

TOYOTA (GB) RETIREMENT BENEFITS PLAN (1979)

YEAR ENDED 31 MARCH 2023

CHAIR'S ANNUAL STATEMENT REGARDING DC GOVERNANCE: 1 APRIL 2022 – 31 MARCH 2023

This statement is produced pursuant to governance rules contained in The Occupational Pension Schemes (Charges and Governance) Regulations 2015 apply to defined contribution pension arrangements from 6 April 2015. These rules include the requirement for Trustees to prepare an annual statement of governance. This statement explains how the Trustees of the Toyota (GB) Retirement Benefits Plan (1979) (“the Plan”) are meeting the governance standards that apply to occupational pension schemes that provide money purchase benefits, in respect of the Money Purchase Section (i.e. Defined Contribution schemes – DC) and, in respect of the Defined Benefit Section - Additional Voluntary Contributions (AVCs). This statement covers the period 1 April 2022 – 31 March 2023 (the “Plan Year”).

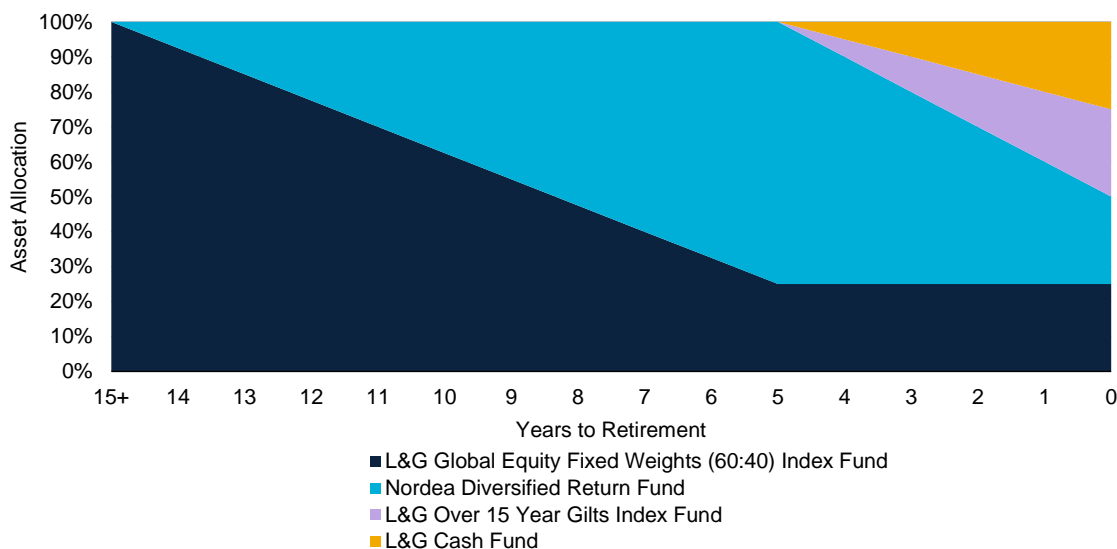
Default arrangement

Members of the Plan who do not make an explicit choice regarding the investment of their funds will be invested in the default arrangement chosen by the Trustees with the advice of their Investment Consultant. The Plan’s default investments are held on an investment platform provided by Mobius Life Limited.

The Trustees have implemented a lifestyle strategy as the Plan’s default arrangement. This gives members exposure to more growth opportunities when they are further from retirement before reducing risk as members approach retirement.

Under the current default arrangement, members are fully invested in the L&G Global Equity Fixed Weights (60:40) Index Fund up to 15 years before their target retirement date in order to maximise investment growth potential at a time when members can afford to take on more investment risk. At that point, assets begin to switch into the Nordea Diversified Return Fund; this Fund is a multi-asset fund which invests in a diversified array of assets such as equity, bonds and cash from around the world. The fund aims to provide greater downside protection compared to equities while still offering reasonable growth prospects.

