Chair's DC Governance Statement, covering 1 July 2022 to 30 June 2023

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 arrangements (or Default arrangements) for the DC sections on 13 June 2023 which will continue into the next Plan year. The next stage of the review will be reviewing the auto-select arrangements for the DC and DB AVC Sections to ensure they continue to be appropriate to meet the long and short-term investment requirements of the majority of members.
- The Trustee reviewed the phasing of assets within the Growth Fund in November 2022, leading to the decision to increase the allocation of the L&G Low Carbon Transition Fund from 50% to 100%. In addition, the Trustees agreed to 50% of the Growth Fund being allocated to the currency hedged share class of the L&G Low Carbon Transition Fund. The phasing of assets is expected to be completed in December 2023.
- 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 Default or "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 "auto-select" lifestyle arrangement for the DB AVC section held with L&G.

We are responsible for investment governance, which includes setting and monitoring the investment strategy for the Default auto-select 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 Default auto-select arrangements is available using the following link: [Library - Total Energies].

The aims and objectives of the Default 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 they will not be suitable for all members."

We began the review of the Default arrangements on 13 June 2023, during the period covered by this Statement. The review will continue into the next 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.

We are satisfied that the Default auto-select arrangements remain 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 of the Default auto-select arrangement (which began on 30 June 2020 and was concluded on 8 June 2021), we concluded some enhancements could be made to the Default auto-select arrangements. Consequently, some updates were made to both the Growth Fund and the Lump Sum Fund. The changes to the Growth Fund are still currently being phased in up until December 2023.

As part of the previous review of the Default auto-select arrangement, the Trustee agreed to review the phasing of assets within the Growth Fund after a year, at the midway point, in November 2022. Following this review the Trustee agreed to proceed with the increase to the allocation to the L&G Low Carbon Transition Fund from 50% to 100% within the Growth Fund. In addition, the Trustees agreed to 50% of the Growth Fund being allocated to the currency hedged share class of the L&G Low Carbon Transition Fund. The phasing of assets in the Growth Fund is expected to be completed in December 2023, post Plan year end.

In addition to the triennial strategy review we also review the performance of the Default auto-select arrangements against their objectives on an annual 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.

Specified performance-based fees

None of the investments utilised with the default arrangements or the self-select options use performance-based fees.

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
- All monetary transactions are peer reviewed and authorised by 1 x senior administrator or team leader (transactions less than £250,000) or 2x senior administrators and/or team leader (transactions over £250,000) the transaction is then reviewed and released for payment by a treasury administrator and there is a final authorisation by an Administration Manager or above.

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 2023.

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 operates SLAs but is 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. To help assess the proportion of member transactions which have been completed accurately and within SLAs, Aviva has collated data based on the most common demands however has not stated the date the 12 month period is to. This information is only available at platform level and Plan level information is not available.

Service Level Agreement	Turnaround time (days)	Target (as at July 2022)	Monthly average over last 12 months
Process completion on a per transaction basis	5	80.0%	79.9%
Calls answered by the contact centres before the customer abandons the call	N/A	95.0%	95.5%
Complaints completed within FCA deadlines	40	98.0%	99.7%

Prudential

We have not been able to source updated information from Prudential, but it has previously confirmed that they 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

We have not been able to source updated information from Clerical Medical, but it has previously confirmed that they do not have a service level agreement in place. At the time of preparing this Statement, Clerical Medical 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 with both of these providers via our administrator to obtain this information.

4. Member-borne charges and transaction costs

We are required to set out the ongoing 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 are shown as a per annum ("pa") figure and exclude administration charges 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 when 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 auto-select arrangements

The Default auto-select arrangement for the DC Section is the Drawdown Lifestyle. The Default 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 (Default 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%	0.11%
20 or more years to retirement	0.13%	0.11%
15 years to retirement	0.17%	0.10%
10 years to retirement	0.22%	0.10%
5 years to retirement	0.26%	0.10%
At retirement	0.27%	0.08%

The Cash Lifestyle strategy is also the Default auto-select arrangement for the DB AVC section. The annual charges for this lifestyle during the period covered by this Statement are set out in the table above.

