

Chair's Statement for the period 1st April 2022 to 31st March 2023

PREPARED IN ACCORDANCE WITH THE OCCUPATIONAL PENSION SCHEMES (CHARGES AND GOVERNANCE) REGULATIONS 2015 ("THE REGULATIONS")

I am pleased to present the Trustees' statement of governance in relation to the money purchase benefits of the Home Group Pension and Life Assurance Scheme ('the Scheme'), covering the period 1st April 2022 to 31st March 2023. The Scheme comprises two separate sections: the Final Salary Section ('FSS') and the Defined Contribution Section ('DCS'). This Statement describes how the Trustees seek to ensure that the DCS is well-managed and delivers excellent services to members. The Statement examines four key areas of the Trustees' governance, namely:

- The investment strategy relating to the Scheme's default arrangement;
- The processing of core financial transactions;
- Charges and transaction costs within the Scheme and the Trustees' assessment of value for members; and
- The Trustees' compliance with the statutory knowledge and understanding requirements.

In doing so, we provide the various statutory disclosures required by the Regulations.

The FSS provides money purchase benefits by way of additional voluntary contributions (AVCs). This statement therefore also covers the governance aspects in relation to the FSS's AVC arrangements, which are held with ReAssure, Aviva and Santander.

The Aviva AVC arrangement is identical in terms of investment options, charges and administration processes to the main DCS, and so commentary and analysis relating to the DCS in this statement is also applicable to the Aviva AVC arrangement.

1. Default Investment Arrangement in the DCS

1.1 A copy of the Scheme's latest Statement of Investment Principles ('SIP') dated September 2023 is attached. The SIP was prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 and Section 35 of the Pensions Act 1995. This covers the aims and objectives in relation to the default investment arrangement as well as the Trustees' policies in relation to matters such as risk and diversification. Additionally, it states why the Trustees believe the default investment arrangement is designed to be appropriate for the majority of members.

1.2 The features of the default investment arrangement, the Home Group Drawdown Lifestyle, are detailed below:

- In the growth phase, 50% of contributions are invested in the Aviva Pension MyM BlackRock (30:70) Currency Hedged Global Equity Tracker Fund, 20% in the Aviva Pension MyM Home Group Sustainable Equity Fund and 30% in the Aviva Pension MyM BlackRock Market Advantage Fund. The Trustees have designed this arrangement with the aim to provide members with an appropriate level of growth over the longer term.
- Starting 10 years from retirement, a member's savings are switched gradually into the Aviva Pension MyM BlackRock Corporate Bond All Stocks Index Tracker Fund before the Aviva Pension MyM BlackRock Sterling Liquidity Fund is introduced in the final 5 years prior to retirement. At retirement, the default arrangement is invested 17.9% in the Aviva Pension MyM BlackRock (30:70) Currency Hedged Global Equity Tracker Fund, 7.1% in the Aviva Pension MyM Home Group Sustainable Equity Fund, 25% in the Aviva Pension MyM BlackRock Market Advantage Fund, 25% in the Aviva Pension

MyM BlackRock Corporate Bond All Stocks Index Tracker Fund and 25% in the Aviva Pension MyM BlackRock Sterling Liquidity Fund. The Home Group Drawdown Lifestyle option is designed to be suitable for members who wish to remain invested after retirement and draw down on their pension savings over time. Therefore, a proportion of a member's savings will be retained in growth investments (for example, equities) at retirement with the aim of achieving continued investment growth.

1.3 Default investment review

A formal investment strategy review was conducted across 2020 and 2021. The default investment option, lifestyle strategies and the self-select fund range (fund type, management style and asset allocations) were reviewed as part of this exercise. As a result of this review, the Trustees made changes to the DCS's investments which were outlined in last year's Statement. These changes were implemented in March 2022 and members were informed at the time. The next formal investment strategy review will be carried out in 2024.

1.4 The investment performance of the funds used in the DCS is reviewed on a quarterly basis at Trustee meetings, including for the funds used in the default investment arrangement. Quarterly investment monitoring reports are produced by the Trustees' Investment Consultant, Mercer Limited, and reviewed by the Trustees at each meeting. The review involves assessing the fund performance against agreed benchmarks and targets and agreeing any additional action required. The Trustees commenced an in-depth review of the Aviva Pension MyM BlackRock Market Advantage Fund in Q1 2023. This review is ongoing and any changes as a result of this review will be communicated to members in due course.