Once members are 5 years from retirement, their allocation to equities remains at 25%, while assets are gradually moved out of the DGF and into the L&G Over 15 Year Gilts Index Fund, which invests in long dated government bonds, and the L&G Cash Fund, which invests in cash and short-dated cash-like securities; these switches aim to protect savings further in the years leading up to retirement. When members reach retirement, they will have 25% of their assets allocated to each of the four funds, giving them a diversified portfolio which targets a flexible approach to retirement. The strategy can be illustrated using the following graph:



TOYOTA (GB) RETIREMENT BENEFITS PLAN (1979)

YEAR ENDED 31 MARCH 2023

CHAIR'S ANNUAL STATEMENT REGARDING DC GOVERNANCE: 1 APRIL 2022 – 31 MARCH 2023 (CONTINUED)

The default arrangement is described in further detail in the Plan's Statement of Investment Principles (SIP) dated 16 September 2020, a copy of which is available on request. The default investment strategy and SIP are reviewed as a minimum every three years or as soon as any significant developments in investment policy or member demographics take place. The Plan's investment strategy was formally reviewed over the Plan year to 31 March 2023 (see below). The Trustees continually monitor the performance of the Plan's investments throughout the year. The Trustees receive quarterly investment monitoring reports from Mobius which are reviewed at quarterly Trustee meetings. The Trustees are happy with the performance over the period covered by this statement and have no major concerns regarding the funds used in the Plan.

The Trustees have set up processes to publish relevant information on the default arrangement, including this Statement online at the following URL: <https://www.toyota.co.uk/footer/legal> and will notify members about this in their annual benefit statements and via members' on-line portal.

Reviewing the default arrangement

The last investment strategy review of the default arrangement and self-select fund range was carried over three Trustee meetings on 6 December 2022, 1 March 2023 and 28 March 2023. The review covered a comprehensive recap of the investment arrangements currently in place; gaining an understanding of the membership including age profile, pot sizes and investment choice; a review of the design of the current default arrangement and areas of potential improvement; consideration of ESG integration; a review of what the default assumes members will do with their savings at retirement, including the potential value to members of launching additional lifestyle strategies; and a review of the self-select fund range options. A number of changes were agreed at the 28 March 2023 meeting, in principle, and are currently under consideration for implementation in the Plan Year ending 31 March 2024. Further details will become available to members as and when the changes are confirmed and will be set out in next year's Statement.

Processing Plan transactions

The Trustees have a specific duty to ensure that core financial transactions relating to the DC section are processed promptly and accurately. These include the investment of contributions, transfer of member assets into and out of the Plan, transfers between different investments within the Plan and payments to and in respect of members.

These core financial transactions are undertaken on the Trustees' behalf by the Plan administrator, Mercer, and their platform provider Mobius Life Limited. The Trustees periodically review the processes and controls implemented by those organisations, and consider them to be suitably designed to achieve these objectives. The Trustees have a service level agreement (SLA) in place with the Plan administrator which covers the accuracy and timeliness of all core transactions and receive regular reports to monitor the performance against those service levels. The SLA details the time in which the Trustees expect all transactions relating to the Plan to be completed with an explanation of any cases which are not completed within the agreed timescales. The Plan administration manager is present at every quarterly Trustee meeting where administration experience and any issues over the preceding quarter are discussed in detail. These service level standards are noted in the table below.

TOYOTA (GB) RETIREMENT BENEFITS PLAN (1979)
YEAR ENDED 31 MARCH 2023

CHAIR'S ANNUAL STATEMENT REGARDING DC GOVERNANCE:
1 APRIL 2022 – 31 MARCH 2023 (CONTINUED)

