Hotpoint UK Appliances Ltd Pension Scheme Implementation Statement – 5 April 2026

Notice of scope

Please note that this statement only covers the matters relating to the Defined Benefit ("DB") section of the Scheme and any references made to the Statement of Investment Principles ("SIP") relate to the DB section of the SIP dated November 2024.

Why have we produced this Statement?

The Trustee of the Hotpoint UK Appliances Ltd Pension Scheme has prepared this statement to comply with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

This statement sets out how the Trustee has complied with the voting and engagement policies detailed in the Scheme's Statement of Investment Principles (SIP).

What is the Statement of Investment Principles (SIP)?

The SIP sets out key investment policies including the Trustee's investment objectives and investment strategy.

It also explains how and why the Trustee delegates certain responsibilities to third parties and the risks the Scheme faces and the measures used to mitigate those risks.

The Trustee last reviewed the SIP in November 2024.

What is the purpose of this Statement?

1. Provide further information on reviews of the SIP undertaken by the Trustee, and any changes made to the SIP over the year as a result of a review.

2. Details of how and the extent to which, in the opinion of the Trustee, the Scheme's policies as set out in the Statement of Investment Principles (the "SIP") have been followed during the year.

3. To explain how the Trustee's engagement policy has been applied over the year.

4. To describe the voting rights attached to the Scheme's assets have been exercised over the year.

What changes have we made to the SIP?

There were no changes made to the SIP over the year.

Adherence to the SIP

The Trustee has received advice on an investment strategy aimed at maximising the chances of achieving its objectives. The investment strategy was formally reviewed over the year following corporate activity associated with the sponsoring company. The Trustee monitors progress relative to its objectives on a quarterly basis as outlined below.

The Trustee believes in diversification and the Scheme's portfolio is built using a diverse range of return-seeking assets and a dedicated allocation to liability driven investments which seek to match the sensitivity of the Scheme's liabilities to inflation and interest rates. Throughout the year, implementation of this strategy was delegated to the Fiduciary Manager who managed the balance of these investments. The Trustee put in place guidelines over the year with parameters specified for the Fiduciary Manager to act within including asset allocation, manager and geographical diversification, and foreign currency exposure. The Fiduciary Manager is required to report any breach of these guidelines to the Trustee. No breaches were reported during the year.

In order to ensure appropriate incentivisation and alignment of decision-making between the Trustee and the Fiduciary Manager, the Fiduciary Manager is subject to a number of obligations set out in its contractual arrangements with the Trustee and the Fiduciary Manager is aware of and gives effect to the principles set out in the Trustee's SIP. The Fiduciary Manager acted in accordance with these obligations throughout the year.

The Trustee's investment strategy seeks to outperform a benchmark based on a projection of the Scheme's liability cashflows. The liability benchmark is updated following each actuarial valuation, and when there is any significant change to the structure of the Scheme's liabilities. The benchmark was last updated in May 2023 to account for the preliminary results of the 2022 actuarial valuation and is currently in the process of being reviewed and updated again

The Fiduciary Manager monitored and reviewed the Scheme's investments and managers on a regular basis to ensure that the investment strategy remained consistent with the Scheme's objectives. On a quarterly basis, the Trustee reviewed the Scheme's asset allocation, funding position and progress relative to the journey plan (the projected path to achieve the Scheme's objective), and measures of the expected return and risk of the Scheme's portfolio to ensure that these remained broadly consistent with the Scheme's objectives. On a monthly basis the Trustee received an approximate update of the Scheme's position to keep track of progress between the detailed quarterly reports.

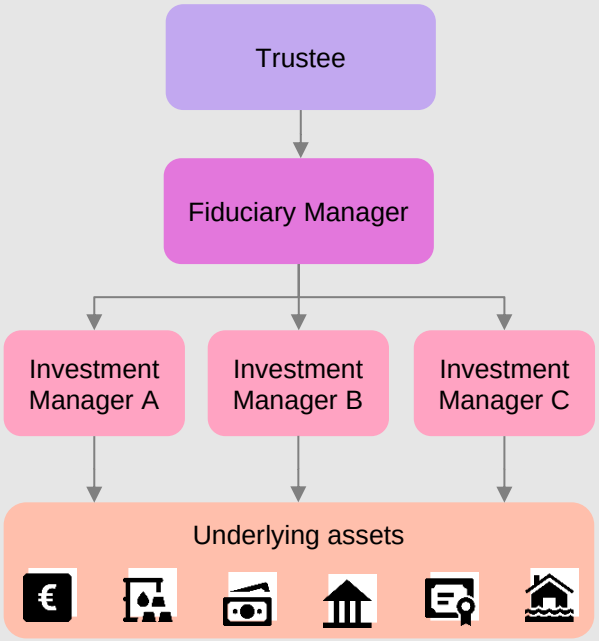
The Trustee has a policy to ensure that the Scheme's cashflow requirements can be readily met without disrupting its investments. Throughout the year, the Fiduciary Manager regularly monitored the level of cash in the Scheme, and cashflows into / out of the Scheme to ensure that there were sufficient assets in readily realisable investments to meet the Scheme's requirements without disrupting its investments. The Fiduciary Manager can make adjustments to the Scheme's allocation to cash, when necessary, within guidelines set by the Trustee. The Trustee monitored the liquidity of the Scheme's portfolio and cashflows into and out of the Scheme on a quarterly basis.

