

Implementation Statement, covering the Scheme Year from 1 January 2024 to 31 December 2024

The Trustees of the MUTB Pension Scheme (the “Scheme”) are required to produce a yearly statement to set out how, and the extent to which, they have followed the voting and engagement policies in their Statement of Investment Principles (“SIP”) during the Scheme Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustees have had regard to the [guidance](#) on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions (“DWP’s guidance”) in June 2022.

1. Introduction

No review of the SIP was undertaken during the Scheme Year. However the SIP was updated shortly after the Scheme Year in January 2025 to reflect investment strategy changes that took place during the Scheme Year, in November 2024. The changes were to broadly re-align interest rate and inflation hedging ratios to 100% of the Scheme's liabilities when assessed on an estimate of buy-in insurer pricing and required a new SIP as it involved the Scheme allocating to new gilt funds that it has not invested in before.

The Trustees have, in their opinion, followed the Scheme’s voting and engagement policies during the Scheme Year.

2. Voting and engagement

The Trustees have delegated to their investment manager the exercise of rights attaching to investments, including voting rights, and engagement. These policies are as detailed below.

- LGIM: [Investment stewardship & governance | LGIM Institutional](#)

As the Scheme’s assets are only invested in pooled funds, the Trustees are not able to direct how votes are exercised and the Trustees themselves have not used proxy voting services over the Scheme Year. Further those pooled funds are in asset classes – ie cash, government and corporate bonds – where is unusual to have voting rights. Nevertheless, the Trustees take ownership of the Scheme’s stewardship by monitoring and engaging with their manager, LGIM, most frequently via their investment advisor, Lane Clark and Peacock (“LCP”).

While the Trustees do not direct how votes are exercised, the investment manager is aware of the Trustees’ voting preferences and that the Trustees may consider remedial action and replacing the investment manager if they are not compliant with these policies.

The Trustees also rely on their investment manager to take environmental, social, and governance considerations into account to the extent they believe that these factors impact on financial performance.

As part of its advice on the selection and ongoing review of the investment manager, the Scheme’s investment adviser, LCP, incorporates its assessment of the nature and effectiveness of manager’s approaches to voting and engagement.

Following the introduction of DWP’s guidance, the Trustees agreed to set stewardship priorities to focus monitoring and engagement with their investment manager on specific ESG factors. In June 2023, the Trustees discussed and agreed stewardship priorities for the Scheme which were: Biodiversity Loss and Business Ethics.

The Trustees communicated these priorities to its manager. The Scheme’s investment manager acknowledged and confirmed that these priorities are taken into account in their ongoing stewardship and engagement activities with investee companies.

The Trustees are conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustees aim to have an ongoing dialogue with their investment consultant to clarify expectations and encourage improvements with their investment manager, LGIM.

3. Description of voting behaviour during the Scheme Year

The Trustees have delegated to their investment manager the exercise of voting rights, relying on the voting policies which its manager has in place. The Trustees reviewed these policies as part of the SIP update during the Scheme Year, and are comfortable that the policies are aligned with the Trustees' views. The Trustees do not direct how votes are exercised and the Trustees themselves have not used proxy voting services over the year.

Whilst the Pensions and Lifetime Savings Association (PLSA) guidance requires schemes to focus primarily on listed public equity holdings (in which the Scheme doesn't hold any funds), it also recognises that voting opportunities may arise in other asset classes beyond public equities. In these instances, the PLSA recommends that trustees ask their managers – at a minimum – for narrative information and explanation from the relevant manager.

LGIM confirmed there were no voting opportunities for any of the pooled funds in which Scheme invests, which are:

- Active Corporate Bond All Stocks Fund
- All Stocks Index-Linked Gilts Index Fund
- Over 5 Year Index-linked Gilts Index Fund
- 5 to 15 Year Index-Linked Gilts Index Fund
- Over 15 Year Index-Linked Gilts Index Fund
- Over 15 Year Gilts Index Fund
- Sterling Liquidity Fund