1.5 The DCS has a number of 'additional default arrangements', within the meaning of the Regulations, as a result of a fund mapping exercise undertaken in 2018 and the investment changes implemented in March 2022. For the purposes of this statement, we use the term 'default investment arrangement' to mean the Home Group Drawdown Lifestyle option. The term 'additional defaults' refers to the default funds created as a result of the fund mapping and the investment changes implemented in March 2022.

1.6 The Trustees have determined that the following investment options should be considered as additional defaults:

- Aviva Pension MyM BlackRock (30:70) Currency Hedged Global Equity Tracker Fund
- Aviva Pension MyM BlackRock Sterling Liquidity Fund
- Aviva Pension MyM BlackRock Market Advantage Fund
- Aviva Pension MyM My Future Annuity Fund
- Aviva Pension MyM Legal & General (PMC) Ethical UK Equity Index Fund
- Home Group Annuity Lifestyle

The investment principles relating to the default investment arrangement and the additional defaults are contained within the main SIP, which is attached to this Statement.

AVC arrangements

1.7 The Trustees do not operate a default investment arrangement in relation to AVCs. All members with AVCs have selected how they wish their funds to be invested from the fund range that is made available.

2. Core Financial Transactions

2.1 As required by regulation 24 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996, the Trustees must ensure that core financial transactions are processed promptly and accurately. Core financial transactions include (but are not limited to):

- Investment of contributions paid to the Scheme;
- Transfers of members' assets into and out of the Scheme;

- Transfers of members' assets between different investment options available in the Scheme; and
- Payments from the Scheme to or in respect of members.

2.2 The Trustees ensure that the requirements of the Regulations are met and, in the large majority of cases, core financial transactions processed promptly and accurately during the Scheme year by:

- Appointing a professional pensions administration provider, Aviva Life & Pensions UK Limited ("Aviva").
- Monitoring Aviva's administration performance against standard turnaround times (service level agreements, or SLAs) which cover all core administration processes. Aviva's performance against these SLAs is reported to the Trustees on a quarterly basis. Aviva also report quarterly to the Trustees on their service performance using a range of other measures, including end-to-end service times for each type of transaction. The Trustees considered Aviva's performance against these timescales at each of their meetings during the Scheme year.
 - SLA performance during the Scheme year was recorded as 87.6% for the second quarter of 2022, 99.5% over the third quarter of 2022, 99.5% over the fourth quarter of 2022 and 99.3% over the first quarter of 2023. SLA performance improved significantly from last year but remains an area of active monitoring for the Trustees.
 - The Trustees are not aware of any recurring problems with important administration processes involving core financial transactions, and statutory timeframes for core financial transactions were not breached.
 - Aviva has confirmed that, due to changes in the way they measure their service performance (to measure performance against end-to-end times and percentage of demands delivering value), they no longer focus on SLA targets. Furthermore, their SLA measurement is based on a 5-day turnaround for all correspondence, which the Trustees do not consider suitable for many transactions. Under Aviva's new methodology, 99.9% of core financial transactions were completed within 5 working days in all four quarters over the Scheme year covered by this Statement.
 - The Trustees, with assistance from Home Group, continue to proactively engage with Aviva on servicing. The Aviva Head of Trust operations attended the Trustees' meeting in Q1 2023 to provide further information on Aviva's administration performance and proposition developments.
 - Member complaints to Aviva are reported and tabled at each Trustees' meeting, to ensure they are being dealt with promptly and appropriately. In general, the complaints do not signify any systematic underlying service issues, although delays in responses from Aviva have arisen in a small number of cases.
- Ensuring that appropriate internal controls are in place with Aviva by receiving and reviewing AAF01/06 audit reports, with the latest AAF01/06 report for the year ending 31st December 2021 reviewed at the December 2022 Trustees' meeting. Aviva provided further clarification at the June 2023 Trustees' meeting on the control exceptions from this report.
- The internal controls and processes adopted by Aviva to help ensure that transactions are processed promptly and accurately include:
 - Contributions to the Scheme and transfers of members' funds between investment options are processed automatically with validations built into the platform.
 - Any manual intervention on contributions or transfers between investment options requires approval by an authorised individual who is separate to the processor.