Work Type	Service Standard
Settlement of benefits due;	
Acknowledgement letter	10 days
Payment of refunds	5 days
Transfer in processed	15 days
Transfer out acceptance	15 days
Transfer in request for cheque	15 days
Retirements (all)	10 days
Death in deferment	5 days
Death in retirement/service/spouse/dependant	5 days
Provision of benefit quotations;	
Acknowledgement letter	10 days
Leaver statements	10 days
Transfer in quotations	15 days
Transfer in request for information	15 days
Transfer out quote	15 days
Contribution processing;	
Contribution payment to investment managers	5 days
Contribution investment change	10 days
Switch of member fund (AVCs)	10 days
Data amendment	10 days
DWP query	30 days
Benefit statement query	15 days
Specified Core Scheme activities	
Benefit Statements	As agreed
Provision of activity report	Quarterly for meetings
Provision of Trustee Report and Account	As agreed
Annual Pension Increases	As agreed
Ad-hoc requests	As agreed

The processes adopted by the Plan administrator to help meet the SLA and ensure that core financial transactions are processed promptly and accurately include dynamic checklists, a dedicated contribution processing team and four eyes checking of investment and banking transactions and daily monitoring of bank accounts. During the period covered by this statement, 93.1% of all core financial transactions completed on time. The core financial transaction processes are noted below:

Work Type	Service Standard
Retirement Payments	10 days
Death Quotations	5 days
Death Settlements	5 days
Transfer Payments	15 days
Cash Management	5 days

TOYOTA (GB) RETIREMENT BENEFITS PLAN (1979)

YEAR ENDED 31 MARCH 2023

CHAIR'S ANNUAL STATEMENT REGARDING DC GOVERNANCE: 1 APRIL 2022 – 31 MARCH 2023 (CONTINUED)

The Trustees hold monthly calls with the administration team to discuss and monitor performance. Controls around administration and the processing of core financial transactions are also documented in the Plan's risk register, which is regularly reviewed. No members have been financially disadvantaged as a result of missed SLAs during the Plan Year. The Trustees will continue to challenge Mercer to improve performance against the SLAs and continue to monitor performance against the SLA on a regular basis.

In addition, the Trustees receive an annual Assurance Report on Internal Controls (AAF 01/06) from Mercer and perform periodic assessments of methods and efficiency of the Plan's administrators and challenge them where needed. The latest report covers the year to 31 December 2022 and highlighted no major issues

The Trustees consider that the requirements for processing core financial transactions specified in the Administration Regulations (The Occupational Pension Schemes (Scheme Administration) Regulations 1996) have been met. The quality of the Plan's Common Data was 92% (c) and 84% for Conditional data as noted on 1 March 2023.

Charges and transaction costs – default arrangement and additional funds

The law requires the Trustees to disclose the charges and transactions costs borne by DC scheme members and to assess the extent to which those charges and costs represent good value for money for members. These transaction costs are not limited to the ongoing charges on member funds, but should also include trading costs incurred within such funds. The Trustees have taken account of statutory guidance when preparing this section of the report.

In this context, "charges" means (subject to some specific exemptions, such as charges relating to pension sharing orders) all administration charges other than transaction costs. "Transaction costs" are costs incurred as a result of the buying, selling, lending or borrowing of investments.

Transaction costs have been provided by the Plan's investment manager and they are calculated using slippage methodology. That is, the transaction costs represent the difference between the expected trading price of a security within a fund and the price at which the trade is actually executed at (as typically a trade is executed a few working days after an order is placed). Therefore, in a buy order, for example, if the execution price is less than the expected price, a transaction cost may be negative.

Details of the Annual Management Charge (AMC) and Total Expense Ratios (TERs) and the transaction costs payable for each fund within the default arrangement are as follows:

Fund	AMC (%)	TER (%)	Transaction Cost for Plan Year ending 31.03.23 (%)
Growth Fund (<i>LGIM Global Equity Fixed Weights (60:40) Index Fund</i>)	0.080	0.130	0.07
Nordea Diversified Return Fund	0.550	0.730	0.25
Secure Fund (<i>LGIM Over 15 Years Gilts Index Fund</i>)	0.068	0.098	0.19
Cash Fund (<i>LGIM Cash Fund</i>)	0.080	0.125	0.04

Source: Mobius Life as at 31 March 2023

The TERs noted above are lower than the maximum TER of 0.75% allowed for default arrangements.

