Defined Contribution (DC) Governance Statement

Chair's DC Governance statement, covering 1 July 2021 to 30 June 2022

1. Introduction and members' summary

The **TotalEnergies UK Pension Plan** (the "Plan") is an occupational pension scheme providing defined contribution ("DC") benefits (a DC pension scheme is where employee and employer contributions are paid into it, and the member chooses their investments, but bears the investment risk). A number of members of the DB Section, who have paid Additional Voluntary Contributions ("AVCs") on a DC basis, also have AVCs in the Plan's DC Section.

Governance requirements apply to DC pension arrangements, to help members achieve a good outcome from their pension savings. We, the Trustee Directors of the Plan, are required to produce a yearly statement (signed by the Chair of Trustee) covering:

- the design and oversight of the auto-select (default) investment strategies, the Drawdown Lifestyle for the main DC Section benefits and the Cash Lifestyle for the DB AVC Section (ie where contributions are invested for members that do not wish to choose their own investments);
- processing of core financial transactions (ie administration of the Plan, such as investment of contributions);
- the charges and transaction costs borne by members for the default options and any other investment option members can select or have assets in, such as "legacy" funds;
- an illustration of the cumulative effect of these costs and charges;
- net returns of the investment options;
- how the value members obtain from the Plan is assessed; and
- Trustee knowledge and understanding.

The key points that we would like members reading this Statement to take away are as follows:

- We regularly monitor the investment arrangements, and we are satisfied that the auto-select arrangements and other investment options remain suitable for the membership.
- We began a review of the auto-select arrangement for the DC sections on 30 June 2020 and concluded this review on 8 June 2021. The agreed changes were implemented in October 2021, with some changes being phased in over the two year period to October 2023.
- Based on the outcome of the strategy review, we concluded that the auto-select arrangements for the DC and DB AVC Sections continue to be appropriate to meet the long and short-term investment requirements of the majority of members.
- Fees can have a material impact on the value of your pension savings and the fee impact is greater the more time passes, since fees reduce the amount of money that can grow with future investment returns.
- Fees for the investment options are set out in this Statement, and we remain comfortable that these fees are reasonable given the circumstances of the Plan and represent value for the benefits members obtain.
- The administrator has processed core financial transactions promptly and accurately to an acceptable level during the Plan year, and we remain comfortable with the administrator's performance.
- Please rest assured that we are looking after your best interests as members, and we undertake training and receive advice as appropriate so that we have sufficient knowledge and understanding to do so effectively.

2. Default arrangements

The Plan is used as a Qualifying Scheme for automatic enrolment purposes. This means that it is used as a pension savings scheme for employees who are eligible for automatic enrolment into a pension scheme.

We have made available a range of investment options for members. Members who join the Plan and who do not choose an investment option are placed into the Drawdown Lifestyle (the "auto-select arrangement"). We recognise that most members do not make active investment decisions and instead invest in the auto-select arrangement. After taking advice, we decided to make the auto-select arrangement a lifestyle strategy, which means that members' assets are automatically moved between different investment funds as they approach their target retirement date.

A second investment option available within the Plan is also classified as a default. This is the Cash Lifestyle, which is the default or "auto-select" lifestyle arrangement for the DB AVC section held with L&G.

DC members that are 5 years from their selected retirement age and with pots smaller than £25,000 at that point were moved automatically from the Drawdown Lifestyle into the Cash Lifestyle. We agreed to remove this automatic switching mechanism during the Plan year at the Trustee meeting on 8 September 2021.

We are responsible for investment governance, which includes setting and monitoring the investment strategy for the default arrangements.

Details of the objectives and our policies regarding the auto-select arrangements can be found in a document called the 'Statement of Investment Principles' ("SIP"). The Plan's SIP covering the auto-select arrangements is available using the following link: Library - TotalEnergies.

The aims and objectives of the auto-select arrangements, as stated in the SIP, are as follows:

> "The auto-select arrangements are structured to maintain a reasonable and diverse exposure to growth assets, as well as a provision for the taking of a tax-free cash lump sum, at retirement. They are designed to be broadly appropriate for a typical member within the Plan, but it will not be suitable for all members."