- Quality audit checks are undertaken on a sample of processes throughout the year, with remediation undertaken of any errors found and improvements to the processes where any systemic issues are found.
- All processes relating to benefits payable and transfer value calculations are undertaken by accredited staff or by staff who have their work checked.
- Calculations of member unit holdings for transactions are undertaken on the system for which the prices are checked on a daily basis and approved.
- Audit reconciliation between the investment and administration systems is undertaken on a monthly basis.
- Payments are checked and approved by a person or persons (depending on value) independent of the processor.
- Dual checking is in place ahead of processing of transaction deals. If a transaction is over a certain size, then additional approvals are required.
- Timeliness of processing is monitored and reported on with escalation and reallocation of resources across Aviva's business where necessary.

In addition to the above processes, the following controls/actions are in place:

- Maintaining close working links between the relevant Home Group in-house teams and Aviva. Home Group takes an active role in monitoring and working with Aviva on administration processes, which includes discussing casework and highlighting any overdue cases, when required. In addition, Home Group provides an update to the Trustees on the administrative work undertaken at each quarterly Trustees' meeting.
- Home Group reconciles all contributions taken from payroll. In addition, Home Group's internal auditor tracks contributions from deduction to investment. No issues were reported during the Scheme year.
- The Scheme's external auditor conducts spot-checks of the accuracy of financial transactions as part of its annual audit of the Scheme's Report & Financial Statements.
- Continually reviewing the quality of Scheme membership data held by Aviva. Aviva provide common data scores on a quarterly basis as part of their stewardship reporting. As at 31st March 2023, the common data score was 94.6%. The majority of missing data related to missing or incomplete addresses. In addition, Home Group regularly reviews Aviva's records for members with no investment funds, or active member records where no contributions have been received.
- Maintaining and periodically reviewing a risk register which identifies all the inherent risks to Scheme members. A part of the risk register is reviewed at each Trustees' meeting on a rolling basis.

AVC arrangements

2.3 The following controls are in place for the AVC arrangements:

- XPS Administration, a professional third-party administrator, is involved in the record-keeping process and the settlement of AVC benefits for the FSS's AVC policies. Members who have paid AVCs have a flag on their Scheme member record to indicate which provider their AVCs are held with and also their individual policy number. As part of the standard retirement process for members who have AVCs, XPS will disinvest the AVC fund in advance of the member's retirement date (assuming the member has returned their retirement forms in a timely manner), to enable prompt settlement of benefits.
- For payments out of the AVCs, XPS agree the transactions on the reports provided by the AVC providers to the amounts received through the bank. They then provide these to the auditor for their evidence.

- If a member wishes to change their investment choices, their contribution rates or withdraw from the arrangement, they contact the Pensions Administrator at Home Group, who informs XPS and directs the request to the AVC provider.
- The transfer of the ReAssure AVCs to the Aviva AVC arrangement is in progress and the Trustees continue to liaise with ReAssure to arrange this transition.

2.4 Based on the above, the Trustees are satisfied that the Scheme's core financial transactions have been processed promptly and accurately during the period to which this Statement relates.

3. Charges and Transaction Costs

3.1 The levels of charges and transaction costs applicable to the default arrangements during the period are detailed in this section.

3.2 Each investment fund available to members of the DCS incurs a charge based on a percentage of the value of the fund. These charges are deducted from the funds by Aviva and reflected in the unit prices. The charge levied varies by fund, and the rates for the funds used in the default investment arrangement are shown in the table below under 'Total Expense Ratio'. It should be noted that total expense ratios may vary over time.

3.3 The statutory charge cap of 0.75% p.a. applies to the default investment options in the Scheme. The Scheme's default investment arrangement meets this requirement, with all funds used falling below the 0.75% p.a. cap. Additionally, all other funds currently used by the DCS are below the charge cap, including the additional defaults identified in section 1.6 of this Statement.

3.4 The total expense ratios stated in the table do not include transaction costs, in other words, the expenses associated with a member trading in and out of a fund as well as the investment manager trading a fund's underlying securities, including commissions and stamp duty. In practice, the funds used in the DCS are priced on a single swinging basis (so members will not explicitly see costs associated with trading in and out of funds).

