

The Chairman's Statement

This statement has been prepared by the Trustee of Honeywell Retirement Plan (the 'Plan') to demonstrate how the Plan has complied with the governance standards introduced under the Occupational Pension Schemes (Charges and Governance) Regulations 2015 in relation to:

- Providing a default investment arrangement for members (the 'default arrangement');
- Processing financial transactions promptly and accurately;
- Details and impact of charges and transaction costs borne by members;
- Assessment of the value for money; and
- Meeting the requirements for trustees' knowledge and understanding.

This Chairman's statement covers the Plan year that is the period from 1 April 2022 to 31 March 2023 (the 'reporting period'). This statement covers the Plan's Defined Contribution ('DC') benefits including legacy Additional Voluntary Contributions ('AVCs') with Prudential. The Trustee believes that it has taken the necessary steps to ensure compliance with the governance standards.

As part of its oversight and effective running of the Plan, the Trustee typically meets four times a year. The Trustee meetings are now mainly being held in person following a period when they were held remotely making use of video conferencing technologies due to the COVID-19 related measures in place.

Investment strategy – relating to the Plan's default arrangement and Freestyle options

The Trustee's long-term investment objective is to offer suitable investment options with appropriate liquidity which will generate income and capital growth. These, together with new contributions from members and the Principal Employer, will provide a fund at retirement which members can use to provide a retirement income through different methods depending on their individual circumstances such as income drawdown, cash payment(s) and annuity purchase. The Trustee aims to meet this long-term objective by:

- Identifying appropriate investment managers.
- Providing a range of investment options which aim to meet members differing personal investment requirements and preferences by offering a suitable mixture of real and monetary assets.
- Monitoring the investment manager Legal & General Investment Management ('LGIM'), through the use of the manager reports and meetings – to ensure that it complies with the guidelines and that there is a reasonable expectation that it can meet the performance objectives going forward.
- Seeking advice, as appropriate, from the Plan's professional advisers.
- Negotiating competitive fees with investment managers to keep member borne costs low and fair.

The Plan's Statement of Investment Principles ('SIP') dated 28 September 2022 is appended to this statement and includes details of the fund options and can be accessed at the following website <https://epa.towerswatson.com/accounts/hwl/>.

There are different types of investments available to members as follows:

- Lifestyle strategies which target different retirement outcomes by automatically de-risking into lower risk funds at set points prior to the member's retirement age.
- Freestyle funds are an alternative to lifestyle strategies which enables members to select their own fund(s) from a range that covers a number of different asset classes.

For members who do not make an active investment decision on joining the Plan, the Trustee currently offers the Drawdown Lifestyle as the Plan's default arrangement. This was introduced in September 2020. In addition to the Drawdown Lifestyle there are two alternative lifestyle strategies for members to choose from as follows:

- Annuity Lifestyle - this strategy is for members who plan to take 25% of their fund as tax-free cash and the remainder to purchase an annuity.
- Cash Lifestyle - this strategy is for members who intend to withdraw their fund as a one-off cash sum or a series of cash sums over a relatively short period of time.

When designing the current default arrangement, the Trustee considered the likely risk tolerance of its members and how the majority of members are likely to draw their benefit at retirement in order to determine an appropriate investment strategy. The objective of the Drawdown Lifestyle is to achieve capital growth ahead of inflation whilst a member is a number of years from retirement. In the years immediately prior to retirement, the Drawdown Lifestyle strategy increasingly aims to reduce volatility of the fund whilst maintaining exposure to growth assets. The Drawdown Lifestyle gradually switches from the Global Equity Fund into the Diversified Growth Fund starting 20 years before the member's normal retirement age, and then 10 years prior to retirement the Diversified Growth Fund switches partially into the Cash Fund with a final holding 75% in the Diversified Fund and 25% in the Cash Fund. This strategy is aimed at those members who plan to keep their fund invested past retirement and plan to withdraw their savings on a flexible basis throughout their retirement as necessary.

The last investment review was completed on 9 March 2023 which included a detailed review of the default arrangement and the wider DC investment options. In undertaking this review, the Trustee analysed the Plan's membership to formulate a view of the investment needs of the members. The Trustee also considered current market context, member behaviours in exercising their retirement options, risk tolerance and overall Plan design.

The Trustee noted that the Plan demographics have not significantly altered from the previous investment review, and that the default arrangement continues to provide the right balance between risk and return for the majority of members and matches how many of the members are likely to draw their benefit at retirement. It was agreed that no changes to the investment strategies were required and returns are consistent with the funds aims and objectives.

