.0%
Of the resolutions on which you voted, what % did you vote against management?	7.0%
Of the resolutions on which you voted, what % did you abstain from voting?	0.6%
In what % of meetings, for which you did vote, did you vote at least once against management?	N/A
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	N/A
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	N/A

Significant votes summary (01.01.2020 - 31.12.2020)

	Volkswagen AG	Exxon Mobil Corp.	Royal Dutch Shell Plc	Chevron Corp.	Woodside Petroleum Ltd.
Summary of the resolution	Shareholder Proposal – Discharge of a number of Management Board and Supervisory Board members	Shareholder Proposal – Election of Board Directors and Establishment of Independent Board Chair.	Shareholder Proposal – Request Shell to Set and Publish Targets for Greenhouse Gas (GHG).	Shareholder Proposal - Regarding Report on Climate Lobbying Aligned with the Paris Agreement's Goals.	Shareholder Proposal - Regarding Paris Goals and Targets.
How you voted	Against	Against & For	Against	For	Against

Where you voted against management, did you communicate your intent to the company ahead of the vote?	No	No	No	No	No
Rationale for the voting decision	BlackRock has voted against the discharge of members of the Board of Management who were already serving at the time of the emissions incident since 2016. In doing so, those individuals accountable for the deficiencies in VW's governance practices and management of its material risks are held to account.	Against the election of two directors due to insufficient progress on Taskforce on Climate-Related Financial Disclosure ('TCFD') aligned reporting. BlackRock favours the establishment of an Independent Board Chair.	Since the submission of the resolution Shell has updated its climate commitments.	BlackRock favours increased reporting on alignment on Chevron's political lobbying and the goal of Paris Agreement.	BlackRock believe that the company is responsive to concerns regarding carbon disclosures and emissions targets due to stated 2050 net zero ambition and commitment to Paris Agreement.

	Mizuho Financial Group	AGL Energy Ltd.	Barclays Plc	Santander Consumer USA Holdings, Inc.	J.B. Hunt Transport Services. Inc.
Summary of the resolution	Shareholder Proposal – Amend Articles to Disclose Plan Outlining Company's Business Strategy to Align Investments with Goals of Paris Agreement	Approve Coal Closure Dates	Approve Barclays' Commitment to Tackling Climate Change	Shareholder Proposal - Report on Risk of Racial Discrimination in Vehicle Lending	Report on Climate Change Initiatives
How you voted	Against	For	For	For	Against

Where you voted against management, did you communicate your intent to the company ahead of the vote?	No	No	No	No	No
Rationale for the voting decision	The company now has policies in place that address the issues raised in the proposal.	Believe the company and its shareholders would benefit from long-term strategic planning covering several decades.	Favour increased environmental reporting/responsibility.	Believe discriminatory lending practices (of all forms) are a material risk to the company's business and shareholders would benefit from increased and improved disclosure on compliance programs	The company has improved its disclosures and has committed to publishing a Sustainability Accounting Standards Board ('SASB') aligned report, which will outline oversight of climate-related risks and showcase key performance indicators on material factors.

b. Man Diversified Risk Premia

Voting statistics summary (01.01.2020 – 31.12.2020)

VOTING STATISTICS (APPLICABLE TO THE FUND'S REPORTING PERIOD)	RESPONSE
How many meetings were you eligible to vote at?	830
How many resolutions were you eligible to vote on?	8707
What % of resolutions did you vote on for which you were eligible?	98.4%
Of the resolutions on which you voted, what % did you vote with management?	89.0%
Of the resolutions on which you voted, what % did you vote against management?	10.7%
Of the resolutions on which you voted, what % did you abstain from voting?	0.3%
In what % of meetings, for which you did vote, did you vote at least once against management?	54.2%

Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	Man Group has appointed Glass Lewis as its proxy service provider. We use Glass Lewis' voting platform 'Viewpoint' to electronically vote our shares, receive research reports and custom voting recommendations. We have monitoring controls in place to ensure that the recommendations provided are in accordance with our ESG voting policy and that our votes are instructed in a timely and effective manner.
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	4.0%

Significant votes summary

	Company 1	Company 2	Company 3	Company 4	Company 5
Summary of the resolution	Shareholder Proposal - Regarding the Establishment of a Human Rights Risk Oversight Committee	Shareholder Proposal - Regarding Liquid Natural Gas Investments	Shareholder Proposal - Regarding Report on Plans to Reduce Total Contribution to Climate Change	Shareholder Proposal - Regarding Reporting on the Use of Non-Recyclable Packaging	Shareholder Proposal - Regarding Report on Plans to Reduce Total Contribution to Climate Change
How you voted	For	For	For	For	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No	No	No	No	No
Rationale for the voting decision	Man Group favours the establishment of a board environmental committee	Man Group favours increased environmental reporting/ responsibility.	Man Group favours increased environmental reporting/ responsibility.	Man Group favours increased environmental reporting/ responsibility.	Man Group favours increased environmental reporting/ responsibility.
Outcome of the vote	16.0%	26.0%	51.0%	34.0%	16.0%

	Company 6	Company 7	Company 8	Company 9	Company 10
Summary of the resolution	Shareholder Proposal - Regarding Climate Change Proxy Voting Practices	Shareholder Proposal - Regarding Human Rights Due Diligence Process Report	Shareholder Proposal - Regarding Forced Swim Test	Shareholder Proposal - Regarding Independent Board Chair	Shareholder Proposal - Regarding Report on Linking Executive Compensation to ESG Metrics
How you voted	For	For	For	For	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No	No	No	No	No
Rationale for the voting decision	Man Group favours increased environmental reporting/responsibility.	Man Group favours improved human/political rights policies/disclosure.	Man Group favours reporting on and protecting animal welfare.	An independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda	Man Group favours linking executive compensation to social criteria.
Outcome of the vote	12.0%	7.0%	3.0%	32.0%	10.0%

*Please note that Man are unable to disclose the name of the companies on public documents.

c. Grosvenor Robusta Absolute Return Fund

The Robusta Absolute Return Fund is classified as a Fund of Hedge Funds. It is structured such that Grosvenor allocate the capital invested by the Nestlé UK Pension Fund to a range of underlying hedge funds, who distribute the capital in a manner that they see fit according to their stated investment philosophy.

Under such a structure, Grosvenor therefore do not possess the voting rights attached to the underlying holdings of the Robusta Absolute Return Fund so are unable to report on the exercise of voting rights for the Nestlé UK Pension Fund.

d. HarbourVest International Private Equity Fund

Given the private nature of the assets in the portfolio, HarbourVest do not vote proxies for the Nestlé UK Pension Fund, and therefore cannot provide data on votes cast for the Nestlé UK Pension Fund.