



TotalEnergies

PENSION UPDATE

TOTALENERGIES UK PENSION PLAN
FOR MEMBERS OF THE DEFINED CONTRIBUTION (DC) SECTIONS

OCTOBER 2022

Investment matters

Rob White, Chair of TotalEnergies Pension Trustee UK Limited



The savings you build up in your Pension Account depend on the contributions you and your Employer pay each month and – crucially – the way you choose to invest these contributions.

We work closely with our advisers to make sure you have access to an appropriate range of investment options. However, it's up to you to make sure you choose the right option for your situation. This will depend on the goal you have set for your pension savings and your approach to risk, which is likely to change as you get older.

In this issue we take a closer look at your investment options and how these can help you maintain an appropriate balance between risk and return.

As an investor, you also have the opportunity to use your pension savings to help shape the future. We are introducing a new tool that will let you see which companies you are investing in and – importantly – allows you to have your say on key decisions those companies are making. Read more about this exciting new initiative on page 2.

In this issue

Today's five-minute task

Check how you are investing your Pension Account. Go to the Plan website and click the button called 'View my pension online'.

Make sure you are investing in the right way for your needs. If you are investing in one of the Lifestyle options, check that your Target Retirement Age reflects your current plans.

If you decide that you need to make changes, you can do this at any time online.

If you need help with this, you might find it helpful to speak to an independent financial adviser. See page 7.



Using the power of your pension

As a member of the Plan, you are building up valuable savings in your Pension Account – this shows you are invested in your future. But how invested are you in shaping the world you will retire into?

Your Pension Account is invested in global companies whose products and decisions will shape our future. We're introducing a new tool called Tumelo that lets you see exactly which companies you are investing in, and allows you to have your say on key decisions those companies are making.

Find out where you are investing

You may or may not know that your pension money is actually invested in companies. Your savings are pooled together with other people's savings into 'funds' which buy shares in brands that you are probably very familiar with.

So, if you are curious whether your money's invested in the likes of Netflix, Nike, Tesla, Starbucks; or in industries like healthcare, tech, fashion houses or pharmaceuticals – you can use the tool to find out.

Use your pension power

The tool also has a 'voting' feature which allows you to have a say on key decisions being made at the annual general meetings of companies that your pension money is invested in.

You will receive an email about this exciting initiative in the coming weeks. The email will contain more details about Tumelo and how it works. You will need to register to use the tool – the email will explain what you need to do.

Powered by
tumelo

Hi Helen,

How invested are you in... the environment?

You've got a pension, which shows that you are invested in your future.

But how invested are you in shaping it?

Your pension money is invested in global companies whose products and decisions are leading the world by example.

Because you are invested, you get a say on how they do it.

The Tumelo platform will reveal all the companies your pension is invested in, and enable you to vote on the issues you care about.

[Get me started](#)

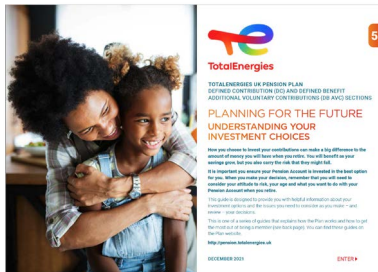
Balancing risk and return

When investing money, it is commonly thought that taking more risk can lead to higher returns. However, taking more risk also increases the range of returns you may receive. For example, investing in a low risk fund such as a cash fund means your savings are better protected from falls, but the expected return you receive will also be low. Conversely, investing in a higher risk equity fund could earn you much higher returns, but your savings could also lose value if equity markets perform badly.

We are all likely to have different aims when it comes to investing for retirement – and different approaches to risk. The range of investment options available through the Plan have been carefully selected so you get the right balance for your situation.

The investment options available through the Plan currently include a range of ten individual Freestyle options and three Lifestyle options.

This section looks at some of the main issues you need to be aware of.



For more details, please see the guide called 'Understanding your investment choices'. This is on the Plan website.

Important

How you choose to invest your contributions can make a big difference to the amount of money you will have when you retire. This means it is important you ensure your Pension Account is invested in the best option for you. You will need to consider your attitude to risk, your age and what you want to do with your Pension Account when you retire. You also need to remember that your approach and plans may change over time, so you need to review your choices from time to time.

If you need help with this, you might find it helpful to speak to an independent financial adviser. See page 7.

Your Freestyle options

Under the Freestyle option, you are responsible for determining your investment strategy, choosing funds that will help you achieve your objectives, monitoring your investments and making any changes as a result of changing markets or your changing needs.

If you have chosen to invest in one or more of the Freestyle options, set a reminder to review your chosen fund(s) from time to time. Make sure that the risk and return characteristics remain appropriate for your circumstances.

