



Hotpoint UK Pension Scheme
Implementation Statement for year ended 28 February 2025
September 2025

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Introduction & summary

This Implementation Statement (the "Statement") has been prepared by Zedra Governance Ltd, the Trustee of the Hotpoint UK Pension Scheme (the "Trustee" and the "Scheme" respectively). The purpose of this Statement is to set out how, and the extent to which, the Trustee believes that its Statement of Investment Principles ("SIP") has been followed during the Scheme year from 1 March 2024 to 28 February 2025. It also sets out changes made to the SIP during the Scheme year and demonstrates how the Trustee has acted on certain policies within the SIP.

The Scheme consists of two separate sections, a Defined Benefit ("DB") Section and a Defined Contribution ("DC") Section. This Statement has been prepared in accordance with the Occupational Pension Schemes (Investment and Disclosure) Regulations 2005 Amendments and is in respect of the DB and DC investments held by the Scheme, and this statement excludes consideration of any Additional Voluntary Contribution ("AVC") investments held by the Scheme.

Trustees of pension schemes are required to provide details of how, and the extent to which, their SIP policies on engagement with investee companies have been followed over the year, including (where applicable) a description of their voting behaviour, the most significant votes cast and any use of proxy voting on their behalf over the year, alongside a review of any changes to the SIP over the year.

Extent to which the SIP policies were followed over the year

In the opinion of the Trustee, the policies within the SIP have been followed throughout the year to 28 February 2025 for both the DB and DC sections of the Scheme.

Description of investments

The Scheme invests in pooled funds. Therefore, the Trustee delegates the responsibility for exercising the voting rights on the shares held by the Scheme to the Investment Managers. The Scheme's investments' voting behaviour over the Scheme year is as summarised below.

During the Scheme year, the Scheme held the following investments:

DB investments:

- L&G All World Equity Index Fund – GBP Hedged;
- L&G World (ex UK) Equity Index Fund;
- L&G World (ex UK) Equity Index Fund – GBP Hedged;
- L&G UK Equity Index Fund;
- BlackRock UK Select Equity Fund;
- L&G Buy & Maintain Credit Fund;
- L&G AAA-AA Fixed Interest Over 15 Year Targeted Duration Fund;
- L&G All Stocks Index-Linked Gilts Index Fund; and
- L&G Over 15 Year Gilts Index Fund.

DC investments:

- Aegon BlackRock 70/30 Global Growth Fund;
- Aegon BlackRock Balanced Growth Fund;
- Aegon BlackRock Cash Fund;
- Aegon BlackRock Pre-Retirement Fund;
- Aegon BlackRock UK Growth Fund;
- Aegon L&G Global Equity (50:50) Index Fund; and
- Aegon Property Fund.

These BlackRock and L&G funds are available through the Aegon platform.

SIP policies

Review of SIP over the Scheme year

This Statement should be read in conjunction with the Scheme's SIP covering the year under review, which provides details of the Scheme's investment policies along with details of the Scheme's governance structure and objectives.

The Trustee maintains a SIP which sets out the investment principles for both the DB and DC sections of the Scheme. The SIP is reviewed at least every three years, or more often following any significant changes to the investment strategy.

The Scheme's SIP was updated during the Scheme year following a change of investment strategy.

SIP policies on investment objectives

The Trustee aims to invest the assets of the Scheme prudently to ensure that the benefits promised to members are provided. In setting the investment strategy, the Trustee first considered the lowest risk asset allocation that it could adopt in relation to the Scheme's liabilities. The asset allocation strategy it has selected is designed to achieve a higher return than the lowest risk strategy while maintaining a prudent approach to meeting the Scheme's liabilities.

SIP policies on monitoring investments

The Trustee performs regular monitoring of a number of aspects of its investments. This includes monitoring the actual asset allocation versus the target weight per the Scheme's strategic benchmark allocation; and the Investment Managers' performance against each of the investments' objectives.

The Trustee receives regular investment monitoring reports from its Investment Consultant, covering:

- Performance versus the Scheme's overall investment objective;
- Performance of each individual fund versus their respective targets; and
- Ongoing monitoring of any significant issues with the Investment Managers that may impact their ability to meet the performance targets set by the Trustee.

