

# Summary results of PensionBee 2023 Tailored Plan survey

## Introduction

In April 2023 PensionBee invited all customers in its Tailored Plan to share their views on the plan's current exclusion policy and how the exclusion criteria should develop in the future.

This is the fourth year of running our Tailored Plan customer survey as part of our ongoing commitment to representing our customers evolving investment views. Overall, the 1,036 respondents were broadly reflective of PensionBee's customer base.

Pensions have the collective power and potential to change the world for the better. Trillions of pounds are invested in companies that can improve or harm the planet and society through their business activities. At PensionBee we believe that companies that focus on their contribution to society and the planet have a better long term chance of being financially sustainable and will bring stronger returns for our members.

We seek to understand the issues most important to our customers when it comes to driving change in the companies their savings are invested in. We also want to hear our customers' views on screening and the practice of removing harmful industries and sectors from their pension due to the financial and environmental risks they pose.

The results revealed that respondents are satisfied with the current screens and are consistent with their views on excluding tobacco and weapons from their pensions. Although the plan aligns with their current expectations and views on divestment, most respondents expressed an interest in developing the exclusion criteria further while still considering the financial risks of doing so.

Overall, customers' views were consistent across all ages and genders, especially on voting and influencing big companies on topics such as emission reduction, Living Wages and tax avoidance.

## Key findings

### 1. Halting deforestation and habitat destruction are key priorities for respondents when it comes to increasing ESG screenings.

We asked our customers which sectors or activities they believe pose long-term financial risk to their pension, when considering what further screens they would like BlackRock to take into account in the future.

Respondents across all ages and genders unanimously agreed that companies whose operations lead or are related to deforestation and habitat destruction should be excluded from the investment universe.

There was also broad agreement amongst customers on removing from their pension investment those companies whose operations contribute to predatory lending and companies in the fossil fuel sector. Respondents seemed less interested in excluding nuclear power generation and intensive farming.

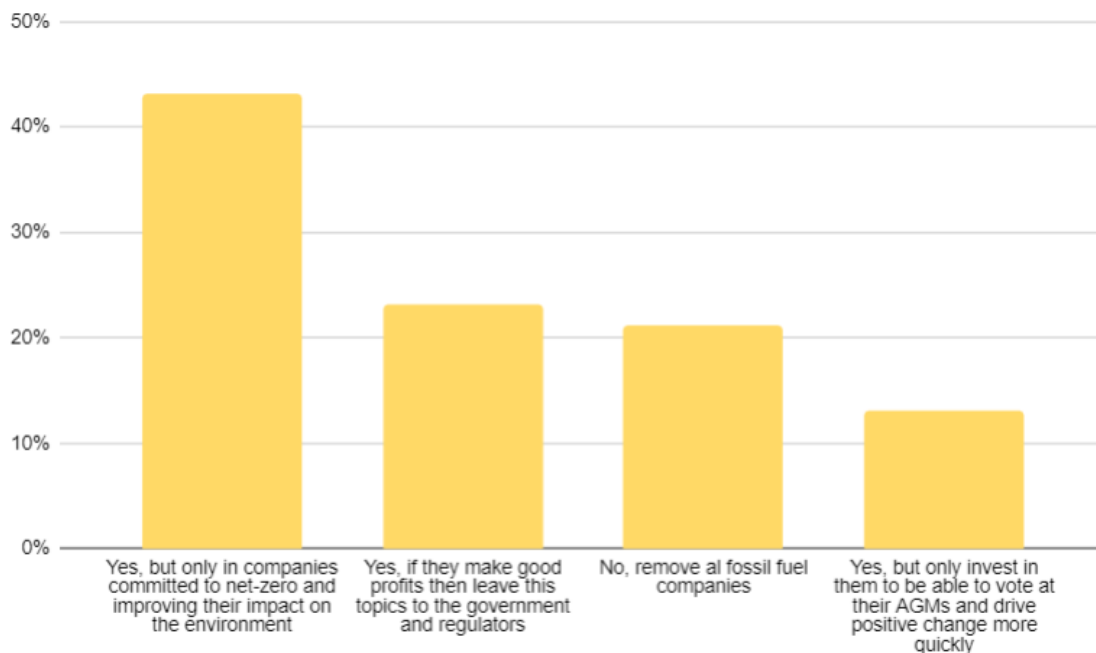
Priority	Sectors/activities to consider for exclusion
1	Deforestation and habitat destruction
2	Predatory lending
3	Fossil fuel companies

### 2. The majority of respondents want companies in the oil industry to take concrete actions towards halting climate change.

Despite the fossil fuel sector emerging as one of the most selected topics to consider for further exclusion, for the [second consecutive year](#), the overwhelming majority (79%) of customers are not ready to completely exclude fossil fuel companies from their pension.