3.5 The Trustees have requested details of the transaction costs applicable to the investment funds from Aviva. The transaction costs provided by Aviva have been reported separately to the total expense ratio in the table below. Due to the way in which transaction costs are required to be calculated, they can be positive or negative in nature; a negative figure is effectively a gain (on average) from trading activity, whilst a positive figure is effectively a cost from trading activity.

3.6 The levels of costs and charges applicable to funds used in the DCS during the Scheme year were:

Fund	Total Expense Ratio (% p.a.)	Total transaction costs (%)
Aviva Pension MyM BlackRock (30:70) Currency Hedged Global Equity Tracker ^{1 2}	0.36	0.081
Aviva Pension MyM BlackRock Market Advantage ^{1 2}	0.58	0.235
Aviva Pension MyM BlackRock Corporate Bond All Stocks Index Tracker ¹	0.30	0.063

Aviva Pension MyM Home Group Sustainable Equity ¹	0.37	0.056
Aviva Pension MyM BlackRock Sterling Liquidity ^{1 2}	0.30	0.013
Aviva Pension MyM Legal & General (PMC) Ethical UK Equity Index ²	0.45	0.108
Aviva Pension MyM My Future Annuity ²	0.34	0.017
Aviva Pension MyM BlackRock Over 5 Year Index-Linked Gilt Index Tracker	0.30	0.072
Aviva Pension MyM HSBC Islamic Global Equity Index	0.60	0.040
Aviva Pension MyM BlackRock Consensus	0.32	0.014

Source: Aviva. As at 31st March 2023. Transaction costs for the period of 12 months to 31st March 2023.

¹ Funds used in the default investment arrangement.

² Additional defaults identified in section 1.6 of this Statement.

AVC arrangements

The charges and transaction costs relating to the Aviva AVC arrangement are reflected in the charges and transaction costs presented for the DCS above.

There are no charges or transaction costs for the Santander AVCs.

The charges relating to the ReAssure AVC arrangement are reflected below. At the time of writing, transaction cost information to 31st March 2023 was not available from ReAssure.

Funds with ReAssure	Total Expense Ratio (% p.a.)	Total transaction costs (%)
Equity 2 Accumulator Series 02 Pension – Unit Type 3 Fund	0.75	N/A
Cash 2 Accumulator Series 02 Pension – Unit Type 3 Fund	0.75	N/A

Source: ReAssure. As at 31st March 2023.

Illustration of the compounding effect of transaction costs and charges on members' benefits.

- 3.7 The Trustees' DC administrator, Aviva, has prepared illustrations detailing the impact of the costs and charges typically paid by a member of the DCS on their retirement savings pot. The statutory guidance provided has been considered when providing these examples.
- 3.8 The figures in the tables below are illustrations. They are designed to show members the possible effect of costs and charges on their pension savings to help them plan for their retirement. Members' benefits in the DCS, and in AVC arrangements for members of the FSS, depend on many things such as contributions from the member or Home Group, how

the members' investment funds have performed, and costs and charges. Members may get back less than they put in.

3.9 The illustrations take into account the following elements:

- An initial fund value of zero, to reflect the typical starting pot size of a new member to the DCS.
- Contributions assumed to be £100 monthly, increasing in line with assumed earnings inflation of 2.5% p.a. This level of contribution has been chosen to allow members to extrapolate the approximate impact of charges based on their own circumstances.
- Investment returns gross of costs and charges.
- Transaction costs used in the illustrations are based on an average of previous years' transaction costs (up to the past 5 years, where available).
- An adjustment for the effect of costs and charges.
- The time period of investment.

3.10 The tables that follow show how different costs and charges can impact members' pension pots over certain periods of time, based on a selection of investment funds. The first table shows the funds used within the default investment arrangement. The second table shows funds with different growth rate assumptions and charges, including the additional defaults.

3.11 Under each investment fund, there are two columns. The first shows the projected pension pot value assuming no charges are taken. The second shows the projected pension pot value after costs and charges are taken. By comparing the two, members can see how much the charges over the years could impact their pension fund. So, for example, if a member started contributing to their pension at age 30 and expects to retire at 65, the figures at the end of year 35 would give an idea of the reduction in the size of the fund that could be expected due to the costs and charges incurred.

