

Bradford & Bingley Staff Pension Scheme

## **Annual Implementation Statement**

Scheme year ending 30 June 2025



## Section 1: Introduction

- 1.1 This document is the Annual Implementation Statement (“the statement”) prepared by the Trustee of the Bradford and Bingley Staff Pension Scheme (“the Scheme”) covering the scheme year to 30 June 2025. The purpose of this statement is to:
  - (i) Set out the extent to which, in the opinion of the Trustee, the Scheme’s Statement of Investment Principles (“SIP”) has been followed during the year
  - (ii) detail any reviews of the SIP the Trustee has undertaken, and any changes made to the SIP over the year as a result of the review
  - (iii) Describe the voting behaviour by, or on behalf of, the Trustee over the year
- 1.2 A copy of this implementation statement will be made available on the following website <http://www.bandbpensions.com/> alongside the Scheme’s SIP.

## Section 2: Updates to the SIP

- 2.1 The Statement of Investment Principles in place at the beginning of the year was dated October 2022. The SIP is reviewed (and if necessary revised) at least annually and following any significant changes in investment policy. The Trustee is in the process of reviewing the SIP and this review is expected to be finalised during the next Scheme year.

## Section 3: Adherence to the SIP

### Investment Objectives and Risk Management (covering Section 3 of the SIP)

- 3.1 The objectives of the Scheme (as detailed below) are assessed every quarter through the provision of funding position updates and regular risk monitoring by the Investment Consultant and Scheme Actuary.
  - i. The acquisition of suitable assets of appropriate liquidity which will generate income and capital growth to meet, together with any new contributions from the Principal Employer, the cost of benefits which the Scheme provides.
  - ii. To limit the risk of the assets failing to meet the liabilities both over the long term, and on a shorter-term basis
- 3.2 The Trustee recognises several risks involved in the investment of the assets of the Scheme. As such, they consider material risks every quarter, monitor the efficiency of the Scheme’s liability assets against their liabilities, and receive regular ESG reporting. In addition, the Trustee reviews the risk register quarterly to assess the impact and relevance of all risks to the Scheme.

### Asset Allocation principles (covering 4.1 through 4.5 of the SIP)

- 3.3 The Trustee reviews the level of the liability hedging quarterly as part of their regular monitoring and monitors the performance of the Scheme’s investments relative to investment managers’ respective benchmarks.

- 3.4 The Trustee reviews the Scheme's asset allocation quarterly and receives information from the Scheme's investment consultant on market movements and economic conditions at each Trustee meeting or more frequently if required.

#### **Sustainable / Responsible investment (covering 4.8 through 4.11 of the SIP)**

- 3.5 The Trustee's policy is to delegate the extent to which Environmental, Social and Governance (ESG) considerations are taken into account to the investment managers.
- 3.6 Over the year, the Trustee has met with Insight, who manage c.100% of the Scheme's assets, once and have also received regular quarterly reports from the manager. Insight takes account of ESG considerations through their choice of counterparties and reports counterparty ESG ratings to the Trustee within all quarterly reports. They also engage with the Debt Management Office (DMO) and the UK government on ESG issues in respect of the Scheme's government bond investments.
- 3.7 The Trustee has confirmed that the Investment Manager adheres to the UK Stewardship code (2020 version) and was confirmed as a signatory in 2025 and is expected to provide evidence for their continued signatory status.

#### **Investment Manager Arrangements (covering Section 5 of the SIP)**

- 3.8 Please find below the assets held at the Scheme year end. The Scheme's strategy has not changed materially over the year, given the strength of its funding position.

<b>Investment Manager</b>	<b>Fund</b>	<b>Proportion of net assets managed</b>	<b>Date of appointment</b>
Insight Investment Management (Global) Limited (Insight)	LDI Fund	100.00%	31/05/2007

The Henderson Indirect Property Fund (Europe) is not detailed as this holding relates to an outstanding tax claim with the Danish tax authorities. All other holdings in the fund have been liquidated.

- 3.9 The Trustee received the 2023 MiFID II report prepared by the Investment Consultant in December 2024 to monitor the ongoing costs of investment arrangements within the Scheme. The Trustee received the following data on turnover from the Investment Managers. The Trustee has reviewed this information with the Scheme's investment consultant and notes that, due to the nature of LDI, a portfolio range isn't appropriate. The Trustee has no concerns at this time regarding the turnover reported.

<b>Investment Manager</b>	<b>Fund</b>	<b>Portfolio Turnover (12 months to 30 June 2025 / 30 June 2024)</b>	<b>Expected portfolio turnover range</b>
Insight Investment	LDI Fund	15% / 16%	N/A

- 3.10 The Trustee provided their Investment Manager with the Statement of Investment Principles.
- 3.11 The Trustee met with their investment manager during the year to ensure competency and experience.

## **Section 4: Voting and engagement**

- 4.1 The Trustee's policy is to delegate authority for the exercise of rights (including voting rights) attached to investments by the investment managers.
- 4.2 The Scheme currently invests in UK Gilts, UK Index-Linked Gilts, and cash. These assets do not have any relevant voting rights for the Trustee to exercise and, as such, no voting information for the Scheme's assets is provided.
- 4.3 Insight provided the Trustee with an example of their engagement, which the Trustee has detailed below. This example has been provided to indicate Insight's general engagement and isn't representative of specific exposures within the Scheme's holdings.
  - i. A European Bank: Insight engaged with a European bank to discuss several environmental and social issues, including the bank's alignment with the Greenhouse Gas Protocol. Following Insight's initial engagements, the bank has since implemented a structured governance process to manage the environmental and social risks associated with transactions. Insight have also provided further recommendations to the bank around improving their ESG processes and continues to engage with them and monitor progress.

## **Section 5: Summary and conclusions**

- 5.1 Overall, the Trustee believes that the policies and principles within the SIP have been adhered to during the Scheme year.