There are also four legacy lifestyle strategies which are closed to new joiners and future contributions:

- Global Growth Lifestyle Strategy was closed in 2020 but retained for members with less than 6 years to normal retirement age.
- Income Drawdown Lifestyle Strategy was closed in 2020 but retained for members with less than 2 years to normal retirement age.
- Equity Lifestyle was closed in 2020 but retained for members with less than 5 years to normal retirement age.
- Intermec Lifestyle Strategy.

The Trustee has identified the following lifestyle strategies and Freestyle fund as default arrangements under the prevailing governance regulations where past investment changes were made without the member expressing a choice:

- Cash Lifestyle Strategy
- Global Growth Lifestyle Strategy
- Cash Fund (Freestyle fund)

During the reporting period the Trustee decided to introduce a Shariah investment option for members wanting access to a fund that meets certain financial activities that are permitted under Islamic law. The Trustee is introducing the HSBC Islamic Global Equity Index Fund as a self-select fund option in September 2023.

The Trustee is required to review the performance and strategy of the default arrangement at least every three years (or if there has been a significant change in the membership or investment policy). The next review is scheduled to take place and be completed by 8 March 2026.

There is no requirement for a default investment arrangement for the member who is invested in the legacy AVC policy with Prudential. This policy is closed to ongoing contributions.

The Trustee reviewed the Intermec Lifestyle during 2021, noting that the at retirement portfolio may not be appropriate for the majority of Intermec members and that improvements could be made in terms of the funds that are used in the period leading up to retirement. However, after considering the potential transition costs and noting the appropriate alternative investments options were already available to members, the Trustee concluded in September 2021 that engagement with members invested in the Lifestyle Strategy was more appropriate. The communication reminded members to review their investment choice and potentially switch to other funds if they felt it was more appropriate and better aligned to meet their retirement objectives.

Investment Monitoring

The Trustee reviews the performance of the default arrangement, the underlying funds and the LGIM Freestyle fund options at each of its quarterly meetings. The Trustee monitors the performance of the investment managers LGIM, Aegon and Phoenix CIS in conjunction with its advisers, against the agreed performance objectives. The LGIM funds are predominately passively managed and the performance of the funds over the different periods to 31 March 2023 have been within an acceptable tolerance of the respective index. The Trustee is satisfied that the investment performance remains consistent with the aims and objectives stated in the SIP.

In between meetings, the Trustee's advisers provide updates on and ratings of the Plan's investment managers and the Plan's funds as and when required.

The Plan's main investment manager (and manager of the default arrangement) LGIM presents to the Trustee at least once a year and is questioned by the Trustee on their investment processes with the help of the Trustee's advisers. The purpose of this is to help satisfy the Trustee that LGIM remains a suitable manager for the Plan. The Trustee may decide to replace an investment manager and/or the funds if it feels it is appropriate. On a quarterly basis, the performance of funds in the Intermec Section of the Plan (invested with Aegon and Phoenix CIS) are presented to the Trustee. A review of these funds is carried out by the Trustee's advisers once a year.

The table below shows the investment returns net of Plan specific fees ('net investment returns') to 31 March 2023 for the lifestyle strategies identified as default arrangements. These are based on the lifestyle allocations for a member aged under 25, 45 and 55.

Net investment returns *	1 year (% pa)	3 years (% pa)	5 years (% pa)
Drawdown Lifestyle Strategy (current default) **			
Under age 25	-1.1	9.5	n/a
Age 45	-1.5	8.2	n/a
Age 55	-4.8	3.1	n/a
Cash Lifestyle Strategy (legacy default) **			
Under age 25	-1.1	9.5	n/a
Age 45	-1.5	8.2	n/a
Age 55	-4.5	3.2	n/a
Global Growth Lifestyle (legacy default)			
Under age 25	-3.7	11.7	6.1
Age 45	-3.7	11.7	6.1
Age 55	-4.7	8.7	2.9
Equity Lifestyle (legacy default)			
Under age 25	-2.8	15.0	7.3
Age 45	-2.8	15.0	7.3
Age 55	-4.1	11.3	3.5

* Performance based on the investment allocation at the member's age and term to retirement.

** The current lifestyle strategy was introduced in September 2020 therefore the 5 years return is not available. The 3 years return covers a shorter period, from 1 Oct 2020 to 31 March 2023.

The table below shows the net investment returns to 31 March 2023 for the lifestyle strategies not identified as default arrangements.