TOYOTA (GB) RETIREMENT BENEFITS PLAN (1979)

YEAR ENDED 31 MARCH 2023

CHAIR'S ANNUAL STATEMENT REGARDING DC GOVERNANCE: 1 APRIL 2022 – 31 MARCH 2023 (CONTINUED)

The Trustees also make available a range of funds that may be chosen by members as an alternative to the default arrangement. These funds allow members to take a more tailored approach to managing their own pension investments and attract annual charges and transaction costs as follows:

Fund	AMC (%)	TER (%)	Transaction Cost (%)
Growth Fund (<i>LGIM Global Equity Fixed Weights (60:40) Index Fund</i>)	0.080	0.130	0.07
Nordea Diversified Return Fund	0.550	0.730	0.25
Secure Fund (<i>LGIM Over 15 Years Gilts Index Fund</i>)	0.060	0.098	0.19
Cash Fund (<i>LGIM Cash Fund</i>)	0.080	0.125	0.04
LGIM UK Equity Index Fund	0.059	0.099	0.07
LGIM Emerging Markets Equity Index Fund	0.330	0.360	0.12
LGIM Over 5 Years Index-Linked Gilts Index Fund	0.068	0.098	0.21

Source: Mobius Life as at 31 March 2023.

*No assets in fund. Needs to be added to platform. Indicative fee based on Mobius Life TER and platform fee of 0.04

We are comfortable that the costs for the default arrangement and self-select funds are reasonable both in terms of the outcomes the funds are targeting and the fees in the wider market applicable to similar investment strategies.

Additional Voluntary Contributions (AVCs) The Trustees also make available a facility for members to pay in additional contributions to boost Defined Benefit section benefits. The AVC arrangements are reviewed at the same time as the review of the main Plan benefits. The facility is provided via Aviva and Royal London and below are the available funds together with associated fees.

Fund	TER (% p.a.)	Transaction Cost (% p.a.)
Aviva European Equity	0.88%	0.063%
Aviva Global Bond	0.88%	0.056%
Aviva Global Equity	0.88%	0.036%
Aviva Gilt	0.88%	0.096%
Aviva Property	0.88%	0.088%
Aviva UK Equity	0.88%	0.065%
Aviva Mixed Invest (40-85% Shares)	0.88%	0.054%
Aviva With-Profit	0.88%	0.038%
Aviva With-Profit Guaranteed	0.88%	0.038%
Aviva Pacific Equity	0.88%	0.095%
Aviva US Equity	0.88%	0.005%
Aviva Deposit	0.88%	0.000%
Royal London Pension With Profits Fund	1.50%	0.080%*
Royal London Pension Fixed Interest Fund	1.00%	0.030%*
Royal London Pension Deposit Fund	1.00%	0.053%*
Royal London Pension Managed Fund	1.00%	0.060%*
Royal London Pension Global Managed Fund	1.00%	0.150%*
Royal London Pension European Fund	1.00%	0.000%*
Royal London Pension UK Equity Fund	1.00%	0.080%*

Source: Aviva, Royal London. Transaction costs shown are for the 1 year period to 31 March 2023 except where stated.

*Royal London transaction costs are for the 1 year period to 31 December 2022.

TOYOTA (GB) RETIREMENT BENEFITS PLAN (1979)

YEAR ENDED 31 MARCH 2023

CHAIR'S ANNUAL STATEMENT REGARDING DC GOVERNANCE: 1 APRIL 2022 – 31 MARCH 2023 (CONTINUED)

Cumulative effect of charges

Using the charges and transaction cost data provided by the relevant parties and in accordance with regulation 23(1)(ca) of the Administration Regulations, as inserted by the 2018 Regulations, the Trustees have prepared an illustration detailing the impact of the costs and charges typically paid by a member of the Plan on their retirement savings pot. The statutory guidance has been considered when providing these examples.