The Default was not reviewed during the period covered by this Statement. The last review began on 30 June 2020 and was concluded on 8 June 2021 during the previous Plan year. We regularly review the performance and strategy of the auto-select arrangements to ensure that investment returns (after deduction of any charges) have been consistent with the aims and objectives of these arrangements as stated in the SIP, and to check that they continue to be suitable and appropriate given the Plan's risk profiles and membership. We will formally review the strategy at least every three years with the next review due to commence in Summer 2023.

We are satisfied that the default strategy remains suitable for members and that the retirement targets of both auto-select arrangements remain appropriate due to the analysis of the Plan's membership and outcome projections.

At the time of our last review we concluded some enhancements could be made to the auto-select arrangements. Consequently some updates were made to both the Growth Fund and the Lump Sum Fund, and we introduced the new Climate-Aware Passive Equity Fund. Further detail on these funds is set out below with these changed being implemented from October 2021.

- Introduction of a new Growth Fund, which replaced the Global Equity Fund, into the growth phase of the auto-select strategies that will utilise underlying funds that favour stocks with better ESG credentials by investing more in companies with proven lower carbon emissions. This change is being phased in over a two-year period to October 2023.
- Introduction of a new Lump Sum Fund, which replaced the Cash Fund within the final 5-years for each of the auto-select strategies to provide a more appropriate balance between protecting member investments close to retirement whilst providing a level of expected return that will give moderate protection against inflation.
- Introduction of a new Climate-Aware Passive Equity Fund that invests passively in global equities and has an objective to reduce carbon emission intensity, which will be made available as part of the self-select fund range.

In addition to the triennial strategy review we also review the performance of the auto-select arrangements against their objectives on a quarterly basis. This review includes performance analysis to check that the risk and return levels meet expectations. Our reviews over the Plan year concluded that the auto-select arrangements were performing broadly as expected.

3. Requirements for processing core financial transactions

The processing of core financial transactions is carried out by the administrator of the Plan - Buck. Core financial transactions include (but are not limited to): the investment of contributions, processing of transfers in and out of the Plan, transfers of assets between different investments within the Plan, and payments to members/beneficiaries.

We recognise that delay and error can cause significant issues for members. They can also cause members to lose faith in the Plan, which may in turn reduce their propensity to save and impair future outcomes. We have received assurance from Buck that there are adequate internal controls to ensure that core financial transactions for the Plan are processed promptly and accurately.

The Plan has a service level agreement ("SLA") in place with the administrator which covers the accuracy and timeliness of all core financial transactions. The key processes adopted by the administrator to help it meet the SLA are as follows:

- preparation of a quarterly administration report which is presented to the Trustee and includes performance against SLAs covering timeliness for core transactions;
- a work management system which is reviewed daily for forthcoming workloads, with tasks allocated daily;
- daily review of bank balances by the treasury team;
- monthly cash reconciliation; and
- peer review of all monetary transactions with authorisation required from a senior administrator or team leader (transactions less than £250,000) or 2 senior administrators and/or team leaders (transactions over £250,000), with each transaction reviewed and released for payment by a treasury administrator under final authorisation by the Administration Manager (or more senior staff).

To help us monitor whether service levels are being met, we receive quarterly reports about the administrator's performance and compliance with the SLA. This is presented to the Administration Committee and also includes SLA performance in respect of core transactions for the DC Section.

Any issues identified as part of our review processes would be raised with the administrator immediately, and steps would be taken to resolve the issues according to their protocols. There were no issues or member complaints over the Plan year to 30 June 2022.

Based on our review processes, we are satisfied that over the period covered by this Statement:

- the administrator was operating appropriate procedures, checks and controls, and operating within the agreed SLA;
- there have been no material administration issues in relation to processing core financial transactions; and
- core financial transactions have been processed promptly and accurately to an acceptable level during the Plan year.

Core financial transactions for legacy Additional Voluntary Contributions ("AVC") providers

There were legacy AVC investments with five providers in the Plan during the year:

- Aviva;
- Clerical Medical;
- Phoenix Life;
- Prudential; and
- Zurich.

We have requested information from these providers in relation to the processing of core financial transactions.