Net investment returns *	1 year (% pa)	3 years (% pa)	5 years (% pa)
Annuity Lifestyle Strategy**			
Under age 25	-1.1	9.5	n/a
Age 45	-1.5	8.2	n/a
Age 55	-5.6	1.6	n/a
Income Drawdown Lifestyle			
Under age 25	-3.7	11.7	6.1
Age 45	-3.7	11.7	6.1
Age 55	-4.6	8.9	3.1
Intermec Lifestyle			
Under age 25	2.1	14.3	6.4
Age 45	2.1	14.3	6.4
Age 55	-1.1	8.1	0.8

* Performance based on the investment allocation at the member's age and term to retirement.

** The current lifestyle strategy was introduced in September 2020 so the 5 years return is not available. The 3 years return covers a shorter period, from 1 Oct 2020 to 31 March 2023.

The net investment returns for the component funds used as part of the lifestyle strategies for the period to 31 March 2023 were as follows:

Net investment returns	1 year (% pa)	3 years (% pa)	5 years (% pa)
Drawdown, Cash, Annuity, Global Growth and Income Drawdown Lifestyle Strategy			
Global Equity 30:70 Index Fund +	-2.8	15.0	7.3
All World Global Equity Index (Global Growth Fund) +	-1.1	n/a	n/a
Diversified Fund	-5.0	6.7	4.1
Cash Fund	2.2	0.7	0.7
Pre-Retirement Fund *	-19.6	-8.4	-3.1
Intermec Lifestyle Strategy			
Aegon BlackRock (70:30) Global Equity Index Fund **	2.2	14.3	6.4
Aegon BlackRock Over 15 Years UK Gilt Index Fund **	-30.0	-16.7	-6.4
Aegon BlackRock Cash Fund **	2.1	0.7	0.7

* Component of the Cash, Global Growth and Income Drawdown Lifestyle Strategy only.

** Component of the Intermec Lifestyle Strategy.

+ The Global Equity 30/70 Index Fund was substituted by the All World Global Equity Index in September 2020.

The net investment returns for the broader Freestyle self-select fund range for the period to 31 March 2023 were as follows:

Net investment returns (benchmark)	1 year (% pa)	3 years (% pa)	5 years (% pa)
Global Equity 30:70 Index Fund	-2.8	15.0	7.3
All World Global Equity Index (Global Growth Fund)	-1.1	n/a	n/a
UK Equity Index Fund	3.0	13.9	5.1
World (ex UK) Equity Index Fund	-6.8	16.1	8.0
World Emerging Markets Equity Index Fund	-4.6	8.7	2.4
Ethical Global Equity Index Fund	0.6	17.3	11.7
Over 5 Year Index-Linked Gilts Index Fund	-30.5	-9.3	-4.2
Hybrid Property (70:30) Fund	-14.2	3.8	2.8
Investment Grade Corp Bond All Stocks Index Fund	-10.2	-3.2	-0.9
Phoenix CIS Active Long Gilts Fund *	-29.6	-16.7	-6.5
Phoenix CIS UK Equities Fund *	3.3	11.5	3.2
Aegon BlackRock 70:30 Global Equity Index Fund *	2.2	14.3	6.4

* Funds available to members of the Intermec Section of the Plan only.

Based on the reviews carried out during the reporting period, the Trustee is satisfied that the investment performance remains consistent with the aims and objectives stated in the SIP.

Core financial transactions

The Trustee has a specific duty to ensure that core financial transactions are processed promptly and accurately. These include the investment of contributions, transfers into and out of the Plan, fund switches and payments out of the Plan to and in respect of members. This is done by receiving regular quarterly reporting provided by the Plan's administrator, which sets out performance against the service standards that are in place.

During the reporting period, the Trustee was satisfied that core financial transactions were processed promptly and accurately by:

- Ensuring appropriate documentation was in place recording payments in and out of the Plan.
- Review of quarterly administration reporting provided by the Plan's administrator which details the administration performance and level of compliance with the service level agreement. Specifically, this includes a breakdown of service standard achievement for member-level activity including:
 - retirement and death settlement cases; and
 - transfers in and out;

- comments and explanations of any service standard issues.
- The Trustee reviews the accuracy of the Plan's common and conditional data on a regular basis to ensure that financial transactions are processed promptly and accurately. Common data is needed so that a member can be identified and includes items such as name, date of birth and National Insurance number. The other type of data is scheme specific (conditional) data which links the member to the pension scheme and includes items such as date of joining and contribution history. The common data assessments take place quarterly and the overall score in Q1 2023 was 91%. The scheme specific data assessment last took place in October 2022 with a score of 64%. As a consequence of these results, the Trustee is looking to undertake a data cleaning exercise in the next reporting period which will also work towards the Plan being ready for the introduction of the Pension Dashboard requirements. The next assessment is due to take place in Q4 2025.
- Ensuring the administrator has in place appropriate internal processes and controls which includes the checking and reconciliation of investment and banking transactions.
- Ensuring appropriate processes and documentation were in place to add the HSBC Islamic Global Equity Fund to the fund range and commence receiving contributions.

