



PENSION UPDATE

TOTALENERGIES UK PENSION PLAN
FOR MEMBERS OF THE DEFINED BENEFIT (DB) SECTIONS

JULY 2022

A positive outlook

Rob White, Chairman of TotalEnergies Pension Trustee UK Limited

As Trustee Directors, we work closely with the Principal Employer to make sure the Plan has the funds it needs to pay members' benefits, whenever they need to be paid.

We monitor the level of funding on a regular basis and it was pleasing to see that it had reached an estimated 100% on the 'going concern' or 'technical provisions' basis at 30 June 2021 (the date of our latest funding update). This is up from 91% at 30 June 2020.

The funding level will continue to move up and down over time. However, the results of this latest update reaffirm that the Plan is on a sound footing. This is good news for you and your benefits. For more details, please see the section that starts on page 3.

As you may have noticed, we have made some improvements to our general information Plan website. It has a fresh, new layout. We have added information and resources that we hope you will find useful. We have also added a link to the 'self-service' portal where you can see details about your individual benefits. Learn more on page 6.

Today's five-minute task

If you have not already done so, log in to the self-service portal and add a personal email address to your records. (There is a link to the portal on the Plan website.)

We send our updates from this email address: **UK-pensions-comms@mailing.totalenergies.com**. Please add this address to your list of 'safe senders' so our emails don't drop into your Junk folder by mistake. The instructions for doing this will depend on the email programme you use. (If you need to send an email to the Plan administrators, please continue to use the email address on page 8.)

In this issue

In good hands

James Coull, Chair of the Governance, Risk and Internal Controls Committee



'I worked for Total for about 30 years in a number of operational roles, including managing a top-tier COMAH oil storage terminal, before taking on a role as Total's downstream Health and Safety Manager. Having now retired from Total, I run a small Safety and Risk consultancy working within the downstream oil industry. I decided that I would like to be a trustee as I have always greatly valued the pension that Total provided, and wanted to play a part in its ongoing management.'

A lot of members rely on the Plan for their financial wellbeing. This includes more than 11,607 members who have benefits in the DB Sections and a further 4,187 members with retirement savings in the Defined Contribution Section.

Looking after the Plan is a big responsibility and the Trustee Directors work hard to make sure it always operates to the highest possible standards. The Governance, Risk and Internal Controls Committee plays a central role in this work – monitoring the arrangements in place to manage the Plan and looking for ways to make improvements.

For example, we make sure Trustee Directors have the skills and support they need to carry out their duties.

There are areas of the Plan's operation that require specialise expertise, and the Trustee Directors select and appoint professional

advisers to help them in these areas. The committee ensures we have clear agreements with our advisers, setting out the support they will provide.

We make sure the Plan operates in line with the law and current best practice. This includes following the codes of practice set by the Pensions Regulator – the body that oversees UK workplace pension schemes.

We also make sure the Plan is well protected against new and evolving challenges, such as the risks posed by cyber-crime.

The committee has a broad remit and our work covers some complex areas, but the aim is straightforward – to help give you the reassurance that your benefits are in good hands.

Protecting your personal information

The committee is also responsible for making sure the Plan takes all necessary steps to keep your personal details safe. We review the arrangements in place on a regular basis and work with our advisers to make sure we comply with all legal requirements in this area. Our Privacy Notice summarises the way the Plan obtains, stores, uses and shares your personal information. We updated the notice recently and have published the latest version on the Plan website. If you have any questions about the document or how we protect your data, please contact the Plan administrators.

Funding your benefits

We work with the Principal Employer to make sure the Plan has sufficient funds to pay the benefits that members have built up in the DB Sections, whenever they need to be paid.

At least once every three years, the Plan undergoes a detailed health-check called a valuation. The valuation process helps us to understand:

- the money building up in the Plan (its 'assets'); and
- the money the Plan needs to pay members' benefits (the 'funding target').

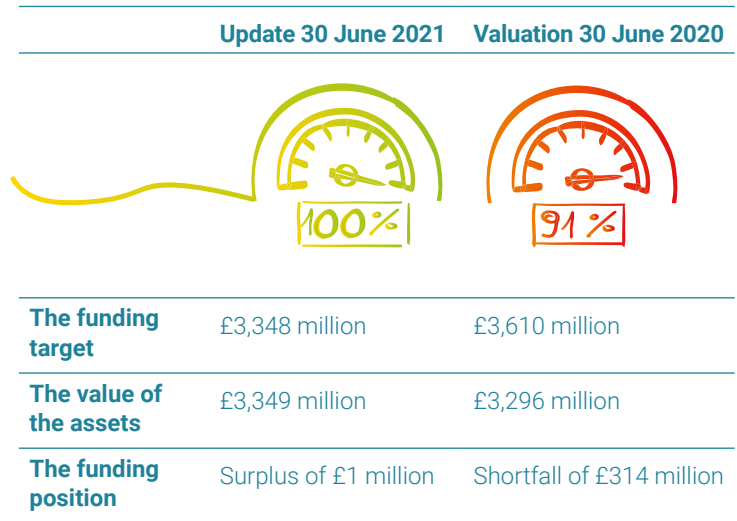
To help us monitor the Plan's progress in the years between valuations, we also ask the actuary to provide us with yearly updates.