Default arrangement and funds with different charges: the table below shows the illustrative impact of costs and charges for the default investment arrangement and the funds in the Scheme with the lowest and highest charges.

Years	Home Group Drawdown Lifestyle (default)		Aviva Pension MyM BlackRock Institutional Sterling Liquidity (lowest charge)*		Aviva Pension MyM BlackRock (Aquila C) Market Advantage (highest charge)*	
	Assumed growth rate: 5.4% p.a.		Assumed growth rate: 2.5% p.a.		Assumed growth rate: 4.4% p.a.	
	Assumed costs and charges: 0.54% p.a.		Assumed costs and charges: 0.31% p.a.		Assumed costs and charges: 0.81% p.a.	
	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges
1	1,210	1,200	1,190	1,180	1,200	1,190
2	2,450	2,440	2,370	2,370	2,420	2,400
3	3,740	3,710	3,560	3,540	3,660	3,620
4	5,070	5,020	4,750	4,720	4,930	4,850
5	6,450	6,360	5,930	5,890	6,220	6,090
10	14,000	13,600	11,900	11,700	13,000	12,500

15	22,900	21,900	17,800	17,400	20,500	19,300
20	33,400	31,400	23,700	23,000	28,700	26,400
25	45,700	42,300	29,700	28,500	37,700	33,900
30	60,200	54,700	35,600	34,000	47,500	41,700
35	77,200	68,900	41,500	39,300	58,300	50,000
40	97,100	85,100	47,500	44,600	70,100	58,800
45	118,000	102,000	53,400	49,800	83,100	68,000
50	138,000	117,000	59,300	54,900	97,300	77,700

Source: Aviva.
*Additional default.

Additional defaults: The table below shows the additional defaults not included in the previous table.

Years	Home Group Annuity Lifestyle		Aviva Pension MyM LGIM Ethical UK Equity Index		Aviva Pension MyM Future Annuity		Aviva Pension MyM BlackRock (30:70) Currency Hedged Global Equity Tracker	
	Assumed growth rate: 5.3% p.a.		Assumed growth rate: 6.5% p.a.		Assumed growth rate: 3.5% p.a.		Assumed growth rate: 6.5% p.a.	
	Assumed costs and charges: 0.51% p.a.		Assumed costs and charges: 0.49% p.a.		Assumed costs and charges: 0.34% p.a.		Assumed costs and charges: 0.46% p.a.	
	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges	Projected Value (£) Before Costs & Charges	Projected Value (£) After Costs & Charges
1	1,210	1,200	1,210	1,210	1,190	1,190	1,210	1,210
2	2,450	2,440	2,470	2,460	2,400	2,390	2,470	2,460
3	3,740	3,710	3,780	3,750	3,610	3,590	3,780	3,750
4	5,070	5,020	5,140	5,090	4,840	4,810	5,140	5,090
5	6,450	6,360	6,550	6,470	6,080	6,030	6,550	6,470
10	14,000	13,600	14,500	14,100	12,500	12,200	14,500	14,100
15	22,900	21,900	24,100	23,100	19,200	18,700	24,100	23,200
20	33,400	31,400	35,700	33,800	26,200	25,300	35,700	33,900
25	45,700	42,300	49,800	46,400	33,600	32,100	49,800	46,600
30	60,200	54,700	66,900	61,300	41,300	39,200	66,900	61,700
35	77,200	68,900	87,500	78,900	49,500	46,400	87,500	79,500
40	97,100	85,100	113,000	99,700	58,000	54,000	113,000	101,000
45	118,000	102,000	143,000	124,000	67,000	61,700	143,000	125,000
50	135,000	114,000	179,000	153,000	76,400	69,700	179,000	155,000

Source: Aviva.