All contributions have been correctly paid, invested and were within the regulatory timeframes and there have been no material administration errors in relation to processing core financial transactions.

The administrators have service standards of between 5 and 10 working days depending on the task and the Trustee continues to believe the service standards agreed remain suitable and is satisfied that the administrators are providing a good level of service. Core financial transactions such as investing contributions and lifestyle strategy switches and member level investment switches are processed using 'straight through processing' which is an automated process that does not require manual intervention.

The Trustee is pleased to report a weighted average SLA tasks completion rate of 99% during the reporting period, which is above the 95% target. Following the easing of COVID-19 restrictions, the administration team returned to business as usual with changes to the working practices such as offering the opportunity for flexible or hybrid working where job requirements do not require work to be performed on site, and subject to client and business requirements.

The Plan's appointed auditors have also audited the Plan's accounts in relation to the period to which this statement relates.

Based on the above, the Trustee is satisfied that the Plan's core financial transactions have been processed promptly and accurately during the Plan year.

Charges and transaction costs

The Trustee reviews the charges paid by members on a regular basis with the help of its advisers. The charges and transaction costs borne by DC members affect the value of benefits that are ultimately payable and as such, they are closely monitored by the Trustee. The allocation of assets between the components within the lifestyle strategies will change as the member approaches their selected retirement date. The maximum potential charge for the default investment option was 0.17%.

The total expense ratio ('TER') is applied to all funds and is a measure of the costs associated with managing and operating an investment fund. These costs consist primarily of annual management charges and variable additional expenses such as trading, legal and auditor fees and other operational expenses that are incurred by the investment manager.

Transaction costs are those incurred by the investment manager as a result of buying, selling, lending or borrowing investments. Transaction costs are typically categorised as being explicit costs or implicit costs.

- Explicit costs are directly observable and include broker commissions and taxes
- Implicit costs cannot be observed in the same way but can also result in a reduction in the value of capital invested. Implicit costs include market impact or delay costs which can also result in a gain for the fund (i.e., negative transaction cost).

A zero cost has been used where there are negative transaction costs (i.e., an overall gain was made on the transaction, which can happen as a result of changes in the pricing of the assets being bought or sold). It is not expected that transaction costs will always be negative. It is important to note that using a negative or zero cost during any one scheme year may not accurately represent the actual transaction costs a member may expect to see in any future scheme year.

Transaction costs are not another cost to be paid in addition to the TER but are reflected in the daily pricing of the fund. The TER and transaction costs are set out below:

Lifestyle strategies

Lifestyle Strategies	Total Expense Ratio (TERs)
Drawdown Lifestyle (default for new joiners)	Range from 0.14% to 0.17%
Annuity Lifestyle	Range from 0.10% to 0.17%
Cash Lifestyle	Range from 0.10% to 0.17%

Component Funds	Total Expense Ratio (TER)	Transaction Costs
Global Equity Fund (All World Equity Fund)	0.14%	0.01%
Diversified Fund	0.17%	0.03%
Pre-Retirement Fund	0.08%	0.07%
Cash Fund	0.07%	0.04%

Legacy Lifestyle strategies

Lifestyle Strategies	Total Expense Ratio (TERs)
Global Growth Lifestyle	Range from 0.08% to 0.14%
Income Drawdown Lifestyle	Range from 0.14% to 0.15%
Equity Lifestyle	Range from 0.08% to 0.15%
Intemec Lifestyle	Range from 0.11% to 0.16%

Global Growth, Income Drawdown and Equity Lifestyles Component Funds	Total Expense Ratio (TER)	Transaction Costs
Global Equity Fund (All World Equity Fund)	0.14%	0.01%
Diversified Fund	0.17%	0.03%
Pre-Retirement Fund	0.08%	0.07%
Cash Fund	0.07%	0.04%

Intemec Lifestyle Component Funds	Total Expense Ratio (TER)	Transaction Costs
Aegon BlackRock (70:30) Global Equity Index Fund	0.16%	0.02%
Aegon BlackRock Over 15 Years UK Gilt Index Fund	0.11%	0.01%
Aegon BlackRock Cash Fund	0.13%	0.01%

The level of charges applying during the reporting period for all other Freestyle funds that do not form part of the default option:

Freestyle funds	Total Expense Ratio (TER)	Transaction Costs
Global Equity 30:70 Index Fund	0.16%	0.02%
Global Growth Fund (All World Equity Fund)	0.14%	0.01%
UK Equity Index Fund	0.14%	0.02%
World (ex UK) Equity Index Fund	0.16%	0.03%
World Emerging Markets Equity Index Fund	0.38%	0.04%
Ethical Global Equity Index Fund	0.31%	0.02%
Over 5 Year Index-Linked Gilts Index Fund	0.05%	0.19%
Hybrid Property (70:30) Fund	0.57%	0.59%
Investment Grade Corporate Bond – All Stocks – Index Fund	0.08%	0.08%

Members meet the cost of investing in these funds by paying the TERs which are reflected in the daily pricing of the fund. All other costs relating Plan membership such as administration services, adviser, audit and legal fees are met by the Plan.

The level of charges applying during the reporting period for those funds within the Intermec Section of the Plan are as follow:

Intermec funds	Total Expense Ratio (TERs)	Transaction Costs
Phoenix CIS Active Long Gilts Fund	0.27%	0.07%
Phoenix CIS UK Equities Fund	0.94%	0.18%
Aegon BlackRock 70:30 Global Equity Index Fund	0.16%	0.02%
Aegon BlackRock Aquila Life Over 15 Year UK Gilt Fund	0.11%	0.01%
Aegon BlackRock Cash Fund	0.13%	0.01%
Aegon BlackRock Ascent Life Overseas Equity Fund	0.79%	0.11%

The Company meets the cost of the investment charges (TERs which includes any transaction costs) for the Intermec funds. There are therefore no costs to members in the Intermec Section of the Plan.

From 6 April 2015, all trustees have been required (insofar as they are able) to assess transaction costs and report on them in the Chairman's statement.

In order to comply with the requirements as fully as possible at this point in time, the Trustee has asked LGIM, Aegon and Phoenix CIS for details of transaction costs. They have provided transaction costs incurred by members at a fund level and these details have been included in the tables above.

Based on the information provided, the transaction costs reported during the period do not appear unreasonable relative to the average transaction costs for similar types of investments.

The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 requires the Trustee to produce an illustration showing the compounding effect of costs and charges on DC funds and include this in the annual Chairman's statement. As a result, the Trustee has set out an illustration in appendix A which shows the projected values based on three example members of the Plan (these are not actual members). The three examples show members at different ages, with different average pension savings and investing in a range of different investment options. The projections compare what the investments could potentially grow to at age 65 before and after charges have been deducted.

Legacy Prudential AVC policy

During the reporting period, the only remaining AVC policy is with Prudential and is therefore included as part of the Plan's Chairman's statement. There is only one member invested in the Prudential With-Profits Fund. The Fund's annual management charge is 1%.

Other costs

Apart from the investment charges, members do not bear any of the other costs of the Plan (for example the fees for the Plan's administration and advisers). These costs are met either by Employers or from the Plan's reserves.

The AVC annual management charge described above covers the investment and administration services provided by the insurer.

Value for Money (VFM)

The Trustee is committed to ensuring that the services members receive from the Plan represent good value and keeps value for money in mind on an ongoing basis, including it as an item on the Plan's risk register. In particular, the Trustee has considered the extent to which the charges (and transaction costs) borne by members represent good value to members over the reporting period. There is no definition of 'good value' and so the process of assessment is a subjective one.

The Trustee has undertaken an annual assessment of the value provided by the Plan (for members) taking into account regulatory guidance and best practice with support from its DC advisers. For the

purpose of the latest assessment carried out in July 2023, the Trustee considered the following three areas which are equally weighted in importance:

- The net investment performance of the funds against their respective benchmarks.
- The costs and charges of the funds and whether these represent good value for money.
- How the Plan compares to market leading DC arrangements in the areas of governance, risk management, core financial transactions and record keeping, investment governance, communication and engagement, at retirement options and support and broader financial support.

The Trustee's assessment considered the following value contributors:

- The funds generally performed in line with their respective benchmarks and where this was not the case the Trustee investigated the reasons to better understand any deviation against expected performance. The Trustee considered investment performance net of Plan specific fees.
- The Trustee undertook a benchmarking exercise of the costs and charges paid by the members which included the TER and transaction costs and concluded that the costs are competitive compared against other similar types of DC arrangements.
- When considering the Plan against market leading DC arrangements the Plan scored well. Taking into account the key features of well-run DC arrangements (which covers governance, risk management, core financial transactions and record keeping, investment governance, communication and engagement, at retirement options and support and broader financial support), the Plan provided evidence that it meets many of these key features.