This section contains a recap of the results of the 2020 valuation. It also includes the results of the actuary's latest update, which was based on information at 30 June 2021.

The Principal Employer closed the DB Sections to future accrual from 31 December 2021. The results of the 2020 valuation and the 2021 update do not reflect this change to the Plan.

The headlines

The latest update shows that the Plan's funding level improved by an estimated £315 million over the year to 30 June 2021. This is equivalent to a funding level of 100%.



The asset figures in the chart above do not include the money purchase additional voluntary contributions that some members are investing through the Plan or the Pension Accounts building up in the Defined Contribution (DC) Sections.

Funding your benefits (continued)

The asset and funding target figures include the value of the bulk annuity policies we have taken out to increase the security of members' benefits.

- We have a policy with Pension Insurance Corporation (PIC) that covers the monthly pension payroll for all Plan pensioners who retired before 1 July 2013.
- We also have a policy with Canada Life that covers some pensions for Atotech DB Section members.

Through these policies, PIC and Canada Life are now taking on certain risks that the Plan would otherwise have faced, such as the impact of difficult economic and investment conditions, and future changes in life expectancy.

What changed?

As the chart on page 3 shows, the Plan's funding level rose by 9% between the 2020 valuation and the 2021 update. There were three main reasons for this improvement:

- an increase in gilt yields, which reduced the funding target;
- strong investment performance from the Plan's return-seeking assets; and

- the contributions the Employers paid to help make up the shortfall that was identified at the 2020 valuation.

Our funding plan

To help make up the shortfall

To help make up the shortfall identified at the 2020 valuation, we agreed a plan with the Employers to help get the funding level back to 100% by January 2025. Under this plan, the Employers agreed to pay the following additional contributions:

1 January 2021	£50.998 million
28 February 2021	£47.876 million
1 January 2022	£36.874 million
1 January 2023	£36.874 million
1 January 2024	Up to £36.874 million
1 January 2025	Up to £10 million

The additional contributions due in 2024 and 2025 will depend on the funding level identified at the next valuation at 30 June 2023.



Funding your benefits (continued)

To help fund the benefits members will build up in future

Up to 31 December 2021, the Employers also contributed an average of 39.6% of members' pensionable pay towards the cost of benefits members were building up and the costs of running the Plan. The exact amount varied by Business Unit and was based on the employees in the Plan, allowing for their salary and age.

To help meet the Plan's expenses

In the DC Sections, the Employers contribute an amount equal to 1.5% of members' pensionable pay towards the Plan's administration costs.

Starting from 1 January 2022, the Employers agreed to meet any expenses that are not covered by this 1.5%. This includes the cost of taking part in the Pension Protection Fund (to provide members with additional protection) and any death-in-service benefits payable.

The Employers also pay contributions for members of the DC Sections as required under the Plan rules.

A different perspective

The figures on page 3 assume the Plan continues in its current form and that the Employers will continue to support it. This is known as the 'going concern' or 'technical provisions' basis.

The actuary is also required by law to work out what the funding level would be in the hypothetical situation that the Plan was wound up on the valuation date. This is known as the 'full solvency' position. If this happened, the Plan would need to pay an insurance company to provide the benefits that members have built up.

Insurance companies generally use lower-risk investments which give lower returns than the Plan aims to achieve. They also factor in a profit. As is the case with the 'going concern' funding level, the full solvency funding level can go up and down a lot. This is caused by factors such as changes in insurance company regulations and varying levels of competition between insurers.

At 30 June 2021, the Plan had a shortfall of £586 million on the 'full solvency' basis. This is equivalent to a funding level of 85%.

This is a significant improvement on the position at the 2020 valuation, when the shortfall on the 'full solvency' basis was £1,104 million (equivalent to a funding level of 75%).

In an extreme situation – for example if the Plan was wound up because the Employers had gone out of business – the Pension Protection Fund may provide members with some compensation www.ppf.co.uk

Finally

We must also confirm the following:

- The Plan has not made any payments to the Employers since our previous funding update.
- The Pensions Regulator has not had to intervene in the running of the Plan since that date.

Our new-look Plan website

We are always on the lookout for ways to improve the support we provide for members. This includes the resources available online, which we have been busy developing in recent months.