Aviva

Aviva operate SLAs but was unable to share specific SLA details for the Plan's AVC policy, but has stated that it does operate SLAs and performance is measured against those SLAs. Failure to reach SLA levels will trigger an internal investigation and agreed actions would be taken to improve performance.

Prudential

Prudential has transitioned to 'End to End' reporting, which means that performance is measured against the total time taken to deal with a particular work item, from the day of receiving it through to the closure date of the work item. Prudential is only able to show end to end performance at the platform level.

Clerical Medical

Clerical Medical have confirmed they do not have a service level agreement in place but, at the time of preparing this Statement, have been unable to provide details of their processes for core financial transactions.

Phoenix Life and Zurich

We have requested information on the processing of core financial transactions from Phoenix Life and Zurich. However, at the time of preparing this Statement, this information has not been received. We will continue to liaise

4. Member-borne charges and transaction costs

We are required to set out the on-going charges incurred by members over the period covered by this Statement, which are annual fund management charges plus additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the total expense ratio (TER). The TER is paid by the members and is reflected in the unit price of the funds.

The stated charges exclude administration costs, since these are not met by the members.

We are also required to separately disclose transaction cost figures. In the context of this Statement, the transaction costs shown are those incurred when the Plan's fund managers buy and sell assets within investment funds, but are exclusive of any costs incurred when members invest in and switch between funds. The transaction costs are borne by members.

The charges and transaction costs have been supplied by Legal & General ("L&G") who is the Plan's investment platform provider. When preparing this section of the Statement we have taken account of the relevant statutory guidance. Under the prescribed way in which transaction costs have been calculated it is possible for figures to be negative, where market movements are favourable between the time a trade is placed and it is executed. We have shown any negative figures in the tables for the year as provided, but for the costs and charges illustrations we have used zero where a transaction cost is negative to give a more realistic projection (ie we would not expect transaction costs to be negative over the long term).

Default arrangements

The auto-select arrangement for the DC Section is the Drawdown Lifestyle. The auto-select arrangement has been set up as a lifestyle approach, which means that members' assets are automatically moved between different investment funds as they approach their target retirement date. This means that the level of charges and transaction costs will vary depending on how close members are to their target retirement age and in which funds they are invested.

For the period covered by this Statement, annualised charges and transaction costs are set out in the following table.

Drawdown Lifestyle (auto-select arrangement for the DC Section) charges and transaction costs

Years to target retirement date	TER	Transaction costs
25 or more years to retirement	0.08%	0.01%
20 or more years to retirement	0.13%	0.05%
15 years to retirement	0.18%	0.08%
10 years to retirement	0.23%	0.12%
5 years to retirement	0.28%	0.16%
At retirement	0.30%	0.17%

At 5.5 years before a members' target retirement date, member's who had a pot size of under £25,000 were switched into the Cash Lifestyle strategy which has an alternative de-risking phase. Members with pot sizes over £25,000 will remain in the Drawdown Lifestyle. We made the decision to remove this mechanism during the Plan year on 8 September 2021.

The Cash Lifestyle strategy is also the auto-select arrangement for the DB AVC section.

Cash Lifestyle (auto-select arrangement for the DB AVC Section) charges and transaction costs

Years to target retirement date	TER (pa)	Transaction costs
25 or more years to retirement	0.08%	0.00%
20 years to retirement	0.13%	0.04%
15 years to retirement	0.18%	0.08%
10 years to retirement	0.23%	0.11%
5 years to retirement	0.28%	0.15%

Years to target retirement date	TER (pa)	Transaction costs
At retirement	0.16%	0.06%

Self-select options

In addition to the DC Section auto-select arrangement, members also have the option to invest in two other lifestyles, the Annuity Lifestyle, which targets annuity purchase and the Cash Lifestyle, and several other self-select funds. The annual charges for the lifestyle targeting cash withdrawal during the period covered by this Statement are set out in the table above. The annual charges for the Annuity Lifestyle during the period covered by this Statement are set out in the table below:

Annuity Lifestyle charges and transaction costs

Years to target retirement date	TER (pa)	Transaction costs
25 or more years to retirement	0.08%	0.01%
20 years to retirement	0.13%	0.05%
15 years to retirement	0.18%	0.08%
10 years to retirement	0.23%	0.12%
5 years to retirement	0.28%	0.16%
At retirement	0.07%	0.07%

The level of charges for each self-select fund (including those used in the auto-select arrangement) and the transaction costs over the period covered by this Statement are set out in the following table. The underlying funds used within the DC Section auto-select arrangement are shown in **bold**.