The Trustee has concluded that 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 in the market. When taking into account the three areas that were assessed, the Trustee can report that the Plan has overall provided good value for money to members over the reporting period.

The legacy AVC policy with Prudential has one member remaining. This policy is invested in a With-Profits fund and there is little scope for the Trustee to make changes to this type of fund, however the Trustee will continue to keep this policy under review.

Trustees' knowledge and understanding (TKU)

The Trustee has a TKU process in place which enables the Trustee, together with the advice available to them, to properly exercise their functions as Trustee of the Plan. The Trustee is satisfied that it has sufficient knowledge and understanding of the Plan (including its Trust Deed and Rules and SIP and documents setting out the Trustee's current policies); the law relating to pensions and trusts and the principles relating to the funding and investment of occupational schemes. The Trustee has met its knowledge and understanding duties during the reporting period and its approach to meeting the TKU requirements includes:

- A structured induction process which is in place for new Trustees. During the period Kalvinder Kandola was appointed as a new Company Nominated Trustee (22 November 2022).
- Regular training incorporated into planned meetings provided by both WTW and Mayer Brown. During the reporting period, training on topical items was undertaken in the regular scheduled Trustee meetings and included:
 - Pensions Dashboards announcement and response to the government consultation, the final regulations setting out the requirements, and the finalised standards and guidance. The Trustee was also updated on the Pensions Regulator's consultation on compliance and enforcement policy.
 - Regulations laid before Parliament that exempt certain performance fees from the scope of the DC default fund charge cap, and introduce a new disclosure requirement for DC schemes in relation to investment in illiquid assets in the default arrangements.
 - The Pensions Regulator's statement on supporting DC members, including how to support and communicate with members during the current economic climate.
 - A joint consultation from the Pensions Regulator and Financial Conduct Authority on a proposed new VFM assessment framework.
 - Department for Work and Pensions call for evidence on options for automated consolidation solutions to deal with small deferred DC pots.

- Examples of specific training sessions undertaken by the Trustee during the reporting period includes:
 - Lane, Clark & Peacock – DC and Financial Wellbeing Conference (10 May 2022).
 - Both Lane, Clark & Peacock and WTW provided training on the Pensions Dashboard (27 April 2022, 9 June 2022 and 4 October 2022).
 - WTW’s training on the new Code of Practice and Governance Requirements (9 June 2022).
 - Lane, Clark & Peacock – Making the most out of volatile times (24 November 2022).
 - Both WTW and LGIM provided training on LGIM’s approach to sustainable investment (8 December 2022 and 9 March 2023).
- Assessment of each Trustee’s TKU is undertaken every three years or on the appointment of a new Trustee.
- All Trustees have either completed or are in the process of completing TPR’s trustee toolkit.
- All training and attendance at appropriate seminars is recorded via the Trustee training logs.
- All Trustees have a working knowledge through training of all key documents setting out the Trustee’s current policies including the Trust Deed and Rules and current SIP. All Plan documents are reviewed by the Trustee and are available on the dedicated Trustee site.
- During the reporting period both the legal advisers and investment advisers/administrators reported at each quarterly meeting on relevant developments and discussed their implications with the Trustee.

The different members of the Trustee Board have a range of relevant skills and experience. The Chairman has more than 20 years’ experience as a trustee of the Plan and other pension schemes. Another Trustee had a long career as a Director of Pensions. All Board members have the requisite trustee knowledge and understanding as described above. The Trustee Board is supported by a secretarial of pensions professionals with extensive experience and by leading advisers. On the basis of these factors the Trustee is satisfied that they have the combined knowledge and understanding which is needed in order to properly exercise their trustee functions.

Statement of compliance

The Trustee has taken into account the statutory guidance which requires trustees to make available certain information on a publicly accessible website. This can be accessed using the website <https://epa.towerswatson.com/accounts/hwl/>. The information on this website includes the costs and charges illustration, the Statement of Investment Principles, Implementation Statement and a copy of this Chairman’s statement.

On behalf of the Trustee of the Honeywell Retirement Plan, I confirm that the Trustee is comfortable that the Plan has met the minimum governance standards as defined in the Occupational Pension Scheme (Charges and Governance) Regulations 2015 during the reporting period 1 April 2022 to 31 March 2023.