The Trustee also receives regular investment monitoring reports from the Investment Managers on their engagement with companies on environment, social and governance consideration which it reviews and compares with policies to assess the extent to which they have been followed.

Finally, the Trustee monitors the associated costs and charges of its investments on a regular basis.

SIP policies on investment risk

The Trustee recognises that the key risk to the Scheme is that it has insufficient assets to make provisions for 100% of its liabilities ("funding risk"). In determining the Scheme's investment strategy, in addition to funding risk, the Trustee has considered a number of risks including mismatch risk, cashflow risk, manager risk, diversification risk, covenant risk, operational risk and ESG factor risk.

Due to the complex and interrelated nature of these risks, the Trustee considers the majority of these risks in a qualitative rather than quantitative manner as part of each formal investment strategy review (normally triennially). Some of these risks may also be modelled explicitly during the course of such reviews.

The Trustee's policy is to monitor, where possible, these risks as part of its ongoing investment monitoring process.

SIP policies on day-to-day fund management

The Scheme's assets are invested in pooled investment vehicles. As such, fund management responsibilities for each of the Scheme's underlying investments have been delegated to each respective Investment Manager.

SIP policies on expected investment return

The asset allocation strategy the Trustee has selected is designed to achieve a higher return than the lowest risk strategy while maintaining a prudent approach to meeting the Scheme's liabilities.

SIP policies on manager arrangements, ESG considerations and stewardship

In the SIP, the Trustee stated the following policies on the exercise of voting rights, performance and engagement activities related to its investments:

Voting activity:

- The Trustee reviews the statements of corporate governance issued by their fund manager and monitor voting activity regularly.
- The Trustee's policy is to invest in pooled investment vehicles. It is the Investment Manager that is responsible for the exercise of rights (including voting rights) attaching to these investments.
- The Trustee's policy in relation to any rights (including voting rights) attaching to its investments is to exercise those rights to protect the value of the Scheme's interests in the investments, having regard to appropriate advice. The Trustee expects the Investment Manager to engage with investee companies (and other relevant persons including, but not limited to, investment managers, issuers/other holders of debt and equity and other stakeholders) on aspects such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, corporate governance, social and environmental issues concerning the Trustee's investments. The Trustee believes that such engagement will protect and enhance the long-term value of its investments.
- The Trustee will also monitor the voting activity of the Investment Manager to ensure votes are being used and are aligned to its views on ESG.

Performance and engagement activities:

- The Trustee's policy towards financially material considerations (including, but not limited to, environmental, social and governance considerations, including climate change) is to monitor the investment manager to whom they delegate this function through investment in pooled index-tracking funds.
- The Trustee recognises the importance of regular monitoring of the Investment Manager's performance, remuneration and compliance against ESG policy to ensure that the Scheme's assets are being managed appropriately.
- In addition to performance measures, the Trustee will review the engagement activity of the Investment Manager to ensure that active engagement is taking place where possible to influence positive change in relation to ESG factors within investee companies.

If the Trustee believes that one of the Scheme's Investment Managers is no longer acting in accordance with the Trustee's policies, including those regarding ESG and engagement with investee organisations to assess and improve their medium-to-long-term financial and non-financial performance, the Trustee will take the following steps:

- Engage with the Investment Manager in the first instance, in an attempt to influence its policies on ESG and stewardship; and
- If necessary, look to appoint a replacement Investment Manager which is more closely aligned with the Trustee's policies and views.

The Trustee believes that these steps will incentivise the Scheme's Investment Managers to act responsibly and to align their actions with the Trustee's policies.

Equity voting behaviour

Not all of the Scheme's investments carry equity voting rights. Of the Scheme's investments held, the following investments carried equity voting rights during the Scheme year:

DB investments:

- L&G All World Equity Index Fund – GBP Hedged;
- L&G World (ex UK) Equity Index Fund; and
- L&G World (ex UK) Equity Index Fund – GBP Hedged;
- L&G UK Equity Index Fund; and
- BlackRock UK Select Equity Fund.