Self-select funds with L&G charges and transaction costs

Fund name	TER (pa)	Transaction costs
Global Equity Fund	0.09%	0.00%
Overseas Equity Fund	0.09%	0.01%
UK Equity Fund	0.05%	0.03%
Ethical Equity Fund	0.74%	0.16%
Corporate Bond Fund	0.07%	-0.03%

Fund name	TER (pa)	Transaction costs
Fixed Interest Gilt Fund	0.04%	0.15%
Index-Linked Gilt Fund	0.04%	0.02%
Growth Fund	0.08%	0.01%
Climate Aware Passive Equity Fund	0.07%	0.02%
Diversified Multi-Asset Fund	0.35%	0.20%
Cash Fund	0.11%	0.02%
Lump Sum Fund	0.16%	0.06%

Legacy AVC options

Legacy AVC fund charges and transaction costs

We have requested information on TERs and transaction costs from Aviva, Clerical Medical, Phoenix Life, Prudential and Zurich. However, as at the time of preparing this Statement, this information has not been received from all providers.

Where data was received in respect of the Plan's AVCs this is shown below. We will continue to liaise with each of these providers via its administrator to obtain this information.

Clerical Medical

Fund name	TER (pa)	Transaction costs
Clerical Medical Halifax Pension	0.50%	0.00%
Clerical Medical Blackrock Over 15 Year Gilt Pension	0.50%	-0.04%
Clerical Medical Cash Pension Fund	0.50%	0.01%
Clerical Medical Blackrock Corporate Bond All Stock Pension	0.50%	0.00%

Prudential

Fund name	TER (pa)*	Transaction costs**
Prudential Deposit	N/A[1]	0.00%

Fund name	TER (pa)*	Transaction costs**
Prudential Positive Impact	0.76%	0.01%
Prudential S3 Cash	0.55%	0.00%
Prudential S3 Discretionary	0.77%	0.06%
Prudential S3 Fixed Interest	0.76%	0.15%
Prudential S3 Global Equity	0.76%	0.06%
Prudential S3 Index Linked	0.76%	-0.14%
Prudential S3 International Equity	0.78%	0.01%
Prudential S3 Long Term Gilt Passive	0.66%	-0.01%
Prudential S3 UK Equity	0.76%	0.07%
Prudential S3 UK Property	-[3]	-[3]
Prudential UK Equity Passive	0.66%	0.12%
With Profits Cash Accumulation Fund	N/A[2]	0.10%
With Profits Cash Accumulation Fund Series 2	N/A[2]	-[3]

*As at April 2022. ** As at 31 March 2022. 1TER rates were not provided. Interest rates are declared on the first of each month, in line with Bank of England base rate. Any interest is declared monthly and there are no explicit charges. 2 There are no set charges as charges depend on the performance, investment returns achieved and expenses incurred. 3 At the time of writing Prudential were unable to provide this information.

Illustration of charges and transaction costs

The following table sets out an illustration of the impact of charges and transaction costs on the projection of an example member's pension savings. In preparing this illustration, we had regard to the relevant statutory guidance.

- The "before costs" figures represent the savings projection assuming an investment return with no deduction of member borne charges or transaction costs. The "after costs" figures represent the savings projection using the same assumed investment return but after deducting member borne charges and an allowance for transaction costs.
- The transaction cost figures used in the illustration are those provided by the managers over the past four years, subject to a floor of zero (so the illustration does not assume a negative cost over the long term). We have used the average annualised transaction costs over the past four years as this is the longest period over which figures were available, and should be more indicative of longer-term costs compared to only using figures over the Plan year.
- The illustration is shown for the auto-select arrangement (the Drawdown Lifestyle) and also the Cash Lifestyle, as the auto-select arrangement for members' AVCs, as well as two funds from the Plan's self-select fund range. The two self-select funds shown in the illustration are:

- the fund with highest annual member borne costs (TER plus transaction costs) – this is the Ethical Equity Fund.
- the fund with lowest annual member borne costs – this is the Index-Linked Gilt Fund.