The Trustee has also reviewed the requirements and expectations set out in TPR’s DC Code of Practice (July 2016) and the draft Single Code as they relate to the Plan and will continue to monitor adherence. A Record of Activities has been produced which documents how the Plan complies with meeting TPR’s expectations and this document is updated on a regular basis to ensure that it reflects the position of the Plan.

Signed
Trustee Chairman
Honeywell Retirement Plan

Date: 29 September 2023

Appendix A

Costs and charges

The aim of this illustration is to show the cumulative effect of the costs and charges incurred by members when investing in a selection of funds provided by the Plan through the LGIM investment platform. These funds have been selected based on being default or legacy default arrangements, the size of the fund and the level of costs and charges in order to provide a representative sample. The illustration does not show all the lifestyle strategies and funds that are available under the Plan. The costs and charges considered in the 'After charges' column in the table below take into consideration the TERs and the aggregated transaction costs. The Trustee has followed statutory guidance in putting together the illustration.

The assumptions used are intended to model the behaviour of assets and market conditions over the long term. They are not meant to be reflective of the actual, or even likely, course of those investment markets in the short term. The return forecasts are not intended to imply, nor should be interpreted as conveying, any form of guarantee or assurance of the future performance of the funds in question, either favourable or unfavourable.

Neither the Trustee, the administrator or LGIM can give members financial advice. Members should seek advice from an independent financial adviser if they are unsure about their investment choices. For help with finding a financial adviser in your area, please contact the Money and Pensions Service using www.maps.org.uk.

A zero cost has been used where there are negative transaction costs (i.e., an overall gain was made on the transaction, which can happen as a result of changes in the pricing of the assets being bought or sold). It is not expected that transaction costs will always be negative. It is important to note that using a negative or zero cost during any one Plan year may not accurately represent the actual transaction costs a member may expect to see in any future Plan year.

Pound & Pence illustration

Example Member	Projection period (years)	Drawdown Lifestyle (default)		Cash Lifestyle (legacy default)		Global Growth Lifestyle (legacy default)		Cash Fund (legacy default/Freestyle fund)		Diversified Fund (Freestyle fund)	
		Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges
Youngest member	1	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600
	3	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£4,800	£4,800	£5,000	£5,000
	5	£8,600	£8,600	£8,600	£8,600	£8,600	£8,600	£8,100	£8,100	£8,600	£8,500
	10	£18,700	£18,600	£18,700	£18,600	£18,600	£18,400	£16,500	£16,400	£18,300	£18,100
	15	£30,400	£30,100	£30,400	£30,100	£30,100	£29,700	£25,100	£25,000	£29,500	£29,000
	20	£44,100	£43,400	£44,100	£43,400	£43,400	£42,600	£34,000	£33,700	£42,300	£41,300
	25	£60,000	£58,900	£60,000	£58,900	£58,700	£57,500	£43,100	£42,700	£56,800	£55,200
	30	£78,300	£76,400	£78,300	£76,400	£76,500	£74,500	£52,600	£51,900	£73,500	£71,000
	35	£98,500	£95,600	£98,500	£95,600	£97,000	£94,100	£62,300	£61,400	£92,500	£88,800
	40	£120,500	£116,300	£119,400	£115,300	£118,900	£114,800	£72,300	£71,100	£114,300	£108,900
45	£143,700	£137,900	£138,000	£132,700	£138,500	£133,300	£82,600	£81,000	£139,100	£131,700	
46	£148,400	£142,300	£141,400	£135,800	£142,000	£136,500	£84,700	£83,000	£144,500	£136,600	
Average member	1	£45,300	£45,200	£45,300	£45,200	£45,200	£45,200	£44,300	£44,200	£45,100	£45,000
	3	£56,400	£56,200	£56,400	£56,200	£56,200	£55,900	£52,800	£52,700	£55,800	£55,500
	5	£68,200	£67,800	£68,200	£67,800	£67,800	£67,300	£61,500	£61,300	£67,100	£66,500
	10	£100,500	£99,400	£100,500	£99,400	£99,800	£98,700	£83,700	£83,200	£98,000	£96,500
	15	£136,700	£134,400	£136,700	£134,400	£136,900	£134,600	£106,500	£105,600	£133,400	£130,400
	20	£176,300	£172,300	£174,000	£170,100	£175,800	£172,100	£130,100	£128,600	£173,800	£168,700
25	£218,500	£212,400	£208,300	£203,000	£211,800	£206,700	£154,300	£152,200	£220,000	£212,100	
Approaching retirement	1	£108,300	£108,100	£108,200	£108,000	£108,500	£108,300	£106,200	£106,100	£108,400	£108,200
	3	£125,400	£124,800	£124,800	£124,200	£125,500	£125,000	£118,800	£118,500	£125,800	£125,100
	5	£143,200	£142,100	£141,400	£140,400	£142,600	£141,700	£131,500	£131,000	£144,200	£142,900
	10	£189,900	£187,300	£181,500	£179,400	£184,000	£182,100	£163,900	£162,700	£194,700	£191,400

Projected values are rounded to the nearest hundred.