Throughout the year, the Fiduciary Manager monitored the performance of the Scheme's investment managers. Performance was monitored relative to an appropriate market benchmark where one was available or an appropriate return objective where a market benchmark was not available. In addition, the Fiduciary Manager assessed the performance of the Scheme's investment managers relative to peers and in the context of the prevailing market environment. The Fiduciary Manager and Trustee focus their assessment of investment manager performance on the long-term consistent with the Trustee's position as a long-term investor.

On a forward-looking basis, past performance is only one input into the Fiduciary Manager's assessment of an investment manager, which relies predominantly on research views based on a range of qualitative and quantitative factors, including the consideration of Sustainable Investment, or Environment, Social and Governance factors as outlined below. Whilst there were some changes to the underlying investment managers, no managers were terminated based on short-term performance alone. Consistent with the Scheme's long investment time horizon, the Trustee seeks to be a long-term investor, and the Fiduciary Manager has appointed managers (in the majority of cases) with the expectation of a long-term relationship. This in turn allows investment managers to take a longer-term approach to investing, including engagement with issuers of debt and equity, with a view to improving investment outcomes over the long term.

The Trustee received quarterly performance monitoring reports from the Fiduciary Manager (following the transition of assets). Performance shown in these reports was based on performance reporting provided by the Scheme's Independent Performance Measurer, State Street. These reports are included for scrutiny and discussion at the quarterly meetings. The reports include details of short-, medium- and longer-term performance relative to benchmarks/targets for all funds as well as commentary on an exceptions basis regarding performance with significant deviation from benchmark/target. Throughout the year, the Trustee used these reports as an input into its ongoing assessment of the Fiduciary Manager's performance. Similar to the approach taken with the Scheme's underlying investment managers, the Trustee appointed the Fiduciary Manager with the expectation of a long-term relationship and therefore takes a long-term approach to its assessment of the Fiduciary Manager's performance.

How are the Scheme's investments managed?



Trustee - The Trustee's key objective is to ensure sufficient assets to pay members' benefits as they fall due. The Trustee retains overall responsibility for the Scheme's investment strategy and investment monitoring..

Fiduciary Manager (WTW) – The Trustee employs a Fiduciary Manager to implement the Trustee's investment strategy. The Fiduciary Manager allocates the Scheme's assets between asset class and investment managers.

Investment managers – The Fiduciary Manager appoints underlying investment managers either using a pooled vehicle or a segregated mandate where these assets are held directly in the Scheme's name. The Fiduciary Manager will look for best in class specialist managers for each asset class.

Underlying assets – The investment managers pick the underlying investments for their specialist mandate e.g. shares in a company or government bonds.

Why does the Trustee believe voting and engagement is important?

The Trustee's view is that Environmental, Social and Governance (ESG) factors can have a significant impact on investment returns, particularly over the long-term and therefore contribute to the security of members' benefits. The Trustee further believes that voting and engagement are important tools to influence these issues.

The Trustee has appointed a Fiduciary Manager who shares this view and has embedded the consideration of ESG factors, voting and engagement in its processes.

The Trustee incorporates the assessment of the Fiduciary Manager's performance in this area as part of its overall assessment of the Fiduciary Manager's performance.

What is the Trustee's voting and engagement policy?

When considering its policy in relation to stewardship including engagement and voting, the Trustee expects investment managers to address broad ESG considerations but has identified climate change, human and labour rights and biodiversity as key areas of focus for the Trustee.

The day-to-day integration of ESG considerations, voting and engagement are delegated to the investment managers. The Trustee expects investment managers to sign up to local Stewardship Codes and to act as responsible stewards of capital.

Where ESG factors are considered to be particularly influential to outcomes, the Trustee expects the Fiduciary Manager to engage with investment managers to improve their processes.

What training has the Trustee received over the year?

To ensure the Trustee is kept up to date with best practice in ESG considerations, voting and engagement, the Trustee received the following training over the year:

- Credit Training (including sustainable investment considerations) – December 2025
- Sustainable Investment Update – December 2025

What are the Fiduciary Manager's policies?