In particular, 43% of respondents wish to continue investing in fossil fuel companies, but only if they concretely show a commitment to net-zero and on improving their impact on the environment.

**Q: Future of the oil industry. Should your pension continue to invest in these companies?**



Total question respondents: 893

A small minority (13%) is interested in active shareholding and wish to invest in fossil fuel companies only so they are able to vote at their AGMs and effect change more quickly. Overall, 23% of respondents were happy for their pension to continue to be invested in the oil industry as long as they make good profits, however, views on this topic are quite fragmented.

From last year's survey we noticed an increase in the number of respondents who would like to see the oil sector completely excluded from their investments from 15% of respondents in 2022 to 21% in 2023. These customers are no longer willing to invest their pensions in companies with business activities that negatively impact the environment.

Among female respondents, only 14% would like to keep investing in these companies, particularly, just a 4% of female respondents aged between 31 and 40 agree with this statement. On the contrary, a greater proportion of male respondents (31%) want their pension to be invested in fossil fuel companies, specifically male respondents aged more than 51 (43%).

**3. Respondents feel strongly about influencing big companies to do less harm to the planet and addressing social and governance issues.**

When it comes to voting and influencing big companies to do less harm to the planet, our customers' top priorities are for investee companies to reduce their carbon emissions, rather than buying offsets to compensate for the greenhouse gas they emit, and halting habitat and

wildlife destruction. An increasingly important topic for our customers is tying executive pay and bonuses to climate action and reduction targets.

We asked our customers which social and governance issues they value more and all respondents agreed on the importance of respecting human rights. Particularly, our customers are concerned about poor treatment of the workforce in the core business operations and human rights abuses in the supply chain.

Our customers expect the big companies they are invested in to pay wages that represent the true cost of living (the [Living Wage](#)) and demand transparency to tackle tax avoidance and exploitative labour practices.

Priority ESG Issues
<b>Environmental</b>
<ul style="list-style-type: none"> <li>Reducing emissions, rather than buying offsets</li> <li>Biodiversity loss and deforestation</li> <li>Tying executive pay and bonuses to climate reduction targets</li> </ul>
<b>Social</b>
<ul style="list-style-type: none"> <li>Paying wages that represent the true cost of living (Living Wages)</li> <li>Human rights abuses in the supply chain</li> <li>Poor treatment of the workforce in core business operations</li> </ul>
<b>Governance</b>
<ul style="list-style-type: none"> <li>Tax avoidance</li> <li>Excessive executive pay and bonuses</li> </ul>

## Next steps

We rely on customer feedback to keep advancing our plans and moving the market forward. This input will provide us with the insights we need to make sure our plan continues to be aligned with our customers' views in 2023 and beyond.

From May 2023, under '[Voting Choice](#)', PensionBee Tailored Plan customers will now support a variety of shareholder resolutions that address the priority ESG issues identified in the survey results. They will do this via the [ISS SRI voting policy](#).

### ***Environmental***

Under the SRI policy, customers in the Tailored Plan will now support shareholder resolutions that seek to prevent or halt deforestation and biodiversity loss.

For example, in July 2023, customers will vote to support a resolution calling for Pilgrims Pride, a US based meat and poultry processing company, to report on how the company will accelerate its efforts to eliminate deforestation from its supply chains so as to achieve independently verified deforestation-free supply chains by 2025.

We continue to talk to BlackRock about a deforestation-free Tailored Plan. BlackRock's approach to natural capital focuses on engaging with investee companies in three areas: biodiversity preservation, deforestation risk management, and fresh water and oceans.

BlackRock is also an active participant in the Taskforce on Nature-related Financial Disclosures (TNFD), which aims to deliver a risk management and disclosure framework to help companies to report, and act on, natural capital risks.

### ***Social***

Voting Choice also enables us to influence big companies to do less harm to the planet and address important social and human rights issues. This means we can help ensure that human rights are respected in both investee companies' core business operations as well supply chains.

For example, in June 2023, customers in the Tailored Plan will support numerous shareholder resolutions at Meta Platforms Inc. (Facebook) including calls for a report on Human Rights Impact Assessment of Targeted Advertising on the platform, plus a report on Child Safety and Harm Reduction.

The SRI policy will also support all resolutions related to paying the Living Wage, such as the Sainsbury PLC AGM vote in July 2022.

## **Governance**

In June 2023, customers in the Tailored Plan will vote against management at Netflix Inc. in relation to ongoing concerns regarding their executive pay structure. Specifically, that pay awards are not linked to performance criteria and that salaries for the non-executive team are exceedingly large. They will also vote to support a 'say on pay' proposal, giving shareholders a future opportunity to challenge executive pay structures at the company.

Thank you to everyone who responded and continues to engage on these topics of crucial importance to customers and the planet. We welcome all your additional comments, feedback and suggestions to [engagement@pensionbee.com](mailto:engagement@pensionbee.com), so please do get in touch!