Projected pension pot in today's money

	Default option		Cash Lifestyle		Ethical Equity Fund		Index Linked Gilt Fund	
Years invested	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs
1	£3,200	£3,200	£3,200	£3,200	£3,200	£3,200	£3,100	£3,100
3	£7,600	£7,500	£7,600	£7,500	£7,600	£7,500	£6,900	£6,900
5	£12,300	£12,200	£12,300	£12,200	£12,400	£12,100	£10,600	£10,600
10	£25,700	£25,500	£25,700	£25,500	£26,100	£24,900	£19,300	£19,200
15	£41,800	£41,200	£41,800	£41,200	£42,800	£39,900	£27,300	£27,100
20	£61,000	£60,000	£61,000	£60,000	£63,100	£57,300	£34,600	£34,300
25	£83,000	£80,900	£83,000	£80,900	£87,900	£77,600	£41,400	£41,000
30	£107,100	£103,200	£107,100	£103,200	£118,000	£101,300	£47,600	£47,000
35	£132,700	£125,900	£132,700	£125,900	£154,600	£129,000	£53,200	£52,500
40	£155,700	£145,200	£147,500	£138,400	£199,100	£161,200	£58,400	£57,500

- Values shown are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund. The numbers shown in the illustration are rounded to the nearest £100 for simplicity.
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation. The long term annual inflation assumption used is 2.5%.
- Salaries could be expected to increase above inflation to reflect members becoming more experienced and being promoted. However, the projections assume salaries increase in line with inflation to allow for prudence in the projected values. Annual salary growth is assumed to be 2.5%.
- The starting pot size used is £1,100. This is the approximate average (median) pot size for active members of the Plan aged 25 years and younger (rather than using a whole membership average, we have taken this approach to give a more realistic 40-year projection).
- The projection is for 40 years, being the approximate duration that the youngest Plan member has until they reach the Plan's Normal Pension Age.
- The starting salary is assumed to be £25,000. This is the approximate median salary for active members aged 25 or younger.
- Total contributions (employee plus employer) are assumed to be 8.0% of salary per year. This is a consistent approach to 2021 and is in line with the minimum total contribution that members receive based on auto-enrolment minimums.
- The projected annual returns used are as follows:
    - Auto-select arrangement: 4.0% above inflation for the initial years, gradually reducing to a return of 1.4% above inflation at the ending point of the lifestyle.
    - Cash Lifestyle: 4.0% above inflation for the initial years, gradually reducing to a return of 0.5% below inflation at the end of the lifestyle.
    - Ethical Equity Fund: 4.0% above inflation
    - Index Linked Gilt Fund: 1.7% below inflation
- No allowance for active management outperformance has been made.

5. Investment returns

This section shows the annual return, after the deduction of member borne charges and transaction costs, for all investment options in which member assets were invested during the Plan year.

For arrangements where returns vary with age, such as for the Drawdown Lifestyle, Cash Lifestyle and Annuity Lifestyle, returns are shown over the Plan year for a member aged 25, 45 and 55 at the start of the period the returns are shown over.

In relation to the lifestyle strategies we have calculated the net returns using data provided by L&G in respect of the period before and after 21 October 2021, and therefore the figures shown below make allowance for the strategy changes implemented from 21 October 2021.

Drawdown Lifestyle (auto-select arrangement for the DC Section) net returns over periods to scheme year end

Age of member at the start of the period	1 year (%)	5 years (% pa)
25	-1.0	7.1
45	-2.8	5.6
55	-6.0	3.9

Cash Lifestyle (auto-select arrangement for the DB AVC Section) net returns over periods to scheme year end

Age of member at the start of the period	1 year (%)	5 years (% pa)
25	-1.0	7.1
45	-2.8	5.6
55	-6.0	3.9

Annuity Lifestyle (self-select lifestyle) net returns over periods to scheme year end

Age of member at the start of the period	1 year (%)	5 years (% pa)
25	-1.0	7.1
45	-2.8	5.6
55	-6.0	3.9