Climate change and net zero goal

The Trustee believes Climate Change is a current priority when engaging with public policy, investment managers and corporates.

The Fiduciary Manager has a goal to achieve net zero greenhouse gas emissions across 'In Scope Solutions' by 2050. They believe the trajectory is important, so are also aiming to approximately halve emissions per amount invested by 2030.

Public policy and corporate engagement

The Fiduciary Manager employs an external stewardship service provider, whose services include public policy engagement, and corporate voting and engagement on behalf of its clients (including the Trustee).

Some highlights from 2025 include:

- 859 companies engaged across regions on 3,849 issues and objectives
- 73 companies in their core programme featured engagements with the CEO or chair
- Making voting recommendations on 131,979 resolutions at 13,516 meetings, including 63% of meetings with one or more resolutions against management
- 55 consultation responses or a proactive equivalent made
- 181 discussions were held with relevant regulators and stakeholders

Industry initiatives

The Fiduciary Manager participated in a range of industry initiatives over the year to seek to exercise good stewardship practices. Please refer to their latest UK Stewardship Code for more information: https://www.wtwco.com/en-gb/solutions/services/sustainable-investment.

How does the Fiduciary Manager assess the investment managers?

Investment manager appointment - The Fiduciary Manager considers the investment managers' policies and activities in relation to ESG factors and stewardship (which includes voting and engagement) at the appointment of a new manager. Over the course of 2025, the Fiduciary Manager researched 80 sustainability-themed strategies and engaged with over 50 external asset managers across more than 90 products.

Investment manager monitoring - The Fiduciary Manager produces detailed reports on the investment managers' ESG integration and stewardship capabilities on an annual basis.

Investment manager termination - The Fiduciary Manager engages with investment managers to improve their practices and increases the bar by which they are assessed as best practice evolves. The Fiduciary Manager may terminate an investment manager's appointment if they fail to demonstrate an acceptable level of practice in these areas. However, no investment managers were terminated on these grounds during the year.

Example of engagements carried out over the year

Illiquid Credit - Lending Manager

Environment - Climate issue

Issue: The manager needs to improve the carbon emission data collection from managers.

Outcome: Meetings were held with the ESG and Investment Reporting teams to discuss current information requirements and opportunities to enhance engagement with underlying borrowers. The manager is in the third year of reviewing the annual monitoring questionnaire and evaluating existing data collection practices. The Fiduciary Manager suggested that managers be encouraged to provide revenue information to support more accurate financed emissions estimates where direct emissions data is unavailable.

High yield debt Manager

Climate Change - Data coverage issue

Issue: This external high yield debt asset manager had not submitted data to the Fiduciary Manager climate questionnaire, leaving only ~5% of the fund's carbon footprint covered by third party data. The Fiduciary Manager engagement objective was to secure full carbon footprint data to improve transparency and support climate risk management in the solution where this external asset manager is used.

Outcome: After the external asset manager failed to provide questionnaire data, the Fiduciary Manager identified a major coverage gap and contacted the manager Investor Relations team to request the missing information. A follow up call was arranged to stress the importance of full disclosure and to support their submission process. The manager agreed to complete the questionnaire and committed to improving emissions reporting going forward.

The external asset manager has subsequently provided 100% carbon footprint coverage. They acknowledged the Fiduciary Manager engagement as the catalyst for this improvement. With full emissions data now available, Fiduciary Manager can more effectively assess climate related risks within the strategy. This outcome directly supports the Fiduciary Manager climate risk management efforts.

Going forward the Fiduciary Manager plan to seek additional attribution analysis to understand emissions drivers across holdings and sectors and to monitor progress.

Debt Manager

Environment – Climate issue

Issue: The manager has not yet established a clear approach for reporting climate metrics due to the nature of the portfolio, where c.95% of loans are secured against vacant properties. As a result, existing frameworks such as Partnership for Carbon Accounting Financials (PCAF) and the greenhouse gas protocol do not adequately capture financed emissions.

Outcome: The Fiduciary Manager has engaged directly with the manager's team, including senior leadership, through ongoing discussions focused on identifying a suitable methodology for climate reporting. The Fiduciary Manager will continue to monitor developments and collaborate with the manager, with the next step being alignment with the expected PCAF guidance update on mortgage methodologies.

What are the voting statistics we provide?

The Scheme is invested across a diverse range of asset classes which carry different ownership rights, for example bonds do not have voting rights attached. Therefore, voting information was only requested from the Scheme's equity investment managers.