DC investments:

- Aegon BlackRock 70/30 Global Growth Fund;
- Aegon BlackRock Balanced Growth Fund;
- Aegon BlackRock UK Growth Fund; and
- Aegon L&G Global Equity (50:50) Index Fund.

L&G and BlackRock manage over £1.1 trillion and over £8.5 trillion in assets respectively, and use their resulting influence, focussing their votes on climate change, income equality, diversity, and ESG integration.

The following tables summarise each manager's voting and engagement which took place over the Scheme year. (Note that some reporting periods may differ due to the (quarterly based) reporting periods of some managers.)

Voting summary

L&G All World Equity Index Fund – GBP Hedged:

The table below shows L&G's voting summary covering the Scheme's investment in the L&G All World Equity Index Fund – GBP Hedged, which the Scheme was invested during the Scheme year. (Note, L&G is only able to provide quarterly voting information for the year to 31 March 2025, rather than the Scheme year end of 28 February 2025).

All World Equity Index Fund – GBP Currency Hedged	1 April 2024 – 31 March 2025
Number of meetings L&G was eligible to vote at over the year	6,611
Number of resolutions L&G was eligible to vote on over the year	63,689
Of the eligible resolutions, percentage that L&G voted on	99.8%
Of the resolutions voted, percentage that L&G voted with management	79.5%
Of the resolutions voted, percentage that L&G voted against management	19.0%
Of the resolutions voted, percentage where L&G abstained	1.5%
Percentage of eligible meetings where L&G voted at least once against management	59.9%
Percentage of voted resolutions where L&G voted contrary to the recommendation of their proxy adviser	10.4%

Note, totals may not sum due to rounding.

L&G World (ex UK) Equity Index Fund:

The table below shows L&G's voting summary covering the Scheme's investment in the L&G World (ex UK) Equity Index Fund, which the Scheme was invested during the Scheme year. (Note, L&G is only able to provide quarterly voting information for the year to 31 March 2025, rather than the Scheme year end of 28 February 2025).

L&G World (ex UK) Equity Index Fund	1 April 2024 – 31 March 2025
Number of meetings L&G was eligible to vote at over the year	2,810
Number of resolutions L&G was eligible to vote on over the year	33,434
Of the eligible resolutions, percentage that L&G voted on	99.7%
Of the resolutions voted, percentage that L&G voted with management	77.9%
Of the resolutions voted, percentage that L&G voted against management	21.8%
Of the resolutions voted, percentage where L&G abstained	0.3%
Percentage of eligible meetings where L&G voted at least once against management	76.0%
Percentage of voted resolutions where L&G voted contrary to the recommendation of their proxy adviser	15.4%

Note, totals may not sum due to rounding.

Note, the L&G World (ex UK) Equity Index Fund – GBP Hedged invests in a currency-hedged share-class of the same investment portfolio as the L&G World (ex UK) Equity Index Fund above.

L&G UK Equity Index Fund:

The table below shows L&G's voting summary covering the Scheme's investment in the L&G UK Equity Index Fund, which the Scheme was invested during the Scheme year. (Note, L&G is only able to provide quarterly voting information for the year to 31 March 2025, rather than the Scheme year end of 28 February 2025).

L&G UK Equity Index Fund	1 April 2024 – 31 March 2025
Number of meetings L&G was eligible to vote at over the year	717
Number of resolutions L&G was eligible to vote on over the year	10,134
Of the eligible resolutions, percentage that L&G voted on	100.0%
Of the resolutions voted, percentage that L&G voted with management	93.8%
Of the resolutions voted, percentage that L&G voted against management	6.2%
Of the resolutions voted, percentage where L&G abstained	0.0%
Percentage of eligible meetings where L&G voted at least once against management	42.5%
Percentage of voted resolutions where L&G voted contrary to the recommendation of their proxy adviser	5.3%

Note, totals may not sum due to rounding.

BlackRock UK Select Equity Fund:

The table below shows BlackRock's voting summary covering the Scheme's investment in the BlackRock UK Select Equity Fund, which the Scheme was invested during the Scheme year. (Note, the Scheme disinvested from the fund in January 2025 therefore voting information is provided for the year to 31 December 2024).