Self-select fund net returns over periods to scheme year end

Fund name	1 year (%)	5 years (% pa)
Global Equity Fund	-1.0	7.1
Overseas Equity Fund	-2.3	9.6
UK Equity Fund	1.7	3.3
Ethical Equity Fund	-9.8	-
Corporate Bond Fund	-26.0	-2.0
Fixed Interest Gilt Fund	-24.4	-2.1
Index-Linked Gilt Fund	-23.4	-1.7
Growth Fund*	-	-
Climate Aware Passive Equity Fund*	-	-
Diversified Multi-Asset Fund	-9.4	2.5
Cash Fund	0.2	0.3
Lump Sum Fund*	-	-

*These funds were implemented in October 2021 during the Plan year therefore 1 and 5 year performance to 30 June 2022 is not available.

Legacy AVC options

As at the time of preparing this Statement, we have not received net return figures for the funds in which members are invested in the legacy AVC policies except for Prudential, although we understand it has been requested by Buck. We will periodically chase the providers, via Buck, to obtain this information.

Prudential

Fund name*	1 year (%)	5 years (% pa)
Prudential Deposit	0.0	0.0
Prudential Positive Impact	-10.5	-
Prudential S3 Cash	-0.5	-0.2
Prudential S3 Discretionary	-6.9	3.1
Prudential S3 Fixed Interest	-13.6	-1.1
Prudential S3 Global Equity	-5.4	3.2
Prudential S3 Index Linked	-18.2	-0.7
Prudential S3 International Equity	-3.6	5.0
Prudential S3 Long Term Gilt Passive	-23.4	-2.3
Prudential S3 UK Equity	-6.8	1.9
Prudential S3 UK Property	22.3	6.8
Prudential UK Equity Passive	0.0	2.5
With Profits Cash Accumulation Fund	1.0	1.1
With Profits Cash Accumulation Fund Series 2	1.0	-

*As at 30 June 2022.

6. Value for members assessment

We are required to assess every year the extent to which member borne charges and transaction costs represent good value for members and to explain that assessment. There is no legal definition of 'good value' which means that determining this is subjective. Our general policy in relation to value for member considerations is set out below.

We review all member-borne charges (including transaction costs where available) annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the Plan. The date of the last review was dated 16 November 2022. We note that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment. Our investment advisers have confirmed that the fund charges are competitive for the types of fund available to members.

Our assessment included a review of the performance of the Plan's investment funds (after all charges and transaction costs) in the context of their investment objectives. The returns on the investment funds members can choose during the period covered by this statement have been consistent with their stated investment objectives.

In carrying out the assessment, we also consider the other benefits members receive from the Plan, which include:

- our oversight and governance, including ensuring the Plan is compliant with relevant legislation, and holding regular meetings to monitor the Plan and address any material issues that may impact members;
- the design of the auto-select arrangements and how this reflects the interests of the membership as a whole;
- the range of investment options and strategies;
- the quality of communications delivered to members;
- the quality of support services, such as the Plan website where members can access fund information online; and
- the efficiency of administration processes and the extent to which the administrator met or exceeded its service level standards.

As detailed in the earlier section covering the processing of core financial transactions, we are comfortable with the quality and efficiency of the administration processes.

This summary sets out our rating and the high-level rationale behind it. We have chosen a rating ranging from poor, fair, good to very good.

- **Charges –** Very good – the Company meets the majority of the costs of administering and running the Plan. The costs borne by members are very competitive, particularly with regard to the AVC arrangements with L&G.
- **Administration –** Good – the administration service provided by Buck is of a good standard and has maintained high SLA levels consistently over 3 years.
- **Governance –** Very good – the Pensions Team and Trustee Directors are very committed to the Plan and how it is run.
- **Communications –** Very good – communications are clear, tailored and informative.
- **Auto-select (default) investment arrangement –** Very good – the auto-select (default) investment strategy targets drawdown at retirement. The proposed changes to the auto-select investment arrangement were implemented during the Plan year on 22 October 2021 and the Trustees concluded that the retirement target of the auto-select (default) investment arrangement continues to be suitable for the majority of members, and is achieving its stated objectives.
- **Investment range –** Very good – The fund range is broad and members are offered multiple lifestyles, each targeting a different retirement option. There is also a specialist ethical fund option and climate aware fund available within the fund range. The Trustee remains satisfied that the fund range is sufficient, appropriate, not duplicated, and all funds are white-labelled with clear names.
- **At-retirement services –** Good – the Trustee has made improvements to members post retirement experience during the Plan year, but take up is low so further work may be required to ensure members benefit from these improvements.
- **Plan design –** Very good – the Company and Trustee's commitment to the Plan is strong and demonstrated in the design and contributions. Contributions remain generous and members are provided with a large degree of contribution flexibility.