Example Member	Projection period (years)	Hybrid Property 70:30 Fund (Freestyle fund)		All World Global Equity Fund (Freestyle fund)		Over 5 Year Index-Linked Gilts (Freestyle fund)	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Youngest member	1	£1,600	£1,600	£1,600	£1,600	£1,600	£1,600
	3	£5,000	£4,900	£5,000	£5,000	£4,900	£4,900
	5	£8,500	£8,400	£8,600	£8,600	£8,300	£8,300
	10	£18,200	£17,600	£18,700	£18,600	£17,300	£17,200
	15	£29,300	£27,800	£30,400	£30,100	£27,100	£26,800
	20	£41,800	£38,900	£44,100	£43,400	£37,700	£37,200
	25	£56,100	£51,100	£60,000	£58,900	£49,100	£48,300
	30	£72,300	£64,600	£78,600	£76,700	£61,500	£60,200
	35	£90,700	£79,400	£100,200	£97,400	£74,900	£73,100
	40	£111,700	£95,700	£125,300	£121,300	£89,400	£87,000
	45	£135,500	£113,600	£154,600	£148,900	£105,100	£101,900
46	£140,700	£117,400	£161,000	£155,000	£108,400	£105,000	
Average member	1	£45,100	£44,800	£45,300	£45,200	£44,700	£44,600
	3	£55,700	£54,700	£56,400	£56,200	£54,200	£54,100
	5	£66,800	£64,900	£68,200	£67,800	£64,100	£63,800
	10	£97,300	£92,400	£101,100	£100,000	£90,200	£89,400
	15	£132,000	£122,500	£139,300	£137,200	£118,500	£116,900
	20	£171,400	£155,600	£183,900	£180,300	£149,100	£146,500
	25	£216,200	£192,100	£235,800	£230,100	£182,200	£178,400
Approaching retirement	1	£108,300	£107,600	£108,800	£108,600	£107,200	£107,100
	3	£125,500	£123,100	£127,200	£126,700	£122,100	£121,700
	5	£143,600	£139,300	£146,700	£145,800	£137,400	£136,600
	10	£193,100	£182,500	£201,200	£198,900	£177,900	£176,000

Projected values are rounded to the nearest hundred.

Notes

1. Projected pension account values are shown in today's terms.
2. Inflation is assumed to be 2.5% each year.
3. Contributions are assumed from age 19 to 65 for the youngest member, 40 to 65 for the average member, and 55 to 65 for the member approaching retirement.
4. Salaries are assumed to increase in line with assumed earnings inflation of 0% per year (in real terms).
5. Values shown are estimates and not guaranteed.
6. The real projected growth rates for each fund are as follow:
 - a. Drawdown Lifestyle (default) – from 2.175% to 3.100% (adjusted depending on term to retirement)
 - b. Cash Lifestyle (legacy default) – from 1.230% to 3.100% (adjusted depending on term to retirement)
 - c. Global Growth Lifestyle (legacy default) – from 1.350% to 2.940% (adjusted depending on term to retirement)
 - d. Cash Fund (legacy default) – 0.600%
 - e. Diversified Fund – 2.700%
 - f. Hybrid Property 70:30 Fund – 2.600%
 - g. All World Global Equity Fund – 3.100%
 - h. Over 5 Year Index-Linked Gilts – 1.600%
7. Transactions costs and other charges have been provided by LGIM and cover the period 1 April 2018 to 31 March 2023, except for the All World Global Equity Fund which covers the period 1 April 2020 to 31 March 2023. Transaction costs have been averaged by WTW using a time-based approach. The transaction costs for Blended funds were estimated by WTW based on the transaction costs for the underlying funds.
8. Pension scheme's normal retirement age is 65.
9. Example members:
 - a. Youngest member: age 19, initial salary: £20,000, total initial contribution: £1,600, contribution rate: 8%, starting fund value: nil.
 - b. Typical member: age 40, initial salary: £50,000, total initial contribution: £4,000, contribution rate: 8%, starting fund value: £40,000.
 - c. Approaching retirement: age 55, initial salary: £70,000, total initial contribution: £5,600, contribution rate: 8%, starting fund value: £100,000.

Appendix B Statement of Investment Principles