The Hogg Group Pension Scheme B

Implementation Statement

The purpose of the Implementation Statement is for us, the Trustees of the Hogg Group Pension Scheme B (the Scheme), to explain what we have done during the year ending 31 March 2025 to implement the policies and achieve the objectives set out in our Statement of Investment Principles (the SIP).

This Statement includes:

1. A summary of any review and changes made to the SIP over the year;

2. How our policies in the SIP have been followed and how objectives have been met during the year; and

3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

Our conclusion

Based on the activity we have undertaken over the year, we believe that the policies set out in the SIP have been implemented.

As we have not received responses from the Scheme's Managers, we have not been able to assess whether our managers are carrying out stewardship activities that are in line with our expectations and policies set out in the SIP.

We are therefore engaging with the managers to set expectations regarding the provision of this data in the future.

1. Changes to the SIP during the year

During this reporting period the SIP was updated to reflect the Trustees' policy on investing in illiquid assets.

The Scheme's SIP can be found on the Scheme website.

2. How the policies in the SIP have been followed

Below we have set out what we have done during the year to meet the policies in the SIP.

To review direct investments and to obtain written advice about them at regular intervals (normally at least triennially).

The Trustees did not review their direct investments during this reporting period.

The Trustees have continued to work towards triggering wind up of the Scheme. It is therefore unlikely the Trustees will carry out a formal review of the Scheme's investment strategy before the Scheme is wound up. During this reporting period the Trustees obtained written advice about the investment strategy that will be applied when members' funds are secured outside of the Scheme as part of the wind up.

The selection and monitoring of the choice of funds offered to members.

Although the Trustees are responsible for the investment strategy of the Scheme, the range of investment funds available to members is determined by the funds Aviva and Utmost make available through the Trustees' policy with them.

No changes were made by the providers or the Trustees to the investment options offered to members over this reporting period. All members with Aviva policies invest in the With Profits Guaranteed Fund, which has a guaranteed annual bonus rate. A small number of members also invested the Aviva With Profits Fund which does not have a guaranteed bonus rate. The With Profits funds invest in a range of assets and aim to provide potential for capital growth in real terms, whilst smoothing investment returns. Capital protection at retirement is provided by the fact that once a bonus has been added, it cannot be taken away if the fund is held to maturity.

Funds transferred from the Equitable Life With Profits Fund when it closed on 1 January 2020 were invested into the Utmost 'Investing by Age' strategy. This strategy adopts a multi-asset investment approach until members start to switch to the Money Market Fund at age 75. Members also have access to a range of funds that should enable them to tailor their investment strategy to meet their individual needs; although to date, all members have remained in the 'Investing by Age' strategy.

The Trustees monitor the performance of the funds that members invest in annually, as part of the assessment of value for members to support the Chair's Statement. A copy of the latest Chair's Statement for the Scheme can be found on the Scheme.

Investment performance is monitored by reviewing the net returns on unit-linked funds and the bonus declared on With Profits funds, with reference to each funds' benchmark or expected return, if applicable. The performance review carried out during the period covered by this statement was completed in October 2024 and no concerns were raised as a result.

The Trustees recognise a number of risks involved in the investment of the Scheme's assets and monitor these on a regular basis.

The Trustees consider these risks in a qualitative manner as part of each formal strategy review. The Trustees did not carry out an investment strategy review during this reporting period but they have considered these risks in the context of agreeing to wind up the Scheme. The member tracing exercise has now been completed and the Trustees have therefore focused on working towards triggering wind up.

Responsible investment, stewardship and voting

The Trustees do not monitor or engage directly with issuers or other holders of debt or equity, however they expect their investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers' general policies on stewardship, taking into account the long-term financial interests of the beneficiaries.

The voting data from the Scheme's providers shows that the investment managers are actively voting on the Trustees' behalf and engaging with investee companies on behalf of the Trustees. Further detail of this is provided in the Voting and Engagement section of this statement.

Cost monitoring

The Trustees obtain information about the level of costs and charges, as part of the work to prepare the Chair's Statement each year. The cost monitoring carried out during the period covered by this statement covered the previous scheme year i.e. 1 April 2023 to 31 March 2024. The Trustees concluded that the costs and charges members paid within the Scheme (though not explicit for the Aviva With Profits Funds) were higher than costs and charges in the comparator schemes used for benchmarking purposes.

Costs and charges have been one of the key factors the Trustees considered when agreeing to wind up the Scheme.

3. The exercise of our voting rights

The Scheme invests in pooled funds, and the Trustees have delegated responsibility for the selection, retention and realisation of investments to the Scheme's appointed providers. This means that the Trustees have also delegated their stewardship activities, including the exercise of their voting rights, to their investment managers.

The rest of this section sets out the stewardship activities, including the exercise of voting rights, carried out on the Trustees' behalf over the year to 31 March 2025.

As we have not received responses from the Scheme's Managers, we have not been able to assess whether our managers are carrying out stewardship activities that are in line with our expectations and policies set out in the SIP.

We are therefore engaging with the managers to set expectations regarding the provision of this data in the future.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental, Social and Governance (ESG) issues to focus on, **engaging** with investees/issuers, and **exercising voting rights**.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme until the wind up is complete.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. As equity-owning investment managers, we expect both our providers to responsibly exercise their voting rights.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's underlying investment managers use proxy voting advisers.

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Provider (underlying fund manager)	Underlying investment manager policies *(Wording provided directly by investment managers)*
Aviva (Aviva Investors)	"To support us in making voting decisions on thousands of meetings a year, we subscribe to research from third-party providers. These include Institutional Shareholder Services (ISS), the Investment Association's IVIS service and MSCI. We use research for data analysis only and do not automatically follow research provider voting recommendations. We also receive recommendations from ISS based on our own policy, which we can override in consideration of other factors, including internal views, additional context provided in external research, and company explanations."
Utmost Life and Pensions (JP Morgan Asset Management 'JPMAM')	"Although we use the ISS Proxy Exchange platform and see their voting recommendations, this forms only the starting point for our proprietary thinking, and all our voting decisions are made on a case by case basis by in-house specialists in conjunction with the Analyst and/or Fund Manager with reference to the JPMAM Corporate Governance Policy and Voting Guidelines."

Source: Managers

Voting statistics

We requested voting statistics from the Scheme's managers but at the time of writing this statement no responses have been received.

Significant Voting Examples

We requested examples of significant votes from the Scheme's managers but at the time of writing this statement no responses have been received.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

We requested a summary of the engagement activity carried out by the Scheme's investment managers for the 2024 calendar year however at the time of writing this statement no responses have been received.

Investment manager / Fund	**Number of engagements**		**Themes engaged on at a fund-level**
	Fund specific	**Firm level**	
Aviva / Aviva With Profits Fund	Not provided	Not provided	Not provided
JPMAM / Utmost investing by Age Strategy	Not provided	Not provided	Not provided

Source: Managers

Data limitations

At the time of writing, our providers have not provided the voting and engagement information we requested.