We believe that the transaction costs provide value for members as the ability to transact forms an integral part of the investment approaches, and expect this to lead to greater investment returns net of costs over time.

Overall, we believe that members of the Plan are receiving very good value for money for the charges and cost that they incur, for the reasons set out in this section. We aim to improve value for members in future through taking the following steps:

- continuing to monitor the administration services provided by Buck;
- monitor the agreed enhancements for the auto-select arrangements and wider fund range including costs and charges borne by members; and
- monitor the take up of the post retirement solution.

7. Trustee knowledge and understanding

We are required to maintain appropriate levels of knowledge and understanding to run the Plan effectively. We have measures in place to comply with the legal and regulatory requirements regarding knowledge and understanding of relevant matters, including investment, pension and trust law. Details of how the knowledge and understanding requirements have been met during the period covered by this Statement are set out below.

With the help of our advisers, we regularly consider training requirements to identify any knowledge gaps. Our investment advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. Our advisers typically deliver training on such matters at Trustee meetings if they were material. During the period covered by this Statement, we received training on the following topics:

- TPR's Single Code of Practice training (Provided by the Plan's lawyers, Sackers, in September 2021);
- Higher Inflation training (Provided by Aon, in January 2022);
- Stronger Nudges & Member Protections (Provided by Sackers in March 2022); and
- Illiquid assets (Provided by our investment advisors, LCP, in March 2022).

We are familiar with and have access to copies of the Plan's governing documentation and documentation setting out our policies, including the Trust Deed & Rules and SIP (which sets out the policies on investment matters). In particular, we refer to the Trust Deed and Rules as part of considering and deciding to make any changes to the Plan, and the SIP is formally reviewed annually and as part of making any change to the Plan's investments. Further, we believe that we have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes to fulfil our duties.

We are required to commit to completing the training, either at the relevant meetings or by personal study. All the Trustee Directors have completed the Pensions Regulator's Trustee Toolkit (an online learning programme, designed to help trustees of pension schemes meet the minimum level of knowledge and understanding required by law). Regular training is provided on aspects of the Trustee Knowledge and Understanding requirements. Other training relates to topical items or specific issues under consideration and during the Plan year.

A training log is maintained in line with best practice and the training programme is reviewed annually to ensure it is up to date. Additionally, the Plan has in place a structured recruitment and induction process for new Trustees. Candidates interviewing for Trustee positions are required to complete the regulator's toolkit before being appointed. During the Plan year there was one new Trustee Director who received training within six months of their appointment. This was provided by Aon, the Plan's actuarial advisers.

We hold ad-hoc training days when there is sufficient material to cover. Training needs is an item on each meeting agenda to allow us to identify any knowledge gaps by being asked whether they would benefit from any specific training and we are made aware of external seminars that are relevant for us as Trustees of the Plan, and which we can attend outside of TotalEnergies. Ad-hoc training is provided as and when required. If a new topic is raised at a meeting, training will be provided as required prior to discussion or a decision being made. Specific training on Trustee Board and scheme Management skills has been provided to the Trustee Directors as mentioned above.

Considering our knowledge and experience and the specialist advice received from the appointed professional advisors (eg investment consultants, legal advisors), we believe that we are well placed to exercise our functions as Trustee Directors of the Plan properly and effectively.

Signed by:Rob White
Date:23.01.2023 10:04:41
GMT
Package:4E26DD5AC2E7 _______________ Date: _________________
Signed by the Chair of Trustee of the TotalEnergies UK Pension Plan