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

Years to target retirement date	TER	Transaction costs
25 or more years to retirement	0.08%	0.11%
20 years to retirement	0.13%	0.11%
15 years to retirement	0.17%	0.10%
10 years to retirement	0.22%	0.10%
5 years to retirement	0.26%	0.10%
At retirement	0.14%	0.04%

Self-select options

In addition to the two auto-select arrangements, members also have the option to invest in one other lifestyle, the Annuity Lifestyle, which targets annuity purchase, and several other self-select funds. 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	Transaction costs
25 or more years to retirement	0.08%	0.11%
20 years to retirement	0.13%	0.11%
15 years to retirement	0.17%	0.10%
10 years to retirement	0.22%	0.10%
5 years to retirement	0.26%	0.10%
At retirement	0.07%	0.11%

The level of charges for each self-select fund (including those used in the Default auto-select arrangements) 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 Default auto-select arrangement are shown in **bold**.

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

Fund name	TER	Transaction costs
Global Equity Fund	0.10%	0.07%
Overseas Equity Fund	0.09%	0.07%
UK Equity Fund	0.05%	0.03%
Ethical Equity Fund	0.74%	0.16%
Corporate Bond Fund	0.07%	0.04%
Fixed Interest Gilt Fund	0.04%	0.03%
Index-Linked Gilt Fund	0.04%	0.23%
Growth Fund	**0.08%**	**0.11%**
Climate Aware Passive Equity Fund	0.07%	0.04%
Diversified Multi-Asset Fund	**0.32%**	**0.10%**

Fund name	TER	Transaction costs
Cash Fund	0.11%	0.06%
Lump Sum Fund	**0.14%**	**0.04%**

Legacy AVC options

Legacy AVC fund charges and transaction costs

Aviva

Fund name	TER*	Transaction costs*
Aviva Balanced Managed Fund	Not available**	Not available**
Aviva Managed Unit Linked Fund	Not available**	Not available**
Aviva Sterling Retirement Account Fund	Not available**	Not available**
Aviva UK Equity Fund	0.88%	0.07%

The Funds included in the table above are those that members were invested in as at 30 June 2021. *Aviva as at 5 April 2023. ** Aviva was unable to provide the TERs and transaction costs for these funds in time for inclusion in this Statement.

Prudential

Fund name	TER*	Transaction costs*
Prudential Deposit Fund	N/A**	Not available****
Prudential S3 Discretionary Fund	0.80	Not available****
Prudential S3 Global Equity Fund	0.77	Not available****
With Profits Cash Accumulation Fund	N/A***	Not available****

*Prudential as at 31 October 2023.
**TER rates were not provided. Interest rates are declared on the first of each month, in line with the Bank of England base rate. Any interest is declared monthly and there are no explicit charges.
*** There are no set charges as charges depend on the performance, investment returns achieved and expenses incurred.
**** Prudential was unable to provide the transaction costs for these funds in time for inclusion in this Statement.

Clerical Medical, Phoenix Life and Zurich

We have requested information on TERs and transaction costs from Clerical Medical, Phoenix Life and Zurich. However, as at the time of preparing this Statement, this information has not been received from all providers. We will continue to liaise with each of these providers via our administrator to obtain 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 five 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 five 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. If a Fund does not have a five year track record then transaction costs since inception have been used.
- The illustration is shown for the Default auto-select arrangement (the Drawdown Lifestyle) and also the Cash Lifestyle, as the Default 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 Fixed Interest Gilt Fund.

Projected pension pot in today's money

	Default option		Cash Lifestyle		Ethical Equity Fund		Fixed Interest Gilt Fund	
Years invested	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs
1	£3,700	£3,700	£3,700	£3,700	£3,700	£3,600	£3,600	£3,600
3	£7,200	£7,200	£7,200	£7,200	£7,200	£7,100	£6,900	£6,800
5	£11,000	£10,900	£11,000	£10,900	£11,000	£10,700	£10,200	£10,200
10	£21,900	£21,600	£21,800	£21,600	£22,000	£20,900	£19,100	£19,000
15	£35,000	£34,400	£35,000	£34,400	£35,300	£32,700	£28,600	£28,500
20	£51,000	£49,800	£50,900	£49,800	£51,500	£46,600	£38,800	£38,700
25	£70,000	£67,900	£69,900	£67,800	£71,200	£62,700	£49,900	£49,700
30	£92,500	£88,600	£92,400	£88,600	£95,300	£81,400	£61,800	£61,500
35	£118,800	£112,200	£118,700	£112,100	£124,500	£103,300	£74,700	£74,100
40	£145,700	£135,500	£135,300	£126,500	£160,000	£128,900	£88,500	£87,800

- 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 £2,000. 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 £19,000. 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 2022 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:
- Default auto-select arrangement, Drawdown Lifestyle: 4.0% above inflation for the initial years, gradually reducing to a return of 2.6% above inflation at the ending point of the lifestyle.
- Cash Lifestyle: 4.0% above inflation for the initial years, gradually reducing to a return in line with inflation at the end point of the lifestyle.
  - Ethical Equity Fund: 4.0% above inflation
  - Fixed interest Gilt Fund: 1.5% above inflation
- An allowance for active management outperformance has been made within the Diversified Multi-Asset Fund.

