Corporate Governance Statement

October 2026

Objectives

This document provides an overview of Nest Corporation's corporate governance framework to comply with principles of good governance set out in 'Corporate governance in central government departments: code of good practice', the UK Corporate Governance Code 2024, as well as other recognised codes of conduct and best practice.

Nest Corporation and its constitution

Nest is a workplace pension scheme (the "Nest Scheme" or the "Scheme"), which was established under the Pensions Act 2008 (the "Act"). The Nest Scheme is authorised as a master trust by the Pension Regulator (the "TPR"), and as defined by s.75 of the Act, Nest Corporation is a 'body corporate' and its primary function under s.76 is to act as the trustee of the Scheme (the "Trustee").

Appointment of the Board Members

Nest Corporation is comprised of up to 15 Board members (including a Chair) and the Corporation's employees.

In accordance with the Act, the Board members are appointed by the Secretary of State for Work and Pensions in line with the public appointments guidance, which promotes selection on the basis of merit, fairness and openness. Appointments are also made in line with the Commissioner for Public Appointments' 'Principles of public appointments' and Cabinet Office guidance. The appointed Board members are collectively responsible for setting the strategic direction and objectives for Nest Corporation and for representing Scheme members' interests. Each Board member may serve for a period of up to five years and may be eligible for a further period of service not exceeding five years, subject to approval by the Department for Work and Pensions.

The positions of Chair and Board member are separate and each has clearly defined roles and responsibilities.

Accountability, Authority and Decision Making

Nest Corporation is accountable to Parliament and the Chair of Nest Corporation reports to the Secretary of State for Work and Pensions. The Chief Executive Officer reports to the Chair on all matters with the exception of those directly related to government fiscal controls, through which they report to the Principal Accounting Officer in the Department for Work and Pensions.

A scheme of reserved matters and delegations outlines the matters reserved to the Board as well as delegations to the Board's Committees in the form of committee terms of reference. These documents are reviewed on an annual basis to ensure that decisions are made at the right level and within the right governance forum, and to reflect any new reserved matters relating to new processes.

Decisions which are not reserved to the Board or a committee are within the authority of the CEO, who is responsible for the day-to-day operations and management of Nest Corporation and the Scheme. The CEO delegates authority to each member of the Executive Committee and holds them accountable for delivery in their remit.

Induction and on-going development

Every Board member completes TPR's Trustee Toolkit, an online learning programme. All newly appointed Board members must complete this within their first six months in addition to a detailed induction programme tailored to their requirements, skills, qualification and experience. The induction programme is designed to give Board members an understanding of Nest Corporation, its business, the environment in which it operates and their powers as set out in the Scheme Order and Rules.

A full skills and experience analysis of Board members is conducted each year, which is used to inform and support their future requirements for knowledge and understanding. Once identified, these requirements are met through briefing sessions and individual commitment to ongoing education and training.

Board Committees

To support effective and robust decision making and in accordance with the Act, the Board has delegated authority to five committees to oversee certain key activities. The various committees are responsible for oversight of audit, risk, , customer, remuneration, and nominations and governance. The role, purpose and responsibilities of each committee are outlined in the Terms of Reference for each committee.

Nest Invest Ltd

The Nest Corporation Board has delegated authority to its wholly owned subsidiary, Nest Invest Limited ("Nest Invest") to consider, take decisions and provide oversight of some investment issues. Nest Invest is authorised and regulated by the Financial Conduct Authority as an Occupational Pension Scheme Firm and provides investment advice and investment management services to Nest as set out in its Investment Management Agreement with the Corporation.

Nest Invest's Board is comprised of both independently appointed non-executive directors (including the Chair) and representatives of the Corporation, including the Nest Corporation CEO and non-executive members of the Nest Corporation Board, as well as the Nest Invest CEO. The role, purpose and responsibilities of Nest Invest Board are outlined in the Terms of Reference.