Your Lifestyle options

The Lifestyle options are investment strategies which automatically change the way your Pension Account is invested as you move towards retirement. This approach takes away the need for you to make day-to-day investment decisions. See page 5 for more details.

There are three Lifestyle options. Each has been carefully designed to support one of your main benefit options.

- The Drawdown Lifestyle strategy is for members who want to vary the amount they take from their retirement savings each year when they retire. It might also be appropriate for those members who are not sure yet how they might want to use their Pension Account. This is the automatic investment option for members of the DC Sections – in other words, it is where your contributions will be invested if you have not confirmed your own investment choices since joining the Plan.

- The Cash Lifestyle strategy is for members who are interested in taking the full amount of their Pension Account as cash. It is also the automatic investment option for former active members of the Defined Benefit Section who have additional voluntary contributions
- The Annuity Lifestyle strategy is for members who like the idea of using their Pension Account to provide a guaranteed regular income and a tax-free cash sum of up to 25% of their retirement savings.

If you are investing in one of the Plan's Lifestyle options, it is a good idea to keep your decision and your intended retirement age under regular review (see page 5).

Building towards retirement

The investment changes in the Lifestyle options are based on the number of years you have left until you plan to retire. This is your Target Retirement Age.

If you have more than 25 years to go to your Target Retirement Age

This is the 'early growth phase'. The objective during this phase is to help your Pension Account grow as strongly as possible. As retirement is many years away, we believe you can afford to take more risk as you have more time to recover from any investment losses. As a result, your Pension Account is fully invested in the Growth Fund. This Fund has a greater exposure to shares (or equities), which have historically delivered higher returns than other asset classes, such as cash or bonds, over the long term.

The Growth Fund aims to invest in companies with better environmental, social and governance credentials. For example, it invests in companies with proven lower-carbon emissions. It is also committed to reducing emissions over time and be 'net zero' by 2050. These steps are designed to protect your savings from risks relating to climate change.

If you are within 25 and 5 years of your Target Retirement Age

This is the 'late growth phase'. Generating high returns is still important but, you have less time to recover from investment losses. As a result, your investments move into the Diversified Multi-Asset Fund. The aim is to reduce the risk of falls in value and protect the value of your Pension Account

The Diversified Multi-Asset Fund targets long-term growth by investing in a mix of investments. This includes a broad range of traditional and alternative asset classes such as equities, bonds and property.

If you are within around 5 years of your Target Retirement Age

This is 'the approaching retirement phase'. Each Lifestyle strategy starts to move your savings automatically into lower risk investments. Each uses a different mix of investments, depending on how you plan to take your benefits. (See the guide called 'Your choices at retirement' for more details.)

This is designed to reduce the risk of a significant fall in your investments as you near retirement and give you more certainty about the value of your Pension Account so that you can better plan for your retirement.

If you are investing in one of the Lifestyle options, make sure you choose the right Target Retirement Age (see page 6).

Choosing the right Target Retirement Age

As mentioned on page 5, the fund switches in each Lifestyle strategy start to diverge when you get within around five years of your Target Retirement Age.

On joining, the Plan administrators will assume you wish to retire at the Plan's Normal Retirement Date – your 65th birthday. Unless you have told the Plan administrators that you wish to retire at a different date, your Target Retirement Age will also be 65.

If you are investing in one of the Lifestyle options, check your Target Retirement Age. Go to the Plan website and click the button called 'View my pension online'.

If you plan to retire at a different age, please check and update your Target Retirement Age as soon as possible. This means any Lifestyle strategy fund switches will take place at the appropriate time.

Jargon buster

Environmental, social and governance

An umbrella term that encompasses a wide range of factors. Environmental considerations might include physical resource management, pollution prevention and greenhouse gas emissions. Social factors are likely to include workplace diversity, health and safety, and the company's impact on its local community. Governance-related matters include executive compensation, board accountability and shareholder rights.

Responsible Investment (RI)

Responsible investment is the process by which environmental, social and governance issues are incorporated into the investment analysis and decision-making process, and into the oversight of investments through stewardship activities. It is motivated by financial considerations and aims to improve risk-adjusted returns.

Paris Agreement

The Paris Agreement is an international agreement, adopted by nearly 200 countries at the UN climate conference in Paris in December 2015, which sets out a global framework to limit global warming to well below 2°C above pre-industrial times while pursuing efforts to limit it to 1.5°C.

Net zero

This describes the situation in which total greenhouse gas emissions released into the atmosphere are equal to those removed. This can be considered at different levels, eg company, investor, country or global.



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 using your Pension Account to provide 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 use your Pension Account and what might be best for you. **The Trustee will pay for you to receive this initial advice once 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.