The illustrations take into account the following elements:

- Savings pot size;
- Contributions;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

In order to represent the range of funds available to members we are required to show the effect on a member's savings of investment in a selection of significant funds within the Plan. The funds we are required to illustrate to represent the fund range (with the specific fund within the Plan in brackets) are:

- The fund or strategy with the most members invested (*the Default Arrangement*)
- The most expensive fund (*the Royal London Pension Global Managed Fund*)
- The least expensive fund (*the LGIM Global Equity Fixed Weights (60:40) Index Fund*)

To illustrate the impact of charges on a typical active member's pension pot, we have provided examples below. The illustrations account for all estimated member costs, including the TER, transaction costs (annualised over 5 years where possible but not possible for Nordea Diversified Return Fund due to inception of strategy) and inflation.

Illustrations for an "Average" member						
Years from now	Default Strategy (<i>most popular option</i>)		Royal London Pension Global Managed Fund (<i>most expensive fund</i>)		LGIM Global Equity Fixed Weights (60:40) Index Fund (<i>least expensive fund</i>)	
	Before Charges	After Charges and costs deducted	Before Charges	After Charges and costs deducted	Before Charges	After Charges and costs deducted
1	£28,187	£28,149	£28,096	£27,782	£28,187	£28,149
3	£43,307	£43,161	£42,941	£41,728	£43,307	£43,161
5	£59,661	£59,355	£58,880	£56,370	£59,661	£59,355
10	£106,567	£105,395	£104,061	£96,251	£106,629	£105,644
15	£162,947	£158,279	£158,036	£141,297	£163,777	£161,598
20	£228,189	£215,836	£222,517	£192,174	£233,313	£229,232
23 (retirement)	£265,016	£248,627	£267,083	£225,811	£282,075	£276,414

TOYOTA (GB) RETIREMENT BENEFITS PLAN (1979)
YEAR ENDED 31 MARCH 2023

CHAIR'S ANNUAL STATEMENT REGARDING DC GOVERNANCE:
1 APRIL 2022 – 31 MARCH 2023 (CONTINUED)

Illustrations for a "Young" member						
Years from now	Default Strategy <i>(most popular option)</i>		Royal London Pension Global Managed Fund <i>(most expensive fund)</i>		LGIM Global Equity Fixed Weights (60:40) Index Fund <i>(least expensive fund)</i>	
	Before Charges	After Charges and costs deducted	Before Charges	After Charges and costs deducted	Before Charges	After Charges and costs deducted
1	£7,621	£7,611	£7,601	£7,517	£7,621	£7,611
3	£17,212	£17,162	£17,099	£16,679	£17,212	£17,162
5	£27,587	£27,465	£27,297	£26,299	£27,587	£27,465
10	£57,381	£56,917	£56,204	£52,502	£57,381	£56,917
15	£93,633	£92,518	£90,738	£82,098	£93,633	£92,518
20	£137,743	£135,551	£131,993	£115,526	£137,743	£135,551
25	£191,300	£187,116	£181,278	£153,282	£191,414	£187,567
30	£255,335	£245,031	£240,156	£195,926	£256,719	£250,443
35	£328,422	£306,190	£310,494	£244,092	£336,179	£326,445
38	£367,255	£339,041	£359,108	£275,936	£391,899	£379,464

TOYOTA (GB) RETIREMENT BENEFITS PLAN (1979)
YEAR ENDED 31 MARCH 2023

CHAIR'S ANNUAL STATEMENT REGARDING DC GOVERNANCE:
1 APRIL 2022 – 31 MARCH 2023 (CONTINUED)