BlackRock UK Select Equity Fund	1 January 2024 – 31 December 2024
Number of meetings BlackRock was eligible to vote at over the year	124
Number of resolutions BlackRock was eligible to vote on over the year	2,118
Of the eligible resolutions, percentage that BlackRock voted on	100.0%
Of the resolutions voted, percentage that BlackRock voted with management	98.5%
Of the resolutions voted, percentage that BlackRock voted against management	1.5%
Of the resolutions voted, percentage where BlackRock abstained	0.3%
Percentage of eligible meetings where BlackRock voted at least once against management	16.1%
Percentage of voted resolutions where BlackRock voted contrary to the recommendation of their proxy adviser	0.0%

Note, totals may not sum due to rounding.

Aegon BlackRock 70/30 Global Growth Fund:

The table below shows BlackRock's voting summary covering the Scheme's investment in the BlackRock 70/30 Global Growth Fund, which the Scheme was invested during the Scheme year. (Note, BlackRock is only able to provide quarterly voting information for the year to 31 March 2025, rather than the Scheme year end of 28 February 2025.)

Aegon BlackRock 70/30 Global Growth Fund	1 April 2024 – 31 March 2025
Number of meetings BlackRock was eligible to vote at over the year	422
Number of resolutions BlackRock was eligible to vote on over the year	5,811
Of the eligible resolutions, percentage that BlackRock voted on	98.5%
Of the resolutions voted, percentage that BlackRock voted with management	96.1%
Of the resolutions voted, percentage that BlackRock voted against management	3.9%
Of the resolutions voted, percentage where BlackRock abstained	0.9%
Percentage of eligible meetings where BlackRock voted at least once against management	26.8%
Percentage of voted resolutions where BlackRock voted contrary to the recommendation of their proxy adviser	0.1%

Note, totals may not sum due to rounding.

Aegon BlackRock Balanced Growth Fund:

The table below shows BlackRock's voting summary covering the Scheme's investment in the BlackRock Balanced Growth Fund, which the Scheme was invested during the Scheme year. (Note, BlackRock is only able to provide quarterly voting information for the year to 31 March 2025, rather than the Scheme year end of 28 February 2025.)

Aegon BlackRock Balanced Growth Fund	1 April 2024 – 31 March 2025
Number of meetings BlackRock was eligible to vote at over the year	422
Number of resolutions BlackRock was eligible to vote on over the year	5,811
Of the eligible resolutions, percentage that BlackRock voted on.	98.5%
Of the resolutions voted, percentage that BlackRock voted with management	96.1%
Of the resolutions voted, percentage that BlackRock voted against management.	3.9%
Of the resolutions voted, percentage where BlackRock abstained	0.9%
Percentage of eligible meetings where BlackRock voted at least once against management	26.8%
Percentage of voted resolutions where BlackRock voted contrary to the recommendation of their proxy adviser	0.1%

Note, totals may not sum due to rounding.

Aegon BlackRock UK Growth Fund:

The table below shows BlackRock's voting summary covering the Scheme's investment in the BlackRock UK Growth Fund, which the Scheme was invested during the Scheme year. (Note, BlackRock is only able to provide quarterly voting information for the year to 31 March 2025, rather than the Scheme year end of 28 February 2025.)

Aegon BlackRock UK Growth Fund	1 April 2024 – 31 March 2025
Number of meetings BlackRock was eligible to vote at over the year	133
Number of resolutions BlackRock was eligible to vote on over the year	2,383
Of the eligible resolutions, percentage that BlackRock voted on.	100%
Of the resolutions voted, percentage that BlackRock voted with management	98.8%
Of the resolutions voted, percentage that BlackRock voted against management.	1.2%
Of the resolutions voted, percentage where BlackRock abstained	0.3%
Percentage of eligible meetings where BlackRock voted at least once against management	12.0%
Percentage of voted resolutions where BlackRock voted contrary to the recommendation of their proxy adviser	0.2%

Note, totals may not sum due to rounding.