Value for Members' Assessment

- 3.12 The Trustees routinely and regularly (at least annually) consider the extent to which the member-borne charges represent good value for members by considering the performance of the funds on a quarterly basis, the services provided and the price members pay. This is formally assessed by way of a detailed external assessment of the Scheme's arrangements undertaken by the Scheme's professional advisors.
- 3.13 Over the period in question, the Trustees have considered the value provided to members in relation to the following aspects of the Scheme, via the external assessment:
- Benchmarking of fees against schemes of comparable size;
 - Investment performance against stated benchmarks and/or targets;
 - Value added by transaction costs;
 - Investment manager ratings provided by the Scheme's investment consultant representing their research view of the likelihood of the funds achieving their objectives;
 - Scheme governance and management;
 - Assessing administration efficiency by consideration of service levels over the year;
 - The availability and quality of online access and member tools; and
 - Quality of member communications.
- 3.14 The above assessment concluded that the DCS offers good value for members against the criteria noted above.
- 3.15 The assessment indicated that pricing provided good value for the majority of funds. General fund performance has been in line with expectations. Wider member-borne Scheme services were deemed to provide good value.
- 3.16 As a result of the Trustees' engagement with Aviva following the Value for Members Assessment undertaken last year, the scheme charge paid by members (included in the total expense ratios shown in paragraph 3.6) was reduced from 0.36% p.a. to 0.30% p.a., therefore reducing the overall charge that members pay and improving member value.

Long-term net investment returns

- 3.17 Regulations introduced in 2021 require the Trustees to report on the net investment returns for the Scheme's default arrangement and for each fund which DCS members have been able to select during the Scheme year. Net investment returns refer to the returns on funds minus all transaction costs and charges.
- 3.18 The table below sets out the net investment returns for the Scheme's default and alternative lifestyle arrangements which have been calculated in accordance with the statutory guidance.

Home Group Drawdown Lifestyle / Home Group Annuity Lifestyle / Home Group Cash Lifestyle	Annualised returns to 31st March 2023 (%)
Age of member at start of period	1 year
25	-6.3
45	-6.3
55	-6.5

Source: Aviva. 5 year performance figures not available due to the inception date of March 2022. Performance shown net of all charges and transaction costs.

3.19 The table below includes the net investment return for the Scheme's self-select funds:

Self-select fund	Annualised returns to 31st March 2023 (%)		
	1 year	5 years	10 years
Aviva Pension MyM BlackRock (30:70) Currency Hedged Global Equity Tracker^(a)	-5.3	6.5	7.9
Aviva Pension MyM BlackRock Market Advantage	-9.3	0.1	N/A
Aviva Pension MyM BlackRock Corporate Bond All Stocks Index Tracker	-10.6	-1.1	1.7
Aviva Pension MyM BlackRock Sterling Liquidity	2.0	0.5	0.3
Aviva Pension MyM Home Group Sustainable Equity^(a)	-4.4	N/A	N/A
Aviva Pension MyM BlackRock Consensus	-2.0	5.5	6.4
Aviva Pension MyM BlackRock Over 5 Year Index-Linked Gilt Index Tracker	-29.8	-4.2	1.4
Aviva Pension MyM HSBC Islamic Global Equity Index	-3.4	14.4	N/A
Aviva Pension MyM Legal & General Ethical UK Equity Index	2.6	4.9	5.5
Aviva Pension MyM My Future Annuity	-20.5	-3.8	0.7

Source: Aviva.

Performance shown net of all charges and transaction costs. Funds in bold are components of the Scheme's default investment option. Performance of standalone self-select options is independent of age, therefore performance is shown in a different format from the lifestyle performance on the previous page. Funds marked N/A have insufficient performance history.

^(a) These funds were incepted in March 2022.

4. Trustee Knowledge and Understanding

Requirements

- 4.1 In accordance with section 247 and 248 of the Pensions Act 2004, the Trustees are required to maintain an appropriate level of knowledge and understanding which, together with professional advice that is available to them, enables them to properly exercise their functions and duties in relation to the Scheme.
- 4.2 The Trustees are also required to explain how their combined knowledge and understanding, together with the advice that is available to them, enables them properly to exercise their functions as Trustees of the Scheme.
- 4.3 The Trustees must also be conversant with the Scheme's documentation, including its Trust Deed and Rules and SIP. The Trustees must also be conversant with any other document recording current policy relating to the administration of the Scheme generally. The Pensions Regulator interprets 'conversant' as having a working knowledge of those documents such that the Trustees are able to use them effectively when they are required to do so in the

course of carrying out their duties on behalf of the Trustees. In addition, Trustees are also required to have a knowledge and understanding of the law relating to trusts and pensions.