Assumptions	
The above illustrations have been produced for an "average" member and a "young" member of the Plan based on the Plan's membership data. The "Default Strategy" illustration assumes the member's asset allocation remains fully invested in the current default strategy. The individual fund illustrations assume 100% of the member's assets are invested in that fund up to the Plan retirement age. The results are presented in real terms, i.e. in today's money, to help members have a better understanding of what their pension pot could buy in today's terms, should they invest in the funds above as shown.	
Age	
<ul style="list-style-type: none"> • "Average" member • "Young" member 	42 <i>(the average age of the Plan's membership)</i> 27 <i>(the age of the youngest member)</i>
Plan Retirement Age	65
Starting Pot Size	
<ul style="list-style-type: none"> • "Average" member • "Young" member 	£21,060 <i>(the median pot size of the Plan's membership)</i> £3,100 <i>(the median pot size for the youngest 10% of members)</i>
Starting Salary	
<ul style="list-style-type: none"> • "Average" member • "Young" member 	£44,720 <i>(the median salary of the Plan's membership)</i> £31,290 <i>(the median salary for the youngest 10% of members)</i>
Inflation	2.5% p.a.
Rate of Salary Growth	2.5% p.a.
Employer annual contributions	8.8% p.a.
Employee annual contributions	5.0% p.a.
Expected future nominal returns on investment:	
<ul style="list-style-type: none"> • Default Strategy <ul style="list-style-type: none"> ○ Growth Fund ○ Secure Fund ○ Cash Fund • Royal London Pension Global Managed Fund • LGIM Global Equity Fixed Weights (60:40) Index Fund 	1.5% above inflation 1.0% above inflation 2.0% below inflation 1.0% above inflation 1.5% above inflation

TOYOTA (GB) RETIREMENT BENEFITS PLAN (1979)

YEAR ENDED 31 MARCH 2023

CHAIR'S ANNUAL STATEMENT REGARDING DC GOVERNANCE: 1 APRIL 2022 – 31 MARCH 2023 (CONTINUED)

Return on Investments

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') introduce new requirements for trustees of 'relevant' occupational pension schemes.

From 1 October 2021 trustees of all relevant pension schemes are required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges. The Trustees have taken account of statutory guidance when preparing this section of the report.

The tables below show performance, net of all charges and transaction costs, of all funds available to members during the Plan year.

Default strategy	Annualised returns to 31 March 2023 (%)	
Age of member at start of period	1 Year	5 Years (p.a.)
25	2.1	6.7
45	2.1	6.7
55	0.7	4.6

Source: Data from Mobius Life, as at 31 March 2023, and Mercer calculations in August 2023.

Fund performance is net of all charges and transaction costs. Performance of standalone self-select options is independent of age, therefore performance is shown in a different format to the lifestyle performance on the previous page. Funds marked N/A have insufficient performance history.

Self Select Fund - Net Performance	Annualised returns to 31 March 2023 (%)	
	1 Year	5 Years
LGIM Global Equity Fixed Weights (60:40) Index Fund*	2.1	6.7
Nordea Diversified Return Fund*	-1.0	3.3
LGIM Over 15 Year Gilts Index Fund*	-29.8	-6.5
LGIM Cash Fund*	2.1	0.6
LGIM UK Equity Index Fund	2.3	5.0
LGIM Emerging Markets Equity Index Fund	-4.9	2.3
LGIM Over 5 Year Index – Linked Gilts Index Fund	-30.5	-4.2

Notes:

* denotes funds which also form part of the default investment strategy.

Source: Data from Mobius Life, as at 31 March 2023, and Mercer calculations in August 2023.

Fund performance is net of all charges and transaction costs.

The following section notes the annualised return of the DC additional voluntary contributions (AVCs) funds available to members of the DB section who joined the Plan after 1 January 1997 and elected to pay AVCs. For With Profits funds, annualised returns are based on declared bonuses.

Self Select Fund - Net Performance	Annualised returns to 31 March 2023 (%)	
	1 Year	5 Years
Royal London Pension Fixed Interest Fund	-16.3	-4.1
Royal London Pension Deposit Fund	0.4	-1.2
Royal London Pension Managed Fund	-6.7	3.1
Royal London Pension Global Managed Fund	-3.5	5.2
Royal London Pension European Fund	5.8	6.2
Royal London Pension UK Equity Fund	-1.5	2.8
Royal London Pension With Profits Fund *	-5.7	2.8
Aviva With Profits Fund *	2.5	1.6
Aviva With-Profits Guaranteed Fund *	4.0	3.1

Source: Providers and Mercer estimates. * With-Profits annualised returns are as at 31 December 2022.