Aegon L&G Global Equity (50:50) Index Fund:

The table below shows L&G's voting summary covering the Scheme's investment in the L&G Global Equity (50:50) Index Fund, which the Scheme was invested during the Scheme year. (Note, L&G is only able to provide quarterly voting information for the year to 31 March 2025, rather than the Scheme year end of 28 February 2025).

L&G Global Equity (50:50) Index Fund	1 April 2024 – 31 March 2025
Number of meetings L&G was eligible to vote at over the year	2,981
Number of resolutions L&G was eligible to vote on over the year	37,792
Of the eligible resolutions, percentage that L&G voted on	99.8%
Of the resolutions voted, percentage that L&G voted with management	81.8%
Of the resolutions voted, percentage that L&G voted against management	18.0%
Of the resolutions voted, percentage where L&G abstained	0.3%
Percentage of eligible meetings where L&G voted at least once against management	69.0%
Percentage of voted resolutions where L&G voted contrary to the recommendation of their proxy adviser	13.0%

Note, totals may not sum due to rounding.

Proxy voting

L&G votes by proxy through the Institutional Shareholder Services (ISS) electronic voting platform as given the scale of its holdings the manager cannot be present at shareholder meetings to cast votes. It should be noted that all voting decisions are made by L&G using its individual market specific voting policies, with L&G's own research only supplemented by ISS recommendations and research reports produced by the Institutional Voting Information Service (IVIS). To ensure L&G's proxy provider votes in accordance with their position on ESG, L&G have put in place a custom voting policy with specific voting instructions. L&G publicly communicates its vote instructions on its website with the rationale for all votes against management.

BlackRock use Institutional Shareholder Services' (ISS) electronic platform to execute its vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, BlackRock works with proxy research firms who apply its proxy voting guidelines to filter out routine or non-contentious proposals and refer to it any meetings where additional research and possibly engagement might be required to inform its voting decision.

Significant votes

The investment managers have provided examples of what they believe to be the most significant votes cast on the Trustee's behalf during the period.

L&G funds:

In determining significant votes, L&G's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at L&G's annual Stakeholder roundtable event, or where L&G note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement; and
- Votes linked to an L&G engagement campaign, in line with L&G Investment Stewardship's five-year ESG priority engagement themes.

Many of the most significant votes cast by L&G related to the election of directors. L&G has a longstanding policy advocating for the separation of the roles of CEO and board chair noting the belief that the two roles are substantially different and require distinct skills and experiences. Since 2015 L&G has supported shareholder

proposals seeking the appointment of independent board chairs, and since 2020 L&G has adopted the view of voting against all combined board chair/CEO roles.

A number of significant votes related to the issue of gender diversity at board level. L&G views gender diversity as a financially material issue with implications for the return on assets. L&G seeks to engage with companies on this issue and applied voting sanctions to those FTSE 350 companies that do not have a minimum of 40% women on the board.

Several of the significant votes cast involved environmental topics such as climate change.

Example 1: UK Equity Index Fund, Global Equity (50:50) Index Fund and All World Equity Index Fund – GBP Hedged	
Vote details	Shell Plc – 21 May 2024. Vote on Shell's Energy Transition Strategy.
Approximate size of fund's holding as at date of vote	7.7% of L&G UK Equity Index Fund 3.9% of L&G Global Equity (50:50) Index Fund 0.3% of L&G All World Equity Index Fund – GBP Hedged
Rationale for significance	Thematic – Climate: L&G is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, L&G deem such votes to be significant, particularly when L&G votes against the transition plan.
Voting decision	Against.
Where the Investment Manager voted against management, did the Investment Manager communicate the intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	L&G acknowledges that Shell has made significant progress in its climate-related disclosures in recent years and views the company's commitments to reducing emissions from operated assets and oil production positively. However, L&G expresses concern over Shell's recent revisions to its Net Carbon Intensity (NCI) targets, particularly alongside its ambition to expand its gas and LNG business this decade. L&G expects Shell to more clearly demonstrate how these plans align with a credible transition to net-zero emissions by 2050. The firm is seeking further clarity on these issues and will continue to engage with Shell on the alignment of its Energy Transition Strategy with long-term climate goals.
Vote outcome	Pass.
Next steps	L&G will continue to engage with the company and monitor progress.