For example – and as you may already have noticed – we have made some improvements to our Plan website at <http://pensioninfo.totalenergies.uk>. As this website only contains general information about the Plan, you do not need to log in.

The website has a fresh, new layout, in line with the Company's new branding.

We have added information and resources that we hope you will find useful. The website now includes general details about your DB Section benefits, along with documents about the Plan and the way it works.

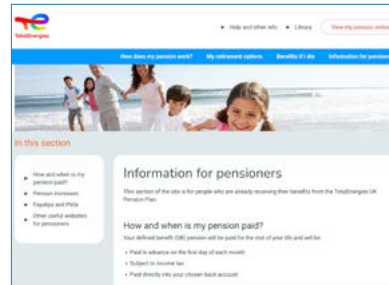
We have also added a link to the 'self-service' portal where you can:

- see details about your individual Plan benefits;
- check and update your Expression of Wish Forms; and
- check and update certain personal details, including your email address.

To access the portal, click the button at the top of the page called 'View my pension online'.

To help us keep your personal details secure, you will need to log in to the portal.

If you have not yet registered to use the portal, click the button on the home page called 'First time user?' and follow the on-screen instructions.



Round-up

Flexible Retirement Options

Flexible Retirement Options are now open to all members who have not started to receive their Plan benefits yet.

The Trustee has appointed an independent financial advisor, WPS Advisory (WPSA), to help you understand your options at retirement. If you decide to use WPSA, they will provide you with one complete round of expert, impartial advice about the different ways you could receive your Plan benefits and what might be best for you. **The Trustee will arrange for you to receive this initial advice for all your benefits in the Plan at retirement – there will be no cost to you.**

There will be more information in your retirement pack, including the details you need to get in touch with WPSA. If you would like to know more in the meantime, please see the Plan website.

Introducing the Total Pensioners' Association (TPA)

By Paul Mason, TPA Vice-Chair

Who are we?

The TPA is a lively, active organisation which provides former Total Group employees with a forum for continued friendship and community beyond our careers in the Company.

What do we do?

We organise a range of activities throughout the year. Examples include monthly lunches, visits to local businesses and institutions (recent trips have included the Aberdeen Art Gallery and the Cooperage at Craigellachie), a long weekend away every Spring and Autumn to locations such as the Lake District, Harrogate and Kingussie; and monthly golf outings from May to October. Whatever you get involved with, there is always a friendly welcome and a familiar face.

Who can join?

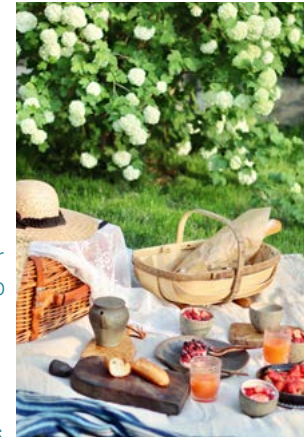
Membership of the TPA is open to anyone who used to work for a TotalEnergies Group company, and their spouse/partner or other nominated person.

Most of our 163 members live in the greater Aberdeen area, but we have colleagues from as far afield as Grimsby and Orkney.

Where can I find out more?

There are more details about the TPA on our website. There is also a link to a membership form. (Membership currently costs £5 for the year.)

<https://totalpensioners.wordpress.com/>



Contact points

For information about the Plan

The Plan website should be your first port of call if you want information about the Plan or your benefits. The website includes a link to the self-service portal where you can see details about your individual benefits.

<http://pensioninfo.totalenergies.uk>

If you cannot find the information you need online, or if you have a question about your membership or benefits, please contact the Plan administrators.

Phone: **0330 123 9570**

Email: **totalenergies@buck.com**

Or, write to: **TotalEnergies UK Pension Plan
Buck (Bristol)
PO Box 319
Mitcheldean
GL14 9BF**

If you need advice

If you would like advice about your Plan benefits, you will need to talk to an independent financial adviser (IFA). If you do not have an IFA, the MoneyHelper website has information about how to go about finding one. Remember that you may have to pay a charge for any advice that you receive.

<https://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser>

If you have not retired yet but are ready to start taking your Plan benefits, remember that we have appointed an IFA called WPS Advisory Limited (WPSA) to help you understand your options. If you decide to use WPSA, they will provide you with one complete round of expert, impartial advice about the different ways you could receive your Plan benefits and what might be best for you. **The Trustee will arrange for you to receive this initial advice for all your benefits in the Plan at retirement – there will be no cost to you.** There is an overview of the advice process on the Plan website, on the page called 'Help and other info'. There will be more information in your retirement pack, including the details you need to get in touch with WPSA.

This newsletter does not give you any right to benefits. Your right to benefits is governed by:

- the Trust Deed and Rules (which form the legal basis of the Plan);
- any laws which apply over the Trust Deed and Rules; and
- the rules of HM Revenue & Customs.