Performance shown net of all charges and transaction costs. Performance of standalone self-select options is independent of age, therefore performance is shown in a different format to the lifestyle performance.

TOYOTA (GB) RETIREMENT BENEFITS PLAN (1979)

YEAR ENDED 31 MARCH 2023

CHAIR'S ANNUAL STATEMENT REGARDING DC GOVERNANCE: 1 APRIL 2022 – 31 MARCH 2023 (CONTINUED)

Value for members

The Trustees monitor value for members on an ongoing basis and have a good understanding of the membership demographics of the Plan and what good member outcomes should look like for the Plan's members in aggregate.

Whether something represents "good value" is not capable of being precisely defined, but for these purposes, the Trustees consider that charges and transaction costs may be viewed as representing "good value" for members where the combination of costs and the quality of what is provided in return for those costs is appropriate for the Plan membership as a whole, when compared to other options available in the market.

We understand that value for members does not necessarily mean selecting the cheapest offer and in our ongoing reviews of value for members we consider many factors including quality of customer service, member communications and support, the efficiency of administration services, the robustness of governance, fund management and performance of the funds.

All of the investment options offered to DC only members of the Plan are highly rated by our investment advisors as having good prospects of achieving their objectives, and the performance of funds are reviewed quarterly. With this in mind, the Trustees have assessed the fees disclosed above and are satisfied that they have negotiated a good deal for DC only members and that the stated explicit charges for the Plan's funds represent good value for money in the context of the outcomes targeted by such funds and the current market rates for similar investments levied on members of Plan with a similar membership profile.

AVCs are held with Aviva and Royal London. Although we note that some of the Royal London unit linked AVCs offer much poorer value for members versus the arrangements on offer at Aviva; and both providers offer poorer value for members compared to the main DC section assets, A detailed AVC review is due to be undertaken in the following Plan Year to cement our initial observations.

Bearing all this in mind, the Trustees carried out a formal value for members' assessment for the 12-month period covered by this statement. The assessment considered three key areas: Price, Performance and Productivity, covering factors such as investment fees, investment performance and non-investment items such as administration, governance and communications with members. The assessment concluded that overall the Plan was offering good value to DC members across price, performance and productivity. Charges are generally competitive relative to other funds available in the market. Governance and admin costs are met by the Company. The AVC providers for the Plan offer less competitive value for members compared to the main DC assets. Most funds have performed well; they have met long term objectives and remain highly rated. The Plan offers a broad range of online tools and support, timely communications and administration response times largely within agreed SLAs. There is some room for improvement in relation to online members tools.

The Trustees have set up processes to publish relevant information on the costs and charges of the default arrangement and self-select funds publicly online and will notify members about this in their annual benefit statements.

Trustees' knowledge and understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of Plan assets and other matters to enable them to exercise their functions as trustees properly. This requirement is underpinned by guidance in the Pension Regulator's Codes of Practice 07 and 13.

The Trustees have put in place arrangements for ensuring that they take personal responsibility for keeping themselves up-to-date with relevant developments. A yearly self-assessment review of training requirements against the Regulator's Scope Guidance and Trustee Questionnaire is undertaken by each individual Trustee to identify any gaps in training requirements. Over the last year, the Trustees have received training as follows:

- 23 August 2022 – Training on The Pensions Dashboard
- 30 November 2022 - Training on DC Governance
- 30 November 2022 – Training on the Consolidated Code of Practice (now renamed the General Code)

TOYOTA (GB) RETIREMENT BENEFITS PLAN (1979)

YEAR ENDED 31 MARCH 2023

CHAIR'S ANNUAL STATEMENT REGARDING DC GOVERNANCE: 1 APRIL 2022 – 31 MARCH 2023 (CONTINUED)

In addition, the Trustees receive advice from professional advisors, and the relevant skills and experience of those advisors is a key criterion when evaluating advisor performance or selecting new advisors. The Trustees also include legislative updates and Trustee Knowledge and Understanding on the agenda at each meeting. The Trustee board also includes an experienced professional independent trustee who has familiarised themselves with these relevant documents to ensure they have adequate knowledge of the Plan. This Trustee appointment complies with "fit and proper" requirement for a trustee; will have been recommended from two reputable figures within the industry; have Pensions Management Institute (PMI) award in Pension Trusteeship and have completed a soft skills test designed to assess the 'other professional trustee skills and behaviours' associated with professional trusteeship.