Example 2: Global Equity (50:50) Index Fund, World (ex UK) Equity Index Fund and All World Equity Index Fund – GBP Hedged	
Vote details	Microsoft Corporation – 10 December 2024. Vote on a report of AI Data Sourcing Accountability.
Approximate size of fund's holding as at date of vote	1.0% of L&G Global Equity (50:50) Index Fund 4.3% of World (ex UK) Equity Index Fund 3.8% of L&G All World Equity Index Fund – GBP Hedged
Rationale for significance	L&G views this shareholder resolution as significant due to the relatively high level of support needed.
Voting decision	For.
Where the Investment Manager voted against management, did the Investment Manager communicate the intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is L&G's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	L&G said a vote FOR this proposal is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices, and while the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models.
Vote outcome	Fail.
Next steps	L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

BlackRock funds:

BlackRock Investment Stewardship ("BIS") prioritises its work around themes that it believes will encourage sound governance practices and deliver sustainable long-term financial performance. Its engagement with clients, to understand their priorities and expectations, as well as its active participation in market-wide policy debates, help inform these themes. The themes they have identified in turn shape their Global Principles, market-specific Voting Guidelines and Engagement Priorities, which form the benchmark against which it looks at the sustainable long-term financial performance of investee companies.

The BlackRock Stewardship team publishes statements on its analysis, engagements and votes in relation to certain high-profile proposals at company shareholder meetings. These bulletins are intended to explain its vote decision, including the analysis underpinning it and relevant engagement history when applicable, where the issues involved are likely to be high-profile and therefore of interest to its clients and other stakeholders, and potentially represent a material risk to the investment it undertakes on behalf of clients. BlackRock make this information public shortly after the shareholder meeting, so clients and others can be aware of its vote determination when it is most relevant to them. It publishes these bulletins to highlight several of its key voting rationales as informed by its global voting guidelines, including when it votes against directors due to: insufficient progress on climate-related disclosures (particularly with regard to TCFD/SASB-aligned reporting); concerns about remuneration and/or overboarding; concerns about board oversight; and risk management in high profile situations, among others. BlackRock's vote bulletins can be found on its website. It considers these vote bulletins to contain explanations of the most significant votes for the purposes of evolving regulatory requirements.

BlackRock has provided examples of what it believes to be the most significant votes cast on the Trustee's behalf during the Scheme year.

BlackRock cast a large number of votes on behalf of the UK Select Equity Index Fund, 70/30 Global Growth Fund, Balanced Growth Fund and UK Growth Fund, with c.50% of proposals voted for by BlackRock relating to director elections and board-related proposals.

One significant vote, in May 2024, was regarding Shell plc, when BlackRock voted on a shareholder proposal to advise Shell to align its medium-term emissions reduction targets covering the greenhouse gas (GHG) emissions of the use of its energy products (Scope 3) with the goal of the Paris Climate Agreement. BlackRock voted against the resolution and with management because, in their view, the proposal was overly prescriptive and would contradict Shell's 'Energy Transition Strategy 2024'. This vote was directly applicable to investments held in the UK Select Equity Index Fund, 70/30 Global Growth Fund, Balanced Growth Fund and UK Growth Fund.

How engagement policies have been followed

The Trustee intends to review a summary of the voting and engagement activity taken on its behalf on an annual basis. The information published by the Investment Managers on their voting policies has provided the Trustee with comfort that its voting and engagement policies have been followed during the Scheme year.

As set out in the SIP, the Trustee expects the Investment Managers to engage with investee companies on aspects such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG factors.

Details of specific voting and engagement topics are shown in the table below.