How the Trustees have met these requirements

- 4.4 New Trustees are required to complete a 'skills and experience' questionnaire, so that the Trustee board is aware of the level of their knowledge and how they expect to contribute to the board. New Trustees are invited to attend a one-hour briefing session with the Scheme Secretary, which covers trustee duties and responsibilities, the structure of the Scheme and current issues it is facing.
- 4.5 New Trustees are expected to complete the Pension Regulator's Trustee Toolkit within six months of their appointment. In addition, the Scheme Secretary endeavours to find an external introductory trustee training course for new trustees within the first 12 months of their appointment.
- 4.6 The Trustees are asked to complete a knowledge and understanding self-assessment questionnaire periodically. The questionnaire covers the areas set out in The Pension Regulator's Trustee Knowledge and Understanding scope guidance. The results are then used to inform future topic-based training sessions (usually held as part of, or just prior to, Trustees' meetings). The latest Trustees' Knowledge and Understanding assessment was carried out in December 2022.
- 4.7 The Scheme Secretary maintains an individual training log for each of the Trustees.
- 4.8 A number of topics were covered during the year to ensure the Trustees are up to date with the latest developments in pension law and industry trends. Training sessions included:
 - First Actuarial and the Pensions Regulator held a joint Pension Dashboard webinar in June 2022;
 - The DC Consultant presented an update on the new extended value for members regulatory requirements at the Trustees' meeting in June 2022;
 - The DC Consultant presented the external value for members' assessment report for the year to 31st March 2022 and the draft Chair's Statement, which were discussed by the Trustees at the meeting in September 2022;
 - The DC Investment Consultant provided an update on the new regulatory requirements related to voting activity in the SIP Implementation Statement at the meeting in April 2023.

Additionally, the Trustees undertook the following activity during the Scheme year:

- The Trustees discussed the next steps in the Scheme's ESG journey at a meeting in December 2022;
- The Trustees received an update from the Aviva Head of Trust Operations at the Trustees' meeting in January 2023;
- The Trustees, with the support of the DC Consultant, started an in-depth review of the Aviva Pension MyM BlackRock Market Advantage Fund at the Trustees' meeting in January 2023; and

- The Trustees, along with representatives from Home Group, completed an ESG (Environmental, Social & Governance) Beliefs Survey in January 2023.

The Trustees also receive and consider a current topics paper on a quarterly basis from the Scheme's DC Consultant, covering such items as industry trends and important legislative requirements relating to DC schemes. These are discussed at each Trustees' meeting and any significant topics are drawn out by the Scheme's DC Consultant. In addition, the Scheme Secretary provides a general pensions current issues paper in the Trustee meeting packs for the quarterly meetings.

4.9 During the Scheme year, a new Member Nominated Trustee was appointed, Sarah Deans, with effect from 1st August 2022. The new Trustee completed the following training:

- TPR Trustee Toolkit;
- First Actuarial Introduction to Trusteeship Seminar on 23rd November 2022;
- First Actuarial Investment Training on 7th March 2023.

4.10 Throughout the Scheme year, the Trustees' secretariat function was outsourced to professional advisors. Consequently, the Trustees' agendas were prepared by professional advisors who do so with a view to ensuring compliance and best practice. The Trustees' DC Consultant and DC Investment Consultant also attended all formal Trustees' meetings.

4.11 The Trustees undertake an assessment against The Pension Regulator's DC Code of Practice at least triennially. The latest assessment showed the Scheme to be well governed and any gaps identified have either been addressed or are currently being addressed. The Trustees will undertake a review to ensure compliance with The Pensions Regulator's new General Code when it is published.

4.12 Taking account of actions taken individually and as a trustee body, together with the professional advice available to them, the Trustees consider they are able to exercise their function as Trustees appropriately.

Chair's declaration

I confirm that the above Statement has been produced by the Trustees to the best of their knowledge.

Signed for and on behalf of the Trustees of the Home Group Pension & Life Assurance Scheme.

Bhavna Kumar, Align Pensions Ltd
Chair of Trustees

Date: 9th October 2023