Trustees are required to complete the Pension Regulator's Trustee Toolkit and all Trustees have completed this in its entirety. All the Trustees are required to familiarise themselves with the Plan's Trust Deed and Rules as well as Plan documents and policies; the Trustees demonstrated their knowledge of these documents and other Plan policies while reviewing the member newsletter. As part of this exercise, the Trustees reviewed the information available to members and implemented an online platform to enable members to receive real-time information of their funds and their performance. The online platform continues to be reviewed and further enhancements made. Furthermore, the Trustees also demonstrate their knowledge and understanding when considering member cases, understanding their duties (as part of training on DC Code of practice and consolidated code of practice).

The Trustees demonstrated a working knowledge of the Plan's Statement of Investment Principles and their knowledge and understanding of the relevant principles relating to investments in DC while carrying out a review of the Plan's investment strategy and default arrangement. The Trustees also regularly review the performance of the DC assets.

The Trustees demonstrated a working knowledge and understanding of the law relating to pensions and trusts by receiving documents relating to current pensions issues at meetings, where legal issues are also discussed. The Trustees seek legal advice as and when required from their advisors.

Over the year covered by the statement, the Trustees reviewed their risk register and put in place a cybersecurity policy. The Trustees are satisfied that they have demonstrated a working knowledge of documents setting out the Trustees' current policies. The Trustees maintain a Conflicts of Interest Policy which is a standing item on the agenda at every meeting. This policy was updated ahead of the 30 September 2022 meeting to incorporate the new member nominated appointment to the Trustee board of Jay Sheridan.

The new Trustee has an obligation to undertake training in the form of the Pensions Regulator's Trustee Toolkit online as well as follow the requirements of a new Trustee as dictated by the Trustee Board's governance report's requirements, and the Regulator's expectation that they will be the knowledge requirements within 6 months of appointment.. The modules completed by the new Trustee will be monitored and updated as necessary.

Taking account of actions taken individually and as a Trustee body, and the professional advice available to us, the Trustees consider that we are enabled properly to exercise our functions as Trustees of the Plan. The Trustees assess their training needs each year and will carry out further training next Plan Year in the areas they feel are necessary.

In addition, the Trustees believe that awareness of member demographics and member behaviour constitutes to good knowledge and understanding and helps the Trustees understand whether the Plan remains fit for purpose.

Given the extent of the training above, the Trustees are comfortable that they have demonstrated sufficient knowledge of the law relating to pension schemes and trusts and the principles relating to the funding and investment of pension schemes. The Trustees have demonstrated a working knowledge of the Plan's trust deed and rules, Statement of Investment Principles and all other documents setting out the Trustees' current policies. The Trustees demonstrated their investment knowledge and compliance with investment policies of the Statement of Investment Principles over three Trustee meetings on December 2022, January 2023 and March 2023.

TOYOTA (GB) RETIREMENT BENEFITS PLAN (1979)

YEAR ENDED 31 MARCH 2023

CHAIR'S ANNUAL STATEMENT REGARDING DC GOVERNANCE: 1 APRIL 2022 – 31 MARCH 2023 (CONTINUED)

Chair's declaration

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Charges and Governance) 2015 (together 'the Regulations') and I confirm that the above statement has been produced by the Trustees to the best of my knowledge.

The Chair's statement regarding DC governance was approved by the Trustee and signed on their behalf by:

Steve Jones

Mr S Jones
Chair of the Trustees

Date: 26th October 2023