Voting and engagement topic	Policy followed in the opinion of Trustee?	Comments
Performance of debt or equity issuer	✓	L&G and BlackRock's voting and engagement policies do not cover the past financial performance of investee companies. However, the voting and engagement which has been undertaken aims to improve the long-term future performance of the investee companies.
Strategy	✓	L&G and BlackRock have clear voting policies covering strategy topics – such as overall strategy, CEO's responsibilities and board/governance structure, independence issues, diversity and remuneration – and have acted on them throughout the Scheme year on behalf of the Trustee.
Risks	✓	L&G and BlackRock have clear voting policies on ensuring that companies manage risk effectively and have robust internal controls. As an example of reducing risk, L&G encourages all audit committee chairs globally to have a financial background and be entirely comprised of independent non-executive directors and, in the UK, votes against the audit committee chair's appointment if this is not the case.
Social and Environmental impact	✓	L&G has stated that it will vote against the chair of the board if it believes insufficient action is being taken on the issue of climate change. Also, if there are no women on the board, L&G will vote against the chair and / or the chair of the nomination committee. L&G has engaged with companies that have poor climate scores relative to their size and for those that don't meet minimum standards and if these minimum standards are not met over time, L&G may look to divest until progress is shown.

Corporate Governance	✓	<p>The Trustee believes that the board’s duty is to decide the appropriate company strategy, with the CEO in turn responsible for executing the strategy. For this structure to work effectively, the Trustee also believes that the appropriate governance structures need to be in place. These include the separation of duties between the Board and the CEO, as well as policies covering independence, diversity and remuneration. The investment managers have clear voting policies covering each of these topics and has acted on them throughout the Scheme year on behalf of the Trustee.</p> <p>Over the reporting year L&G enhanced its global policy expectations introducing a new focus on Artificial intelligence in corporate governance as this technology continues to grow and become a more integral part of business operations</p>
Conflicts of Interest	✓	<p>Remuneration of personnel can lead to conflicts of interest between the principal (shareholder) and agent (management). Over the period under review, L&G and BlackRock voted against incentive awards which did not have performance conditions, as these awards would not align remuneration with company performance.</p>
Capital Structure	✓	<p>The investment managers have policies on voting in respect of resolutions regarding changes to company capital structure such as share repurchase proposals and new share issuance.</p> <p>For example, L&G has a policy that newly issued shares should not expose minority shareholders to excessive dilution.</p> <p>L&G also has policies that protect minority shareholder rights including “one share, one vote” to avoid weakening of corporate governance as investors ability to influence and hold directors accountable would be reduced.</p>

Engagement with investee companies (non-equity investments)

Exercising equity voting rights is not the only method of influencing behaviours of investee companies and is not directly applicable for the Scheme’s other (non-equity) investments such as the Scheme’s corporate bond investments. However the Trustee expects the Investment Managers for these other investments to engage on its behalf to aim to influence the underlying investee companies in respect of the ESG and stewardship matters outlined above.

L&G funds:

L&G actively engages with the investee companies via direct messages and meetings with management and engagements via email to influence positive ESG practice. It is also noted that there is substantial overlap between the companies in which L&G holds debt and equity and so, while the corporate bonds mandate does not hold voting rights, L&G’s position as the equity holder elsewhere will likely result in them having voting rights to compound the impact and influence that L&G has on each company’s practices.

L&G’s voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for clients. L&G’s voting policies are reviewed annually and take into account client feedback.

Over the 12 months to 31 March 2025, L&G undertook 4,459 engagements with 4,210 companies. Some engagements cover multiple topics and L&G has provided the following summary:

- 3,971 on environmental topics;
- 647 on social topics;

- 330 on governance issues; and
- 155 on other topics including finance and strategy.

The top five engagement topics included climate change, human rights, deforestation, remuneration and strategy.

At a fund specific level, L&G published the following engagement statistics for the year to 31 March 2025.

	Total engagements	No. unique companies engaged	Environmental topics	Social topics	Governance topics	Other topics
L&G All World Equity Index Fund	2,242	1,471	1,626	483	260	152
L&G UK Equity Index Fund*	362	204	185	72	129	54
World (ex UK) Equity Index Fund*	1,589	1,035	1,142	364	183	104
L&G Global Equity (50:50) Index Fund	1,788	1,108	1,186	413	308	153
L&G Buy & Maintain Credit Fund	331	181	210	76	86	46
L&G AAA-AA Fixed Interest Over 15 Year Targeted Duration Fund*	1	1	1	-	-	-

Note: individual engagements may cover multiple topics. *These funds are no longer held as at 28 February 2025.