Employer and Member Panels

In accordance with the Act and the Nest Order 2010, a panel of persons to represent the members (the "Members' Panel") and a panel of persons to represent the employers (the "Employers' Panel") were established by the Board to provide advice on the operation, development and amendment of the Scheme. The members and the Chair of each panel are appointed by the Nominations and Remuneration Committees and consist of up to 15 members on each panel. The functions and requirements of each panel are outlined in the Terms of Reference for each panel.

Stakeholder Relations

The Board places considerable importance on maintaining good relationships with stakeholders and Nest is committed to full transparency consistent with good governance and commercial confidentiality. Nest is also committed to treating its stakeholders fairly with access to information.

Nest Corporation publishes information about a wide range of subjects within its annual report and accounts including full audit disclosure and risk statements. Detailed information about Nest and how it operates is also available on our website. Nest Corporation is subject to the Freedom of Information Act 2000 and, as such, complies with all requests to access certain official information.

Nest Corporation welcomes questions, concerns and feedback from all its stakeholders, which can be made through a variety of communication channels. Complaint, whistleblowing and grievance procedures exist and details of these are available on our website and/or request.

Risk management

The Risk Committee is responsible for oversight and challenge of the approach to risk management, and makes recommendations to the Board on Nest Corporation's enterprise risk management framework, risk appetite and principal risks. The Risk Committee is responsible for advising on overall risk strategy and reviewing the effectiveness of the internal control processes in providing a responsible assessment and mitigation of risk.

A robust system of internal controls is maintained to safeguard Nest Corporation and its assets. Nest Corporation takes a risk-based approach to its activities, which recognises the need to identify and manage risk for the benefit of Scheme members. Nest Corporation complies with TPR's Codes of Practice and HM Treasury's 'Orange Book' - Principles and Concepts of Risk Management.

The Board has established procedures to identify, evaluate and manage principal risks faced by Nest Corporation and the Scheme. These procedures are outlined in our risk management framework, which is reviewed on an annual basis to ensure it remains fit for purpose and up to date. The risk management framework articulates individual and collective accountabilities for risk management, oversight and risk assurance.

Risk exposures, performance against risk appetite and principal risks are monitored on a continuous basis. Each business area maintains a log of key risks, which is reviewed regularly. Changes in principal risks are reported to the Executive Committee and the Risk Committee, and the Board receives regular updates on these risks.

Financial reporting

The Board has a statutory requirement for preparing and disclosing proper accounting records for the Scheme in accordance with the Occupational Pension Schemes (Disclosure of information) Regulations 1996 (as amended). In addition, in accordance with the Act, the Board also prepares an annual report and financial statements in respect of Nest Corporation for the Secretary of State for Work and Pensions to lay before Parliament. Nest Corporation's financial year runs from 1 April to 31 March, and the accounts are prepared in compliance with the accounting principles and disclosure requirements of the edition of the 'Government financial reporting manual' issued by HM Treasury.

The Audit Committee is responsible for monitoring the integrity of the financial statements for Nest Corporation and the Scheme, and the validity of the assurance given on them. It monitors the internal controls framework and the effectiveness of audit functions. The Board, the Chief Financial Officer, Senior Managers and other employees preparing the financial statements are required to conduct themselves with integrity, honesty and in accordance with the ethical standards which apply to the business. They are required to promote full, fair, accurate, timely and understandable disclosures in compliance with all applicable laws, rules and regulations in all financial statements.

The Board members have a general responsibility for taking appropriate steps, as are reasonably open to them, to safeguard assets and to prevent and detect fraud and other irregularities.

Business integrity

Nest Corporation undertakes its business with integrity, honesty and fairness at all times, building from a foundation of compliance with all relevant laws, regulations and codes of conduct/best practice.

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Any return figures are net of the annual management charge and transaction costs but not net of contribution charges. Past performance and any fund objective or target should not be considered as a guarantee of future performance. Return of your investment is not guaranteed as the value of investments can go down as well as up. Performance figures are shown at the fund level and do not reflect individual members' pots. The performance of members' pots will be influenced by factors like the timing and size of contributions paid in.

Data may be obtained from third-party weblinks, but these may not be error free and cannot be verified.

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