Responses received are provided in the following pages. The Trustee used the following criteria to determine the most significant votes:

- The manager deems the vote to be notable for the scheme
- The vote is in one of the stewardship priority areas identified by the Trustee (climate change, human and labour rights and biodiversity).
- The size of the company holding related to the vote
- It was a vote against company management
- The vote provides representation of the stewardship activity across different types of investment manager and mandates
- The total number of votes identified and reported by the Trustee is at a proportionate level

At the beginning of the year, the Scheme was invested in a variety of equity strategies including active management (trying to outperform the market). Since the de-risking that occurred, the Scheme no longer invests in active equity funds. At the end of the year the Scheme was invested in smart-beta (trying to incrementally outperform the market based on well-established factors such as value, growth, momentum) and passive (aiming to perform in line with the market) equity funds.

Voting data for the Multi-Asset Diversified Growth Fund

As at the end of the reporting year, the Multi-Asset Diversified Growth Fund had investments in listed companies that carry voting rights. Investment managers overseeing these investments have reported the voting activity that was carried out over the year on these investments. The table below provides a summary of the key voting data for the Multi-Asset Diversified Growth Fund.

How have our Investment Managers voted over the last 12 months?

Multi-Asset Diversified Growth Sub-Fund
Pooled multi-asset growth fund

How many votes has this manager cast?

Number of meetings at which the manager was eligible to vote:	903
Number of resolutions on which manager was eligible to vote:	10,377
Percentage of eligible votes cast:	100.0%
Of the votes cast, percentage of votes	
with management:	92.1%
against management:	5.6%
abstained from:	2.3%
% of meetings, where the manager voted and there was at least once against management:	41.3%
% of resolutions, where the manager voted and the vote was contrary to the recommendation of the proxy adviser? (if applicable)	N/A

What is this manager's voting policy?

The sustainability proxy voting and engagement policy defines client-led positions on four key sustainability priorities: climate change, nature, human rights, and diversity. For issues outside these priorities, the sustainability stewardship team applies the manager's global proxy voting and engagement policy alongside the sustainability policy. The policy represents the views of opt-in clients, not the manager or the Global Asset Stewardship team.

The sustainability stewardship team develops the policy based on client input, conducts engagements on behalf of opt-in clients, and votes proxies for clients who have elected to apply the policy. It sets out general expectations for companies' disclosure and oversight of sustainability risks and opportunities and may withhold support from directors where companies are misaligned. Shareholder proposals related to the four priorities are assessed case by case using specific voting criteria and principles outlined in the policy.

The Sustainability Service appoints Institutional Shareholder Services (ISS) as its primary proxy voting service provider to act as proxy voting agent, including vote execution and administrative services, provide research and analysis on proxy voting ballot items, and facilitate ballot splitting under the Sustainability Policy, which allows eligible investors to apply this policy to their pro rata holdings in relevant funds. In addition, all voting decisions and engagement activities for which the Sustainability Service has been given voting discretion are undertaken in accordance with the Sustainability Policy. As such, proxy advisory firms do not provide the Sustainability Stewardship

Service with any vote recommendations and all final vote decisions are made by the Sustainability Service.

Which of these votes do we think were significant?

Company:	**Apple Inc.**
Resolution:	**Operations in high-risk countries**
Allocation in manager portfolio:	2.1%
Date of vote:	24 February 2026
How the manager voted:	“Against” the shareholder resolution, with management recommendation
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	This proposal does not merit support as the company's disclosures related to operations in high-risk countries are reasonable.
Trustee rationale for significance:	The manager considered this to be a notable resolution and size of the holding.
Outcome of the vote:	Resolution failed
Implications of the outcome:	Where appropriate the manager will contact the company to explain their voting rationale and conduct further engagement.

Company:	**Microsoft Corporation**
Resolution:	**Human rights risk assessment**
Allocation in manager portfolio:	1.2%
Date of vote:	5 December 2025
How the manager voted:	“For” the shareholder resolution, against management recommendation
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	This proposal merits support per voting guidelines.
Trustee rationale for significance:	Vote topic is one of the Trustee’s stated stewardship priorities (human rights) and size of holding. The manager also considered this to be a notable resolution.
Outcome of the vote:	Resolution failed
Implications of the outcome:	Where appropriate the manager will contact the company to explain their voting rationale and conduct further engagement.

Company:	**Walmart Inc.**
Resolution:	**Recycling**
Allocation in manager portfolio:	0.5%
Date of vote:	5 June 2025
How the manager voted:	“For” the shareholder resolution, against management recommendation
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	This proposal merits support by the voting guidelines.
Trustee rationale for significance:	Vote topic is one of the Trustee’s stated stewardship priorities (climate change). The manager also considered this to be a notable resolution.
Outcome of the vote:	Resolution failed
Implications of the outcome:	Where appropriate the manager will contact the company to explain their voting rationale and conduct further engagement.

In conclusion…

The Trustee is satisfied that over the year, all SIP policies and principles were adhered to, and in particular, those relating to voting and engagement.