The remainder of the DB Section assets were invested in UK gilt or index-linked government bonds with the purpose of reducing risk by hedging the exposure to interest rate and inflation inherent in the Scheme's liabilities. L&G has governance practices in place to capture key regulatory developments which might influence the management and performance of these hedging assets.

BlackRock funds:

BlackRock's engagement priorities are global in nature and are informed by observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. BlackRock may also update their regional engagement priorities based on issues that they believe could impact the long-term sustainable financial performance of companies in those markets.

BlackRock Investment Stewardship (BIS) prioritises its decision making around themes intended to encourage sound governance practices and deliver sustainable long-term financial performance. The identified themes are reflected in BlackRock's Global Principles, market-specific voting guidelines and engagement priorities, which underpin their stewardship activities and form the benchmark against which the sustainable long-term financial performance of investee companies is considered. BlackRock uses market specific guidelines to ensure each company's unique circumstances are taken into consideration.

BlackRock determine their engagement priorities based on observations regarding market developments and emerging governance themes. Over the reporting period ending 31 December 2024, BlackRock's stewardship team held 3,384 engagements with 2,394 unique companies. The BIS team's key engagement priorities included the following:

1. Strategy, purpose and financial resilience Strategy, purpose and financial resilience

2. Board quality and effectiveness
3. Incentives aligned with financial value creation
4. Climate and natural capital
5. Company impacts on people

Each year, the BlackRock Investment Stewardship team review their Global Principles and market-level voting guidelines to ensure that their policies are aligned with their commitment to pursuing long-term financial returns for their clients as shareholders, updating the Global Principles as necessary to reflect in market standards, evolving governance practice and insights gained from engagement over the prior year. The Global Principles cover seven key subjects:

1. Boards and directors
2. Auditors and audit-related issues
3. Capital structure, mergers, asset sales, and other special transactions
4. Executive compensation
5. Material sustainability-related risks and opportunities
6. Other corporate governance matters and shareholder protections
7. Shareholder proposals

BIS periodically publishes “vote bulletins” on key votes at shareholder meetings to provide insight into details on certain vote decisions such as significant votes made, intended to explain voting decisions relating to a range of business issues including ESG matters.

An analysis of significant votes made predominantly included voting against management changes for reasons such as lack of progress regarding climate-related action and reporting. For example, BIS has a long history of multi-year, comprehensive engagements with ExxonMobil on a wide range of governance issues that BlackRock believe drive long-term shareholder value, such as board quality and effectiveness, corporate strategy, human capital management, as well as the board’s oversight of and management’s approach to material climate-related risk and opportunities.

At a fund specific level, BlackRock published the following engagement statistics for the year to 31 March 2025. Engagement data for other Aegon BlackRock funds used in the DC Section was not available.

	Total engagements	No. unique companies engaged	Environmental topics	Social topics	Governance topics
BlackRock UK Select Equity Fund	108	57	52	51	235
BlackRock UK Growth Fund	79	49	36	27	169

Note: individual engagements may cover multiple topics.

Extent to which voting and engagement policies have been followed

Having reviewed the actions taken by the Investment Managers of the equity and other non-equity investments, the Trustee believes that its policies on engagement have been implemented appropriately over the year and in line with its views. The Trustee will continue to monitor the actions taken on its behalf each year and press for improved engagement information and ESG reporting metrics from the Investment Managers on a fund specific level.

If the Investment Managers deviate substantially from the Trustee’s stated policies, in accordance with the policies stated above, the Trustee will initially engage and discuss this with the relevant Investment Manager, and if the Trustee still believes the difference between its policies and the Investment Manager’s actions are material, the Trustee will consider terminating and replacing the mandate if necessary.

In the opinion of the Trustee, the wider policies and objectives stated in the SIP have been followed throughout the year for both the DB and DC sections of the Hotpoint UK Pension Scheme.

**Prepared on behalf of the Trustee by Isio Group Limited and approved by the Trustee,
Zedra Governance Ltd, on 4 September 2025**