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 calculated the net returns for the 5 years using data provided by L&G in respect of the period before and after 21 October 2021, where strategy changes were made. This year's figures are the first solely using the new strategy, comprising of the Growth Fund, Diversified Multi Asset Fund and Lump Sum Fund.

Drawdown Lifestyle (Default 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	9.0	7.0
45	6.4	5.0
55	2.0	2.8

Cash Lifestyle (Default 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	9.0	7.0
45	6.4	5.0
55	2.0	2.8

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	9.0	7.0
45	6.4	5.0
55	2.0	2.8

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

Fund name	1 year (%)	5 years (% pa)
Global Equity Fund	9.1	7.0
Overseas Equity Fund	12.0	10.2
UK Equity Fund	7.8	3.1
Ethical Equity Fund*	6.4	-
Corporate Bond Fund	-15.5	-5.3
Fixed Interest Gilt Fund	-24.3	-8.2
Index-Linked Gilt Fund	-17.1	-5.6
Growth Fund**	9.0	-
Climate Aware Passive Equity Fund**	10.6	-
Diversified Multi-Asset Fund	-2.7	1.1
Cash Fund	3.0	0.8
Lump Sum Fund**	0.9	-

*This fund was incepted in November 2018 therefore the 5-year performance to 30 June 2023 is not available.
**These funds were incepted in October 2021 therefore the 5-year performance to 30 June 2023 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 and Aviva, although we understand it has been requested by Buck. We will periodically chase the providers, via Buck, to obtain this information.

Aviva

Fund name	1 year (%)	5 years (% pa)
Aviva Balanced Managed Fund	Not available*	Not available*
Aviva Managed Unit Linked Fund	Not available*	Not available*
Aviva Sterling Retirement Account Fund	Not available*	Not available*
Aviva UK Equity Fund	3.3	4.6

Aviva, as at 31 March 2023. The Funds included in the table above are those that members were invested in as at 30 June 2021.
* Aviva was unable to provide the net returns for these funds in time for inclusion in this Statement.

Prudential

Fund name	1 year (%)	5 years (% pa)
Prudential Deposit Fund	0.0	0.0
Prudential S3 Discretionary Fund	2.9	2.5
Prudential S3 Global Equity Fund	7.2	3.0
With Profits Cash Accumulation Fund	1.5	1.2

Prudential as at 30 June 2023.

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 13 December 2023. 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 –** Very good – the administration service provided by Buck is of a very good standard and has maintained very high SLA levels consistently over the past four years, with no breaches over the Plan year.
- **Governance –** Very good – the Pensions Team and Trustee Directors are very committed to the Plan and how it is run, holding regular meetings and making use of external advisors where appropriate.
- **Communications –** Very good – communications are clear, tailored and

informative. The Trustee has recently formalised a three-year plan for the communication strategy.

- **Auto-select (default) investment arrangement –** Very good – the auto- select (default) investment strategy targets drawdown at retirement. The Trustee monitors the strategy and concludes that the 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 offers both an advice service and access to a post-retirement product.
- **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 including costs and charges borne by members; and
- monitor the take up of the advice service and 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. Trustee skill set analysis was conducted in 2023 and no obvious gaps in Trustee skills were identified. 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 are material. During the period covered by this Statement, we received training on the following topics:

- Illiquid investment training (Presented by LCP at the DC Outcomes and Governance Sub Committee ("DCOG") meeting on 29 March 2023);
- Where do annuities sit in the retirement savings jigsaw? (Presentation by LCP to the Trustee at the Trustee Training Day on 17 May 2023) and
- Stewardship and the Task force for Climate Disclosure (Provided by LCP to the Trustee at the Trustee Training Day on 17 May 2023).

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 or are in the process of completing 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 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 Trustee Directors. Candidates interviewing for Trustee positions are encouraged to complete the regulator's toolkit. During the Plan year there were three new Trustee Directors welcomed, who are in the process of completing their regulator's toolkits and will have done so within six months of their appointment.

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 Trustee Directors of the Plan, which we can attend. 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.

DocuSigned by:

Rob White
341D1FC030AC4FA... ______________________ Date: January 24, 2024 | 10:50 AM CET

Signed by the Chair of Trustee of the TotalEnergies UK Pension Plan